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ASX/BSE: **BTE**

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Stimulation of Pitse Pilot well S3.3 delivers strongest reservoir response to date ahead of production well spud.

Highlights

- **Stimulation of Pitse Pilot well Serowe-3.3 has indicated strong permeability and reservoir performance in the Upper Morupule seam, with the highest formation pressure levels and water flow rates recorded at Pitse.**
- **The Upper Morupule Seam, located below the primary Serowe Seam, has previously demonstrated meaningful gas content through desorption analysis.**
- **A temporary wellhead has been installed to safely manage elevated pressure levels, with further stimulation testing scheduled this week.**
- **Spudding of central production well Serowe-3.5B has been deferred by one week to the second week of March to accommodate further stimulation and analysis of well Serowe-3.3 results.**

Botala Energy Ltd's (ASX/BSE: BTE) ("Botala" or "the Company") is pleased to report that stimulation of Pitse Pilot well Serowe-3.3 has delivered the strongest pressure and water flow response recorded to date at the Pitse Pilot, indicating a material improvement in permeability within the Upper Morupule Seam. Free gas bubbling to surface has been observed, with handheld gas detectors confirming the presence of hydrocarbon gas.

This is the first time Botala has applied this stimulation methodology in Project Pitse and the strong reservoir response provides confidence that relatively simple perforation and jetting techniques can materially enhance permeability. A larger stimulation program is planned for the Serowe-3.5B well.

In response to this elevated reservoir behaviour, a temporary wellhead is now in place to ensure safe operational control while the reservoir team conducts a planned step-rate test to further enhance permeability, following which the well will undergo controlled production evaluation including gas flow testing. The well will then be completed and brought online for dewatering and flow-testing.

Figure 1. *Water flowing from Serowe-3.3 to surface post the initial perforation and jetting water returns. (Source: Botala)*

Botala Energy Chief Executive Officer, Mr Kris Martinick, said:

"The response from well Serowe-3.3 is extremely encouraging and confirms that the Upper Morupule Seam is highly receptive to relatively simple stimulation techniques. Water was only slowly returning to surface prior to stimulation, however following perforation and jetting we observed a strong increase in water flow accompanied by visible gas breakout. This indicates a meaningful improvement in seam permeability.

"We will now do a 'step-rate' test to further stimulate the well before bringing it online. The reservoir engineering team are excited.

"These results will inform optimisation across the broader pilot, including well Serowe-3.2, where we will apply this same technique but to only the Serowe Seam, and the central production well Serowe-3.5B."

"While we have deferred Serowe-3.5B's spud by one week to accommodate an extended analysis of the Serowe-3.3 well, the additional insight will ultimately strengthen the pilot program and the technical foundation of the larger development."

Figure 2. *Pitse Pilot well Serowe-3.3 perforation and jetting operations. (Source: Botala)*

Project Pitse Context

Project Pitse is a multi-well pilot designed to progressively de-risk reservoir performance prior to scaling the Serowe CBM Project towards commercial LNG development.

To date, Botala has:

- established dewatering support wells to initiate pressure drawdown;
- acquired reservoir data across both the Serowe and Upper Morupule seams; and
- demonstrated a strong stimulation response in the Serowe and Upper Morupule Seams.

The results from well Serowe-3.3 will provide optimisation across the broader pilot, including well Serowe-3.2 and, importantly, our first targeted central production well, Serowe-3.5B, which will spud in the second week of March and is expected to provide crucial flow-rate data to support reserves determination and a Bankable Feasibility Study (BFS).

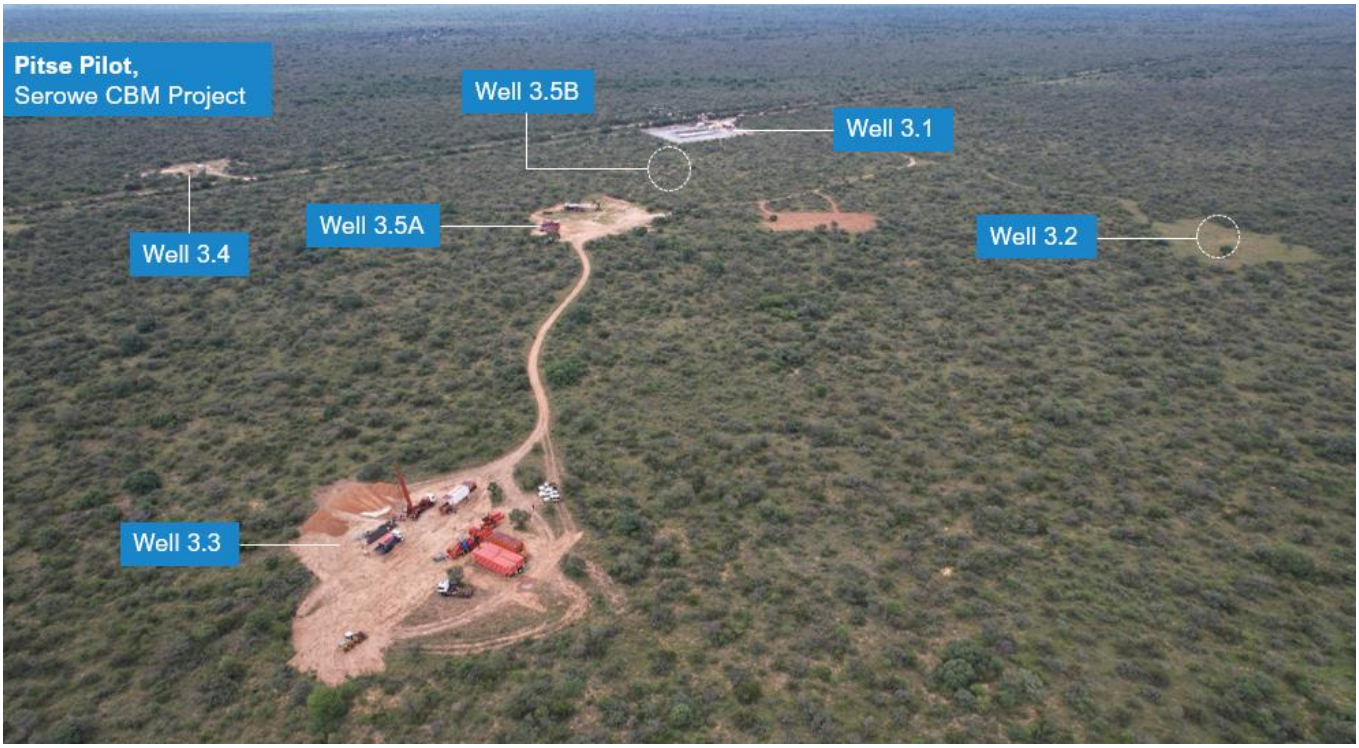

Figure 3. *The Phase 1 Pitse Pilot at Botala's Serowe CBM Project in Botswana is a "proof-concept" to establish a production pathway to 3.5 petajoules of LNG per year to meet growing demand in southern Africa. (Source: Botala)*

Figure 4. *Simple, shallow conventional wells with perforated casing and standard completions will target three seams at the Serowe CBM Project. (Source: Botala)*

Approved by the Board of Botala Energy Ltd.

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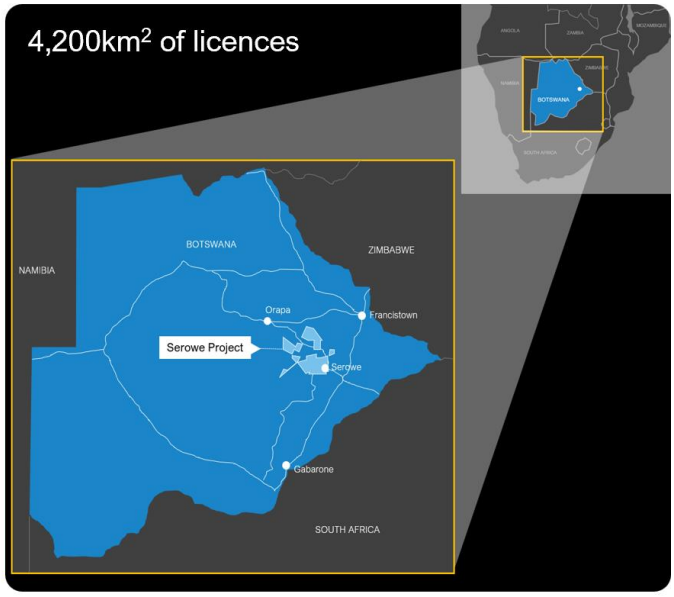
Forward-looking Statements

This document may contain certain statements that may be deemed forward-looking statements. Forward looking statements reflect Botala's views and assumptions with respect to future events as at the date of the Announcement and are subject to a variety of unpredictable risks, uncertainties, and other unknowns that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Actual and future results and trends could differ materially from those set forth due to various factors that could cause results to differ materially include but are not limited to: industry conditions, including fluctuations in commodity prices; governmental regulation of the gas industry, including environmental regulation; economic conditions in Botswana and globally; geological technical and drilling results; predicted production and reserves estimates; operational delays or an unanticipated operating event; physical, environmental and political risks; liabilities inherent in gas exploration, development and production operations; fiscal and regulatory developments; stock market volatility; industry competition; and availability of capital at favourable terms. Given these uncertainties, no one should place undue reliance on these forward-looking statements attributable to Botala, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this Announcement sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise.

About Botala Energy Ltd

Botala Energy Ltd (ACN 626 751 620) is an ASX-listed Coal Bed Methane (**CBM**) exploration and development company focused on developing production from its 100% owned Serowe CBM Project located in a high-grade CBM region of Botswana (and related early-stage renewable energy opportunities). Botala (as Operator) is focused on developing the Serowe CBM Project and believes that there is a considerable opportunity for it to commercialise the project due to the demand for stable power supply in Botswana and elsewhere in Southern Africa. Botala is listed on the Australian Securities Exchange and the Botswana Stock Exchange.



Appendix A – Listing Requirements

The following information is provided in respect of this announcement and the reporting of contingent resources and prospective resources.

Listing Rule	Rule	Response
5.30	An entity publicly reporting material exploration and drilling results in relation to petroleum resources must include all of the following information in that report and give the report to ASX for release to the market. (a) The name and type of well. (b) The location of the well and the details of the permit or lease in which the well is located. (c) The entity's working interest in the well. (d) If the gross pay thickness is reported for an interval of conventional resources, the net pay thickness. (e) The geological rock type of the formation drilled. (f) The depth of the zones tested. (g) The types of test(s) undertaken and the duration of the test(s). (h) The hydrocarbon phases recovered in the test(s). (i) Any other recovery, such as, formation water and water, associated with the test(s) and their respective proportions. (j) The choke size used, the flow rates and, if measured, the volumes of the hydrocarbon phases measured. (k) If flow rates were tested, information about the pressures associated with the flow and the duration of the test. (l) If applicable, the number of fracture stimulation stages and the size and nature of fracture stimulation applied. (m) Any material volumes of non-hydrocarbon gases, such as, carbon dioxide, nitrogen, hydrogen sulphide and sulphur. (n) Any other information that is material to understanding the reported results.	a) Well title is Serowe-3.3 and is an appraisal well targeting Coal Bed Methane. b) Serowe-3.3 is located at Latitude -22.24598 and Longitude 26.19531136 in Mining Licence ML-52 (previously Prospecting Licence PL-400). c) Botala Energy Ltd working interest is 100% in the well. Coal seam thickness is 24m. d) Not Applicable. e) The Geological rock type is coal. f) The Serowe seam was encountered a depth of 342m and the Upper Morupule was encountered at a depth of 373m. g) Upper Morupule Seam has been jetted as part of the perforation program to open the casing; the well will undergo a 'Step-rate' test prior to installation of the completion ahead of flow-rate testing. h) Logging results will identify the hydrocarbon content, gas has been observed at surface and confirmed as hydrocarbon using hand held gas detectors. i) Water volumes will be tested in subsequent flow-testing. j) Not Applicable. k) Not Applicable. l) Not Applicable – Coals have been 'jetted' as part of the casing perforation process. A downhole tool compiled of jetting nozzles inject under high pressure a mixture of water and abrasive sand to cut open the steel casing. Once the steel was perforated, the operation continues to allow the perforation to extend into the coal itself. The size of the perforation into the coals is likely to be less then 1 meter. m) Not Applicable. n) Not Applicable.