

ASX Release | 25 September 2026

Pitse Pilot principal well 3.5B flows stabilised gas earlier than expected.

Highlights:

- Pitse Pilot's central production 3.5B well has achieved its first continuous gas flare, flowing for more than 4 days with the flow rate of the well steadily increasing.
- Gas flow commenced significantly earlier in the dewatering process than expected, with the water level still ~60m above the coal seam compared to the anticipated ~20m level before gas flow would begin.
- The early and steadily increasing gas flow is an encouraging early indication of the stimulated coal seam's ability to release and flow gas.
- Water volumes from the well have been well above those of the surrounding unstimulated wells, consistent with the stimulation program having materially improved connectivity within the coal seam.
- Dewatering has been deliberately slowed to a lowering of the water level in the well pipe to 3 to 5m per day to bring the well on in a controlled and careful manner to protect the stimulated coal.
- The next key objective is to monitor gas production as it continues to increase against Botala's targeted commercial production benchmark of more than 70 gigajoules per day.

Botala Energy Ltd (ASX/BSE: BTE) (Botala) has achieved an important milestone at its Serowe Coal Bed Methane (CBM) Project in Botswana, with Pitse Pilot well 3.5B delivering continuous and steadily increasing gas flow significantly earlier in the dewatering process than expected.

The result is an encouraging early indication that the stimulation program undertaken at 3.5B has improved the ability of gas and water to move through the coal seam and into the well.

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

"This is exactly the kind of news we have been working towards. To see gas flowing this early and the water level still high above the coal, it tells us the well is performing better than we planned, and that the stimulation opened up far more of the Serowe coal seam than we first thought."

"These are encouraging indicators. The important work is to bring the well on carefully and establish what it can deliver on a stable and sustainable basis."

"Demonstrating commercial flow rates is the critical step towards developing the broader Serowe CBM Project, which is estimated to host a prospective resource of 7.1 Tcf."

First continuous gas flare achieved

Over 20 and 21 September, well 3.5B achieved its first continuous gas flare, sustaining gas flow for more than 30 hours and has been producing since. This represented a step change from the shorter periods of gas flow observed previously and provides Botala with increasing confidence as the well progresses towards stable production testing.

Importantly, gas began flowing while the water level remained approximately 60m above the coal seam. Botala had expected that the water level would need to be lowered to approximately 20m above the coal before meaningful gas flow commenced.

Coal bed methane is released as water is progressively removed from the coal seam, reducing reservoir pressure and allowing gas held within the coal to flow towards the well. The fact that gas has commenced flowing with substantially more water remaining above the coal than anticipated indicates that 3.5B has responded earlier in the dewatering cycle than Botala's pre-test expectations.

While further dewatering and production testing are required before the well's gas rate can be determined, the early response is encouraging as Botala works towards its targeted commercial production benchmark of more than 70 gigajoules per day.

Stimulation showing encouraging early response

Water production from 3.5B has been substantially higher than from surrounding wells that have not undergone the same stimulation process.

This is consistent with the stimulation treatment having opened additional natural pathways within the coal seam, increasing the volume of coal connected to the well.

The combination of higher water production and earlier-than-expected gas flow provides encouraging evidence that the stimulation program is having its intended effect.

Botala will continue to assess the well's response as reservoir pressure declines and further gas is released from the coal.

Controlled dewatering to protect well performance

With gas now flowing earlier than anticipated, Botala has deliberately reduced the rate of dewatering in the well pipe to approximately 3 to 5m per day to bring the well on in a controlled and careful manner to protect the stimulated coal.

The controlled approach is designed to progressively reduce reservoir pressure while minimising the risk of drawing sand and other material from the stimulated coal pathways into the well.

Rather than accelerating dewatering to reach the coal seam as quickly as possible, Botala's priority is to preserve the integrity of the stimulated reservoir and establish stable gas production.

The water level will therefore continue to be lowered progressively over the coming weeks while gas and water production are closely monitored.

Next milestone: establishing commercial gas production

The next phase of the program will focus on establishing commercial gas flow and determining the sustainable production capacity of well 3.5B.

Botala's targeted commercial benchmark is gas production of more than 70 gigajoules per day from the well.

The Company will continue monitoring gas flow, water production and reservoir response as dewatering progresses and will provide further updates as meaningful production milestones are achieved.

This announcement has been authorised for release 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 focused on developing its 100%-owned Serowe Coal Bed Methane (CBM) Project in Botswana. The Company is currently advancing the Pitse Pilot at the project to de-risk reservoir performance, support reserves determination and progress a Bankable Feasibility Study for future commercial development. Botala's strategy is to establish a scalable CBM-to-LNG production pathway capable of supplying domestic and regional energy markets in Southern Africa. With certified gas resources, granted development tenure and a growing operational footprint, Botala is positioned to support Botswana's energy security and create long-term value for shareholders. 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 stimulation stages and the size and nature of 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-3.5B and is an appraisal well targeting Coal Bed Methane. b) Serowe-3.5B is located at Latitude -22.24839 and Longitude 26.19624 in Mining Licence ML-52 (previously Prospecting Licence PL-400). c) Botala Energy Ltd working interest is 100% in the well. d) Coal seam thickness is 23m in total consisting of 13m of Serowe Seam and 10m of Upper Morupule Seam. e) The Geological rock type is coal. f) The Serowe seam was encountered at a depth of 377m and the Upper Morupule seam was encountered at a depth of 397m. g) A Diagnostic Stimulation Injection Test (DSIT) has been completed on the Serowe Seam. A step-rate test (SRT) was completed ahead of the stimulation, flow testing to commence. h) Gas is the target hydrocarbon and will be measured once well is completed. i) Stimulation water was recovered with no visible returns of proppant, water is currently being evaporated. Produced water volumes will be tested in subsequent flow-testing. j) 4-inch choke, flow rates have just commenced. k) Not Applicable. l) Single stimulation conducted over 1.5hrs with 2,200 bbl of total fluid and 43.5 tons of sand at a rate of 24 bbls/min. A stable pressure range from 390-450 documented during the duration with no pressure spikes. m) Not Applicable. n) Not Applicable.