

Building Momentum

Annual Report 2026



Building Momentum.

FY2026 was a year of building momentum for Botla Energy. At our Serowe Coal Bed Methane Project, we strengthened our understanding of the resource and progressed the Pitse Pilot towards demonstrating commercial gas potential. Each milestone brings Botla closer to unlocking a significant domestic energy opportunity for Botswana.



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Corporate Directory

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Executive Director and Chairman

Mr Craig Basson
Executive Director

Mr Peter Desmond Grant
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ASX and BSE Code: BTE

Australian Business Number

41 626 751 620

Chairman's Letter



Wolf Martinick
Executive Chairman

“During FY2026, our focus increasingly turned to the Pitse Pilot and the work required to demonstrate sustained gas production from the Serowe CBM Project.”

“Our objective is to establish the technical and commercial foundations for a scalable domestic gas business capable of supplying energy to Southern Africa’s industrial, commercial and power markets.”

Dear Shareholders,

The 2026 financial year was one in which Botala Energy built genuine momentum.

Across our Serowe Coal Bed Methane Project in Botswana, we continued to move methodically from resource definition towards demonstrating the commercial potential of the gas beneath our extensive acreage. The progress made during the year has brought us to an important point in Botala’s development and, as I write this letter, we stand on the eve of what we hope will be another significant milestone: reporting first gas flows from the Pitse Pilot.

Momentum in our business is not defined by any single well, announcement or result. It is the cumulative product of the technical knowledge we have developed, the infrastructure we have established, the wells we have drilled and stimulated, the lessons we have incorporated into each successive phase of work and, importantly, the growing evidence that the Serowe coal seams can respond positively to dewatering and stimulation.

During FY2026, our focus increasingly turned to the Pitse Pilot and the work required to demonstrate sustained gas production from the Serowe CBM Project.

The Pitse program is central to that objective. It is designed to provide the production data and reservoir understanding necessary to advance Serowe from a substantial gas resource towards a commercially viable energy development.

Importantly, the work undertaken during the year has continued to improve our understanding of how the reservoir behaves.

Our recent activities at Pitse, including the stimulation and subsequent dewatering of well 3.5B, have provided encouraging indications of connectivity between the production well and the coal formation. Strong water production following stimulation is an important part of the CBM dewatering process, reducing reservoir pressure and creating the conditions required for gas to desorb from the coal and flow towards the well.

We are now approaching the point at which that technical progress may begin to translate into the outcome shareholders have been waiting to see: measurable gas flow.

While we remain appropriately cautious until sustained production performance has been established, the progress at Pitse has strengthened our confidence that the work undertaken over successive campaigns is moving the project in the right direction.

The potential prize is significant.

Serowe contains a substantial 2C contingent gas resource and sits within a region seeking secure, reliable and domestically sourced energy. Southern Africa currently relies heavily on imported energy, creating a compelling strategic opportunity for the development of its own natural gas resources.

Botala's ambition therefore extends well beyond proving that gas can flow from a single pilot. Our objective is to establish the technical and commercial foundations for a scalable domestic gas business capable of supplying energy to Southern Africa's industrial, commercial and power markets. Successful production from Pitse would represent an important step along that pathway and provide valuable information for future field development, infrastructure planning and commercial discussions.

This is why the work completed during FY2026 matters.

Each well drilled, each stimulation undertaken, each period of dewatering and each piece of production data adds to our understanding of Serowe and helps reduce the technical uncertainty associated with developing a new CBM province.

That knowledge is cumulative. So too is the momentum it creates. The coming period has the potential to be one of the most consequential in Botala's history.

On behalf of the Board, I would like to acknowledge our employees, contractors and technical teams for their commitment throughout the year. I also thank our shareholders for their continued support and patience. Developing an energy resource of this scale takes time, persistence and capital, and we remain very conscious of the confidence shareholders have placed in the Board and management.

We have done much of the hard work required to reach this point. Now our task is to convert that progress into production, production into commerciality and commerciality into a long-term energy business.

The momentum is building.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Wolf Martinick', with a stylized flourish at the end.

Wolf Martinick
Executive Chairman
Botala Energy Ltd

Review of Operations



Serowe CBM Project

Botswana, Africa

100% ownership

Building Momentum

The 2026 financial year marked an important transition for Botata Energy as the Company moved its 100%-owned Serowe Coal Bed Methane (CBM) Project in Botswana decisively closer to production testing and commercial validation.

The central focus throughout the year was the Pitse Pilot, Botata's Phase 1 proof-of-concept development designed to demonstrate sustainable gas production, establish reservoir performance and provide the technical data required to support reserves certification, field development planning and the next stage of the Bankable Feasibility Study (BFS).

The progression during FY2026 was deliberate and cumulative. Early work concentrated on bringing support wells online, increasing dewatering capacity and understanding reservoir pressure behaviour. That work was followed by stimulation of Pitse Pilot well 3.3, drilling of the purpose-designed 3.5B production well and confirmation of thicker and more continuous coal than anticipated. By year end, well 3.5B had been drilled, logged and cased, with stimulation preparations advanced and the project positioned to move into production testing.

Subsequent to 30 June 2026, this progression continued with successful permeability testing and stimulation of well 3.5B, followed by the commencement of controlled dewatering and commercial production testing. Early August results subsequently demonstrated a materially stronger reservoir response than previously observed at Pitse, providing further encouragement as Botata works towards first gas and determination of a sustainable production rate.

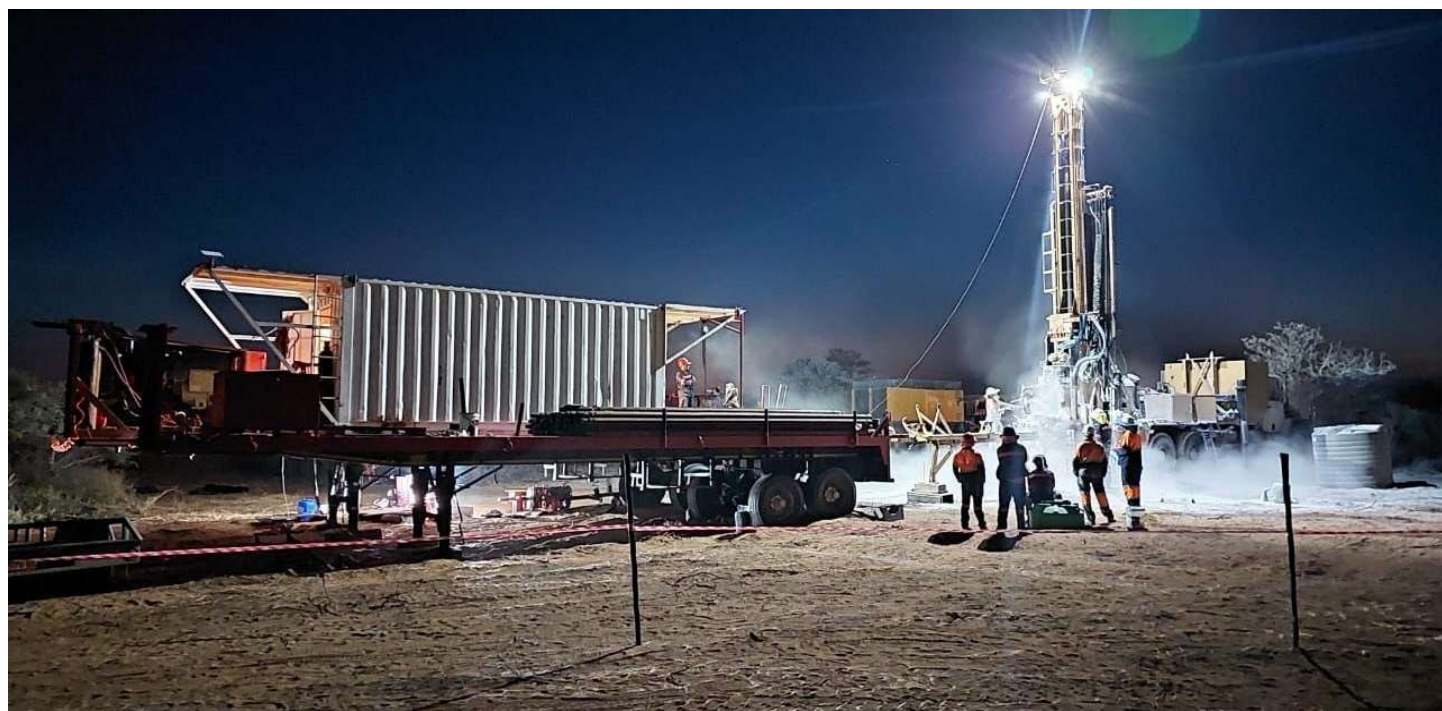


Figure 1. Pitse Pilot central production well 3B was spudded in March 2026.

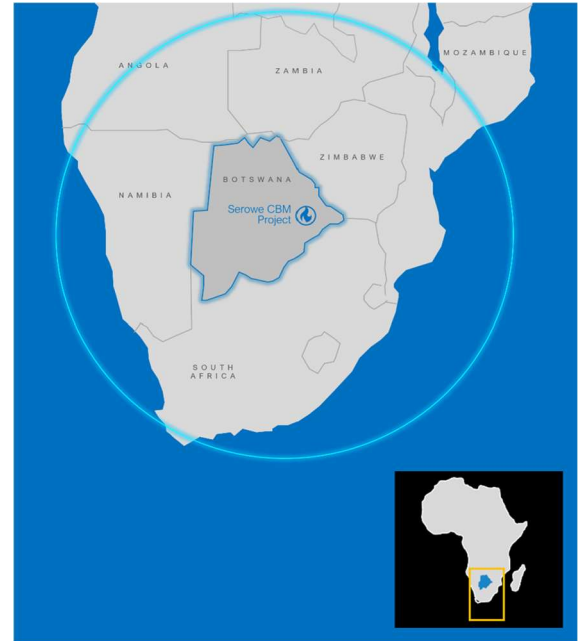
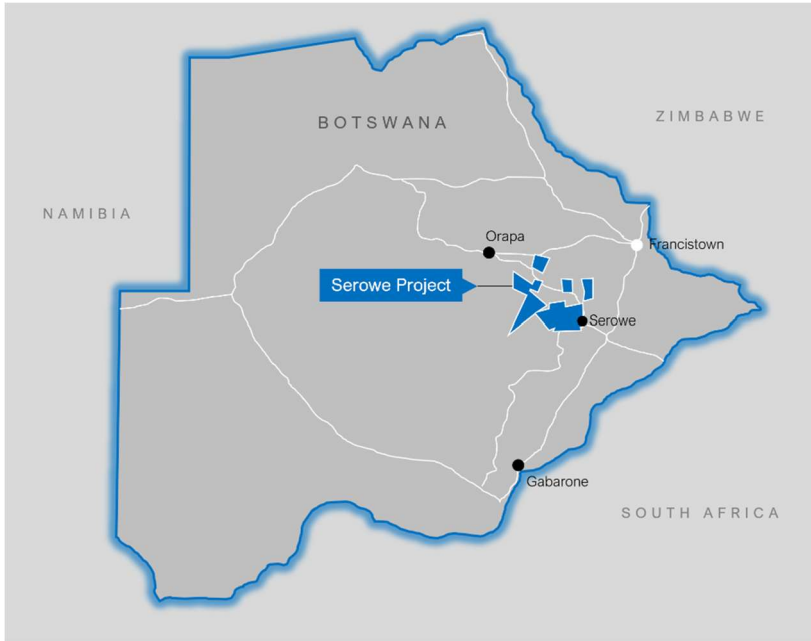


Figure 2. Botala's Serowe CBM Project covers Botswana's gas sweet spot and is well positioned to serve Southern Africa's increasing call for gas.

Serowe Project: Unlocking Botswana's energy potential

Botala's Serowe CBM Project is located within Botswana's Karoo-Kalahari Basin and provides the Company with exposure to a substantial gas resource in a region facing an emerging structural shortage of natural gas.

Botala has independently certified 2C contingent resources of approximately 454bcf (~471PJ) and 2U prospective resources of 7,112 Bcf (~7,542PJ), with the existing resource position generated from less than ~5% of the Company's exploration acreage. The scale of the remaining undrilled acreage provides considerable potential for future resource growth should commercial production be demonstrated.

The project is being developed through a staged pathway intended to demonstrate reservoir performance at increasing scale and progressively establish the infrastructure required to supply gas into Botswana and the wider Southern African market.

Pitse is a 6-spot pilot well programme which represents the first and most important step in that pathway.

The information generated by Pitse will inform well design, spacing, stimulation methodology, water management, reserves certification and ultimately the field development plan.

Pitse Pilot: Building the conditions for production

During FY2026, Botala progressively developed Pitse into a multi-well pilot capable of testing the interaction between dewatering, reservoir pressure and gas production.

This approach recognises a fundamental characteristic of CBM production: water must first be removed from the coal formation to reduce reservoir pressure sufficiently for methane held within the coal matrix to desorb and flow through the natural fracture or “cleat” network towards the production well.

Accordingly, the surrounding Pitse wells were developed not simply as individual gas wells but as part of an integrated reservoir management system designed to create pressure drawdown around the principal production well.

During the September quarter, Pitse Pilot well 3.4A was brought online and commenced dewatering, while an acid wash at well 3.1 materially improved well productivity and approximately tripled well pressure. These results provided important operating information and reinforced the value of applying relatively low-cost well intervention techniques to improve reservoir performance.

Progress continued during the December quarter. Well 3.5A was perforated, completed and equipped with a downhole pump, adding another well capable of contributing to controlled pressure drawdown across the pilot. Wells 3.1 and 3.4 continued to provide reservoir and operational data while preparations advanced for the remaining support wells and, most importantly, the central production well 3.5B.

By the end of the first half, Botala had therefore established much of the dewatering infrastructure required to begin testing the Pitse reservoir as an interconnected system rather than as a series of isolated wells.

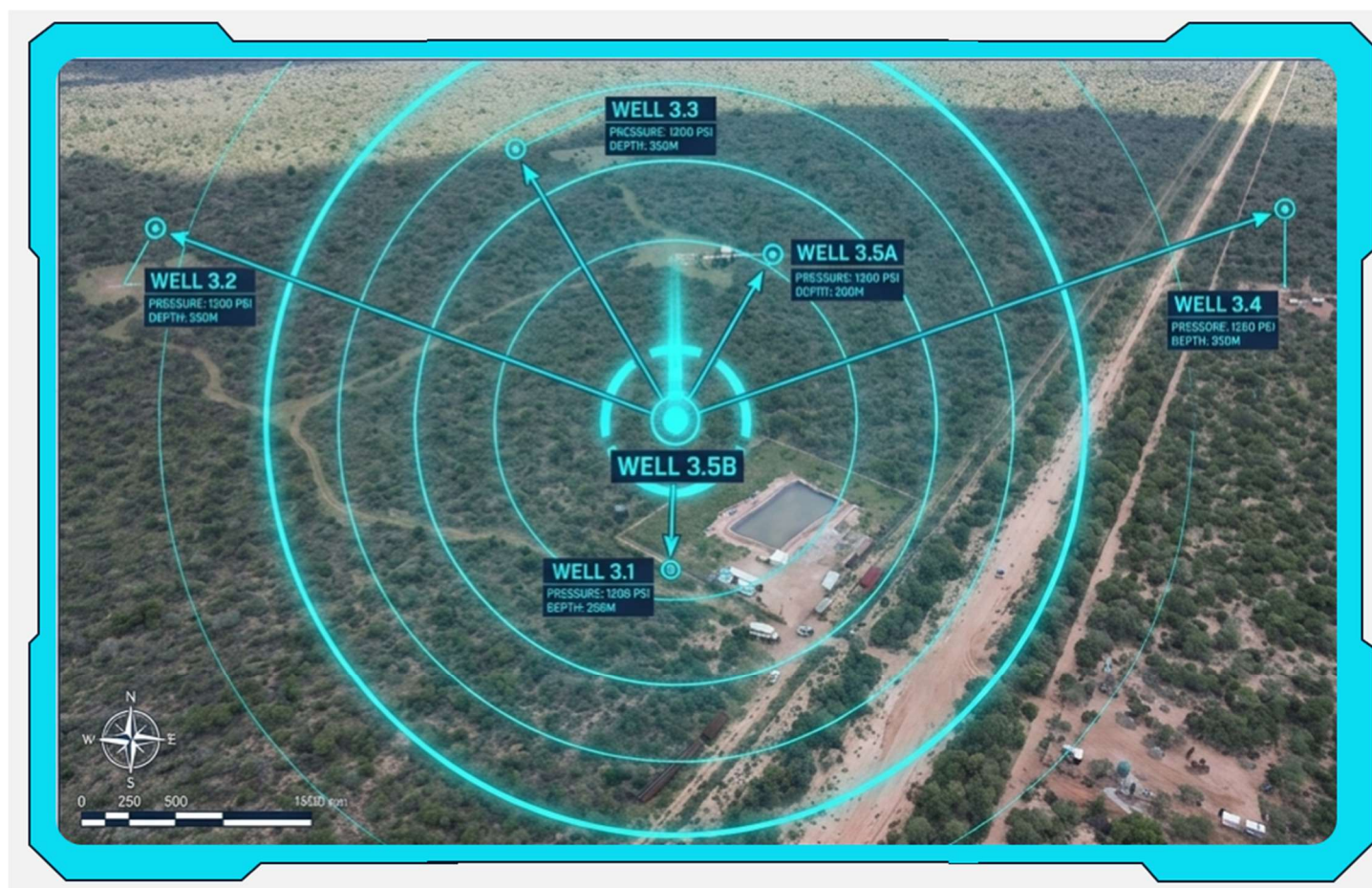


Figure 3. The Phase-1 Pitse Pilot at Botala's Serowe CBM Project in Botswana is designed to establish a production pathway to 3.5 petajoules of LNG per year.

Well 3.3: An important reservoir response

The March quarter provided another important technical advance through work undertaken at well 3.3.

Stimulation activities generated what was at that time the strongest reservoir response recorded at Pitse and provided encouraging evidence of improved permeability within the second seam, the Upper Morupule coal seam.

The results were important for two reasons.

Firstly, they demonstrated that stimulation could materially improve communication between the wellbore and the coal formation, supporting Botata's strategy of refining a repeatable and relatively low-cost completion methodology for future wells.

Secondly, the response provided evidence that the Upper Morupule seam may ultimately contribute to production alongside the primary Serowe target, introducing potential additional productive capacity within the Pitse wellfield.

The results from well 3.3 were incorporated into the design of subsequent stimulation activities, including optimisation of perforation, injection rates and fluid systems for the principal 3.5B well.

This process, test, learn, refine and apply, became an important feature of Botata's FY2026 operating strategy and enabled each successive well to benefit from the information generated by those preceding it.

Principal production well 3.5B: Moving from appraisal towards commercial validation

The defining operational development of the second half of FY2026 was the drilling of Pitse Pilot well 3.5B.

Spudded in late March 2026, 3.5B was fundamentally different from the preceding Pitse wells. It was specifically designed as the pilot's principal production well and incorporates the well configuration, completion approach and stimulation techniques Botata intends to evaluate for future commercial development.

The support-well network comprising 3.1, 3.3, 3.4 and 3.5A was established around the production well to progressively depressurise the surrounding reservoir and create the conditions required for gas production from 3.5B.

During the June quarter, drilling progressed to a total depth of 449m, after which open-hole wireline logging provided an important geological validation of the Pitse development model.

Logging confirmed:

- 13m of net Serowe coal, approximately 30% thicker than the pre-drill estimate of approximately 10m;
- a particularly consistent 11m clean coal interval within the Serowe seam;
- approximately 10m of Upper Morupule coal; and
- a combined 23m of Serowe and Upper Morupule coal within the wellbore.

Importantly, comparison with offset wells 3.1, 3.2 and 3.3 demonstrated strong lateral continuity across the Pitse Pilot. Serowe seam thickness across the four wells ranged between approximately 12m and 14m, while the Upper Morupule seam was similarly consistent.

For development purposes, continuity is particularly important. A laterally persistent coal package reduces geological uncertainty and strengthens confidence that completion and stimulation methodologies established at Pitse may ultimately be replicated across a larger wellfield.

The quality of the Serowe coal was also encouraging because a relatively clean coal interval allows stimulation energy to be concentrated within the productive formation rather than dissipated through non-productive interburden.

Following completion of logging, 3.5B was cased and prepared for stimulation, leaving Botata at 30 June 2026 positioned immediately before the most important production-testing phase undertaken at Serowe to date.

Subsequent events: stimulation and production testing

The work completed during FY2026 created the platform for a series of important post-year-end milestones. In July, diagnostic testing at 3.5B demonstrated that the Serowe seam possessed sufficient permeability to accept stimulation fluid and provided the engineering parameters required for the main stimulation treatment. This represented an important technical checkpoint before Botla committed to full stimulation.

Botla subsequently completed the stimulation of 3.5B and moved the well into commercial production testing.

Approximately 2,200 barrels of stimulation fluid and 43.5 tonnes of sand were pumped during the treatment. Following reduction of wellhead pressure, approximately 700 barrels of stimulation fluid, around 30% of the injected volume, were recovered. Water from the surrounding coal formation began flowing into the well immediately, demonstrating hydraulic communication between the wellbore and the stimulated reservoir. Importantly, no proppant was recovered during flowback, indicating that the sand designed to hold the newly created pathways open had remained within the formation.

Controlled dewatering then commenced to progressively lower reservoir pressure towards the point at which methane can desorb from the coal and begin flowing through the connected “cleat” network.

The early reservoir response reported on 3 August 2026 was particularly encouraging.

Well 3.5B was producing approximately 200 barrels of water per day, around five times the initial rate achieved at well 3.1 and materially higher than previous Pitse wells. At the same time, the well had developed approximately 6 psi of casing pressure, despite the water level remaining approximately 210m above the planned operating level.

For a CBM well, high initial water productivity can be constructive. It indicates effective connectivity between the well and the stimulated coal formation and provides the mechanism through which reservoir pressure can be reduced. The combination of strong water production and early casing-pressure development therefore provides encouraging evidence that stimulation has established effective flow pathways through the Serowe coal.

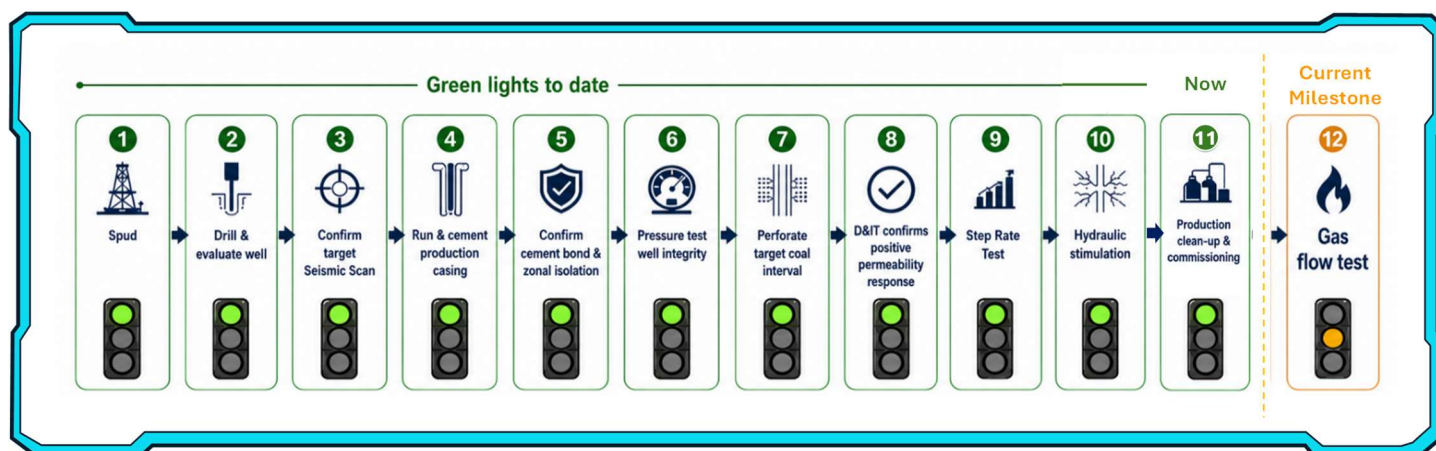


Figure 4. Well 3.5B has now completed the final engineering stage before commercial production testing.

Well 3.3 has also continued rebuilding pressure from the Upper Morupule seam, adding further evidence that a second coal horizon is responding to the broader Pitse dewatering program.

Production testing and optimisation remain underway.

Botla’s objective is now to demonstrate first gas breakthrough and establish the volume and sustainability of gas production from 3.5B. The Company has identified a sustained production rate above approximately 70 GJ per day as its internal benchmark for supporting the current development concept.

Successful achievement of that objective would represent a major technical milestone for Serowe and provide important inputs into reserves certification, future well design, development density and the next phase of the BFS.

A staged pathway to commercial production

Pitse is not intended to be an endpoint.

It is the first stage in Botata's broader strategy to establish a scalable CBM-to-LNG business capable of supplying Botswana and regional industrial markets.

The Company's development concept progressively scales from the Pitse proof-of-concept into a nine-well development incorporating an initial mini-LNG unit, followed by larger multi-well developments and ultimately a full-scale LNG operation. Botata's current staged pathway envisages an initial mini-LNG production capacity of approximately 0.25 PJ per annum, increasing through subsequent development stages towards approximately 3.5 PJ per annum.

The staged model is designed to match capital deployment with increasing technical confidence.

Rather than requiring the entire Serowe development to be financed before first production, the strategy provides a pathway through which smaller-scale gas production can demonstrate operating performance, validate well economics and progressively de-risk expansion.

The results from Pitse therefore have significance well beyond the pilot itself.

They are intended to establish the technical template from which a larger and repeatable production model can be developed.



Figure 5. A phased, risk managed pathway to grow gas production at the Serowe CBM to 3.5PJ/year.

Commercial pathway

The development of Serowe is occurring against a favourable regional backdrop.

Southern Africa is approaching a material reduction in conventional gas supply, increasing the strategic importance of new regional gas sources for industrial users seeking secure and reliable energy.

Botata's commercial strategy has been developed in parallel with its technical program.

The binding Letter of Intent signed with SCAW South Africa in March 2025 remains an important foundation for the project's commercial development. The arrangement provides SCAW with exclusive rights to procure up to 3.5 PJ per annum of LNG, representing the planned output of the initial large-scale development, with an option to increase purchases to 4.7 PJ per annum as production expands. SCAW is also participating in the BFS and associated infrastructure planning.

The presence of an identified industrial customer provides Botala with a clear commercial endpoint as it advances the technical work necessary to demonstrate production capability.

With Pitse approaching the stage where actual reservoir production performance can be measured, the technical and commercial workstreams are increasingly converging.

Strategic participation from Botswana

FY2026 also delivered further progress in discussions with the Minerals Development Company Botswana (MDCB), the Botswana Government's investment arm.

In October 2025, MDCB confirmed its intention to acquire a 15% interest in the Serowe CBM Project, subject to relevant approvals and completion of definitive documentation.

In December, the proposed investment was increased through a non-binding term sheet comprising BWP30 million for a 15% project interest and BWP5 million in consideration for a 1% royalty based on received LNG price over a 20-year term from commercial production.

Botala continues to engage with MDCB on commercial agreement negotiations.

Funding the FY2026 work program

Botala strengthened its capital position at several points during the year to maintain momentum across the Pitse program.

In August 2025, the Company raised approximately A\$1.5 million to support drilling and stimulation of 3.5B, feasibility activities and working capital.

This was followed in February 2026 by a A\$3 million placement, principally directed towards drilling, stimulation and flow testing at Pitse and associated BFS work.

In the June quarter, Botala secured a further A\$1.45 million placement from a sophisticated African investor, broadening the Company's African shareholder base while providing additional funding for the development program.

At 30 June 2026, Botala held approximately A\$1.52 million in cash.

Experienced energy finance and commercial executive Rory Burn was appointed Chief Financial Officer effective 1 July 2026, strengthening the management team as Botala increasingly shifts its focus from appraisal towards production, project financing and commercialisation.

Outlook

The work completed during FY2026 materially advanced Botala from preparation towards production testing.

At the beginning of the year, Pitse was predominantly a collection of appraisal and dewatering wells generating information about reservoir behaviour.

By year end, Botala had established the support-well network, demonstrated positive reservoir response to stimulation, drilled its principal production well and prepared 3.5B for stimulation and flow testing.

The subsequent successful stimulation and strong initial dewatering response have continued that momentum into FY2027.

The next objective is clear: reduce reservoir pressure sufficiently to achieve gas breakthrough and determine the sustainable production capability of the Pitse wellfield.

That result will provide Botata with its most important reservoir data to date and, if successful, establish the platform for updated reserves work, completion of the next phase of the BFS and progression towards an initial commercial LNG development.

FY2026 was therefore not simply another year of exploration.

It was the year in which the individual components required for production began to come together, geology, well design, dewatering, stimulation, commercial planning, funding and strategic participation.

Botata enters FY2027 with momentum building and the Serowe CBM Project approaching its most important technical inflection point to date.

Environmental regulation, sustainability and governance

The Directors are satisfied that adequate systems are in place for the management of its environmental responsibilities and compliance with its various licence requirements and regulations. The Directors are not aware of any breaches of these requirements and to the best of their knowledge, all activities have been undertaken in compliance with environmental regulations.

Botala's environmental and occupational health and safety ("OHS") obligations are regulated under both State and Federal Law or in the case of Botala's overseas interests, by the governing laws of that country. All environmental and OHS performance obligations are monitored by the Board and subjected from time to time to Government agency audits and site inspections. Botala has a policy of complying, and in most cases exceeding its performance obligations. Botala ensures that it complies with all necessary conditions while exploring its permits. Botala has established environmental and OHS Board policies under which all exploration is carried out. Both policies ensure all employees, contractors and other service providers are fully acquainted with the Botala environment and OHS programmes. Botala's primary goal in the environmental management of exploration activities is to prevent unnecessary environmental impact and reinstate sites where disturbance cannot be avoided, whilst its goal in OHS is to provide and foster a culture of carrying out exploration activities in a safe working environment at best exploration practice. The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007, which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 July 2025 to 30 June 2026 the Directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

The Group's ESG responsibilities are a key consideration when planning and conducting its activities, whether in the corporate office or as part of its exploration activity. Our core responsibilities are outlined in our Corporate Governance Statement and Company Policies. The areas of particular focus are:

- **People:** We aim to foster a working environment that is collaborative, enjoyable, and stimulating and where our employees can fully utilise and develop new skills to the benefit of the Company and their ongoing careers. Our people drive our ESG efforts, so we value and place high value on new initiatives in this regard.
- **Safety:** The health safety and wellbeing of our people including employees and contractors is of the utmost importance. We have well developed safety procedures and recognised that a safe work environment comes when a culture of safety is fostered amongst our people such that it becomes an inherent part of all we do. We are pleased to advise that there were no injuries incurred by our workforce during the year.
- **Stakeholders:** We value and respect all stakeholders in the regions where we work and recognise the unique long-term relationship local Stakeholders have with the land. We endeavour to build long-term mutually beneficial relationships with our local stakeholders.
- **Environment:** We have a dual focus when it comes to our environmental impact. Firstly, we strive to minimise the impact that our activities have on the areas in which we work. Secondly, we place high importance on our land rehabilitation obligations and aim to leave no long-term adverse environmental impacts.

Likely developments, risks and expected results of operations

Botala Energy Ltd is progressing its 100%-owned Serowe Coal Bed Methane (CBM) Project in Botswana, with Project Pitse forming the initial commercial pilot program and a key pathway towards potential LNG production. The Company has drilled and brought online production and support wells within the Project Pitse area and is continuing appraisal, dewatering, stimulation and flow-testing activities to assess sustained gas production rates. Well Serowe-3.5B has been drilled as the central production well for the first commercial well cluster and is designed to provide important data for gas flow-rate analysis, reservoir performance, reserves assessment and the Bankable Feasibility Study (BFS). Gas flow performance remains a critical factor in assessing the technical and commercial viability of the Serowe CBM Project. At the date of this report, the volume of gas that can be produced and sustained at commercial levels is not yet certain, and further testing, drilling, stimulation, dewatering and development work will be required to support the planned development.

The Company is evaluating complementary commercial opportunities including LNG production, industrial gas sales, gas-to-power, solar generation and integrated energy hub developments. Botala has secured key regulatory approvals including Mining Licence ML0052/2025 for the Serowe CBM Project and has progressed environmental and planning approvals for major energy infrastructure. The Company is also progressing feasibility work, commercial discussions and potential offtake arrangements to support staged gas, LNG, power and solar developments. These projects remain subject to operational results, regulatory approvals, funding, infrastructure delivery, commercial agreements and other conditions. No assurance can be provided regarding the timing, approvals or outcomes of these initiatives, nor the Company's ability to secure the capital necessary to progress them.

The Company's operations are exposed to a range of risks which could have a material impact on financial performance and shareholder value. While Botala maintains a risk management policy and undertakes actions to mitigate risks where possible, it is not feasible to anticipate every potential risk. Furthermore, no risk management framework can provide absolute assurance against the occurrence of events that may adversely affect the Company's operations, assets, strategies, financial results or ability to commercialise its projects. A list of risks currently considered material and mitigation strategies is set out below. This is not an exhaustive list, and risks are outlined in no particular order.

Risk	Description	Mitigation
Funding	The Company will need to raise additional equity and/or debt funds to support ongoing operations, complete appraisal and development activities, progress the BFS, fund infrastructure and commercialise the Serowe CBM Project. There can be no assurance that such funding will be available when required, in the amount required, or on satisfactory terms. Inability to obtain sufficient funding may result in the delay, scaling back or abandonment of certain activities, which may have an adverse effect on the Company's progress, financial position and ability to generate first revenue.	The Company actively manages its capital requirements and maintains relationships with existing and potential investors, lenders, strategic partners, offtakers and project financiers. The Company continues to explore sources of equity capital as well as long-term and short-term debt, mezzanine capital, project finance and strategic investment. The Company also seeks to stage development activities, manage costs and align expenditure with operational milestones and commercial outcomes where practicable.

Health and Safety	The project operations are in a remote location, in a sometimes-harsh environment and involves the use of heavy machinery and equipment.	The Company employs highly skilled and experienced personnel where possible. The Drilling Manager is supported by dedicated Safety, Health and Environment (SHE) personnel. The Company has a training and safety management system and audits of the safety management system are conducted. All visitors to site are given a safety briefing.
Freedom to Operate	The Company holds a substantial tenement position in Botswana and has had continued access to key licence areas when required. Negative sentiment towards the project or industry, land access matters, community concerns, stakeholder objections, changes to Government personnel and/or changes in national policy could impair Botala's freedom to operate or delay project development.	The Company continues to support regular and extensive Government engagement activities to interest and educate lawmakers to the country's natural resource opportunities as well as keep up to date with changing national power strategies and requirements. Botala supports and interacts with a wide network of local stakeholders including farmers and landowners to try and ensure that the needs of the community are being met and that the project can provide benefits for all stakeholders including providing long term and sustainable employment opportunities.
Environment	Botswana's natural habitat, water and wildlife needs to be protected. Botswana rigorously enforces its environmental regulations so the risk of fines or other liabilities for noncompliance is commensurately high.	Botala has full environmental approvals in place for development of the gas project. The Company aims to not just meet environmental requirements but exceed them. The Company uses local specialists to support its ongoing permit renewals, environmental assessments and licence applications. Continual monitoring of actual and potential impacts on the environment is practiced to try and ensure that any impact on the natural habitat is eliminated or minimised.
Climate	Climate change initiatives, emissions policies, energy-transition regulation, investor sentiment and stakeholder expectations could have an impact on Botala's operations and ability to attract funding or customers in the future. Climate initiatives may have a material impact on fossil fuel projects, including the Company's gas-to-power and LNG development pathways.	Botala's project aims to supply gas into a regional energy market that currently relies heavily on more carbon-intensive fuels, including coal and diesel. While gas remains a fossil fuel, it may play a transitional role in providing reliable energy and industrial fuel supply while renewable and other lower-emission energy sources scale. The Company is also evaluating solar and integrated energy opportunities and will continue to assess climate-related requirements, technologies, market expectations and regulatory developments as they evolve.

Gas and Power Sales	The Company has tendered for a 10MW Power Purchase Agreement (PPA) with Botswana Power Corporation (BPC) with the aim for first power to be supplied into the national grid. There is a risk that grid connection infrastructure, sustainable gas flows, generator availability, regulatory approvals, commercial conditions or project financing could be delayed, thereby postponing first power sales. No assurance can be provided that additional power or gas sale agreements will be secured on acceptable terms or within expected timeframes.	The Company works closely with contractors, engineers, Government stakeholders, infrastructure providers and potential customers to progress infrastructure and commercial arrangements. Management continues to explore opportunities with other potential customers across Botswana and the region, including industrial gas users, LNG customers, power purchasers and data centre-related demand.
Geological Risk	The Company has a substantial licence position in Botswana, part of which has not had significant CBM operations to date. There remains geological, reservoir and production risk across these areas, including uncertainty regarding coal continuity, permeability, gas content, reservoir pressure, water production, stimulation response and sustained commercial gas deliverability. Subject to operational results, some areas may not prove commercial.	Botala has invested in surveys, drilling, wireline logging, well testing, stimulation activities and independent resource certification to identify lower-risk areas before conducting further exploration and evaluation. The Project Pitse pilot is designed to generate data on reservoir performance, dewatering response, stimulation effectiveness and gas flow rates. After many years operating in the region, and supported by external technical work, the operations team continues to build knowledge of the geological area to help de-risk future exploration, evaluation and development operations.
Remote Operations	The Company operates in a remote location, away from established medical, engineering and specialist support facilities in the closest urban area. This increases costs and operational risks, may extend response times for emergencies or equipment failures, and requires adequate logistics planning, site capability and insurance.	The Company has on-site medical support and has invested in its own stock of equipment so that it can operate as autonomously as possible over a greater range of activities.

People	The Company may lose key executives and management. The Company operates in a competitive environment in relation to talented corporate and technical personnel.	The Company continues to search for skilled staff to grow the team to satisfy the Company's needs and ideally to have a lead person and back-up support person for all key positions. In addition, implementation of appropriate staff training and succession plans is a key target. The Company offers incentives and development opportunities for key executives and management to attract the best talent to the Company.
Gas Flow and Reservoir Performance Risk	The commercial success of the Serowe CBM Project depends on achieving sustained gas flow rates at commercial levels. CBM projects require effective dewatering, reservoir pressure management and stimulation performance. There is a risk that wells may not deliver expected flow rates, that flow rates may decline, or that additional drilling, stimulation or infrastructure may be required to support commercial production.	The Company is undertaking a staged pilot development approach through Project Pitse to collect reservoir, pressure, water production and gas flow data before committing to larger-scale development. The Company continues to test well designs, stimulation methods and dewatering strategies, and will use operational results to inform the BFS, reserves assessment and future development planning.
Reserves and Resources Risk	The Company's reported contingent resources and prospective resources are based on technical estimates and assumptions that may change as new drilling, testing, production and reservoir data becomes available. Future independent reviews may result in upgrades or downgrades to resources, which could materially affect project economics, funding options, investor confidence and development plans.	The Company reviews resources position and engages independent qualified petroleum reserves and resource evaluators where required. New technical data from Project Pitse, including well logs, stimulation results, dewatering performance and flow testing, will be assessed to determine whether any update to reserves or resources is required.
Development and Execution Risk	The Company's development plans require successful drilling, well completion, stimulation, dewatering, infrastructure installation, plant procurement, power or LNG facilities, logistics and commissioning. Delays, cost overruns, equipment failure, contractor performance issues or technical challenges may adversely affect project timelines, costs and commercial outcomes.	Botla is pursuing a staged development pathway designed to match expenditure with technical and commercial milestones. The Company has invested in drilling and well-completion capability to reduce reliance on external contractors where possible and continues to work with specialist contractors, engineers and suppliers to manage development risk.

Commercialisation and Offtake Risk	The Company's ability to generate revenue depends on securing and maintaining commercially viable offtake arrangements for gas, LNG or related energy products. Demand, pricing, creditworthiness of customers, infrastructure access, cross-border logistics and competing energy sources may affect the viability of future sales.	The Company continues to engage with potential customers and partners in Botswana and the broader Southern African region, including industrial gas users, power customers and LNG offtakers. The Company seeks to diversify potential product pathways and customer channels to reduce reliance on a single market or counterparty.
Regulatory and Permitting Risk	The Company's activities are subject to laws, regulations, licence conditions, approvals and reporting obligations in Botswana, Australia and other relevant jurisdictions. Changes to laws, regulations, Government policy, licence conditions, royalties, taxes, local participation requirements or approval processes may delay, restrict or increase the cost of project development.	The Company maintains engagement with relevant regulatory authorities and local advisers and seeks to comply with all applicable licence, environmental, planning and reporting requirements. Management monitors regulatory developments and factors approval requirements into project planning and development schedules.
Infrastructure and Logistics Risk	The development of gas, LNG, power and solar projects requires access to roads, water, power infrastructure, grid connection, plant, equipment, consumables, transport routes and specialist services. Delays or failures in infrastructure delivery, logistics or supply chains may increase costs or delay first revenue.	The Company plans infrastructure requirements as part of its staged development activities and BFS work. Botata maintains site infrastructure and equipment where practicable, engages with contractors and infrastructure providers, and seeks to phase development to reduce up-front capital intensity and execution risk.
Commodity Price and Market Risk	The Company's future revenue and project economics may be affected by gas, LNG, electricity, diesel, coal and broader energy market prices. Changes in regional supply and demand, exchange rates, inflation, interest rates and customer pricing expectations may affect the commercial attractiveness of the Company's projects.	The Company seeks to develop energy products that address regional energy demand and supply constraints and may pursue staged commercial arrangements, offtake agreements and financing structures to manage market exposure. Management monitors regional energy markets and will consider pricing, contract tenor and customer diversification when negotiating commercial arrangements.

Counterparty and Partner Risk	The Company may rely on counterparties including offtakers, contractors, suppliers, financiers, advisers, joint development partners and Government-related entities. Failure by a counterparty to perform its obligations, provide services, make payments, deliver equipment or complete approvals may adversely affect project delivery and financial performance.	The Company undertakes counterparty engagement, due diligence and contract management where appropriate. Management seeks to maintain relationships with multiple suppliers, advisers, customers and funding sources to reduce reliance on any single counterparty where practicable.
Foreign Exchange and Cost Inflation Risk	The Company may incur expenditure in multiple currencies, including Australian dollars, Botswana pula, United States dollars and South African rand. Exchange rate movements, inflation, freight costs, equipment pricing, labour costs and global supply-chain conditions may increase project costs and funding requirements.	The Company monitors project budgets, cash flows and currency exposure. Where practicable, management seeks competitive quotations, staged procurement, local sourcing and cost-control measures to reduce exposure to cost inflation and adverse exchange rate movements.
Cyber, Data and Systems Risk	The Company relies on digital systems, technical data, financial systems, communications platforms and third-party service providers. Cyber incidents, data loss, unauthorised access or system outages could disrupt operations, compromise confidential information or affect reporting and governance processes.	The Company seeks to maintain appropriate IT controls, data management practices, access controls and service provider arrangements. Management will continue to review cyber and data risks as the Company grows and operational complexity increases.
Insurance Risk	The Company's operations involve drilling, field operations, remote logistics, equipment, environmental exposures and personnel risks. Insurance may not be available for all risks or may be subject to exclusions, limits, deductibles or cost increases. Uninsured or underinsured losses could materially affect the Company.	The Company reviews insurance requirements for its activities and seeks to maintain appropriate cover having regard to the nature, scale and location of its operations. Operational controls, safety systems and contractor management processes are also used to reduce the likelihood and impact of insurable events.

Directors' Report



Directors' Report

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity ('Group') consisting of Botala Energy Ltd ('Botala', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

Directors

The following persons were Directors of Botala Energy Ltd during the whole of the financial period and up to the date of this report, unless otherwise stated:

Dr Wolf Gerhard Martinick
Mr Craig Basson
Mr Peter Desmond Grant

Director and Chairman
Director and Company Secretary
Non-executive Director

The Directors have been in office since the start of the financial year to the date of this report. Mr Kris Francis Martinick is the Company's CEO.

Principal activities

Botala Energy Ltd (ASX: BTE) (Botala) is committed to transforming its Serowe Coal Bed Methane (CBM) Project in Botswana from an exploration asset to a commercially viable and development ready project.

Botala has established itself as a front runner in Botswana's CBM to Liquefied Natural Gas (LNG) industry and is aiming to address the emerging gas shortage in Southern and Central Africa with its Serowe CBM Project. Southern Africa is heading towards a 'gas cliff' by 2028, with existing supplies set to sharply decline, leaving the region in urgent need of new producers.

The principal activities of Botala during the period were focused on CBM exploration and development.

No significant changes to the nature of Botala's principal activities occurred during the financial period.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Operating Result

The loss for the Group after providing for income tax amounted to \$3,705,998 (30 June 2025: \$2,910,281).

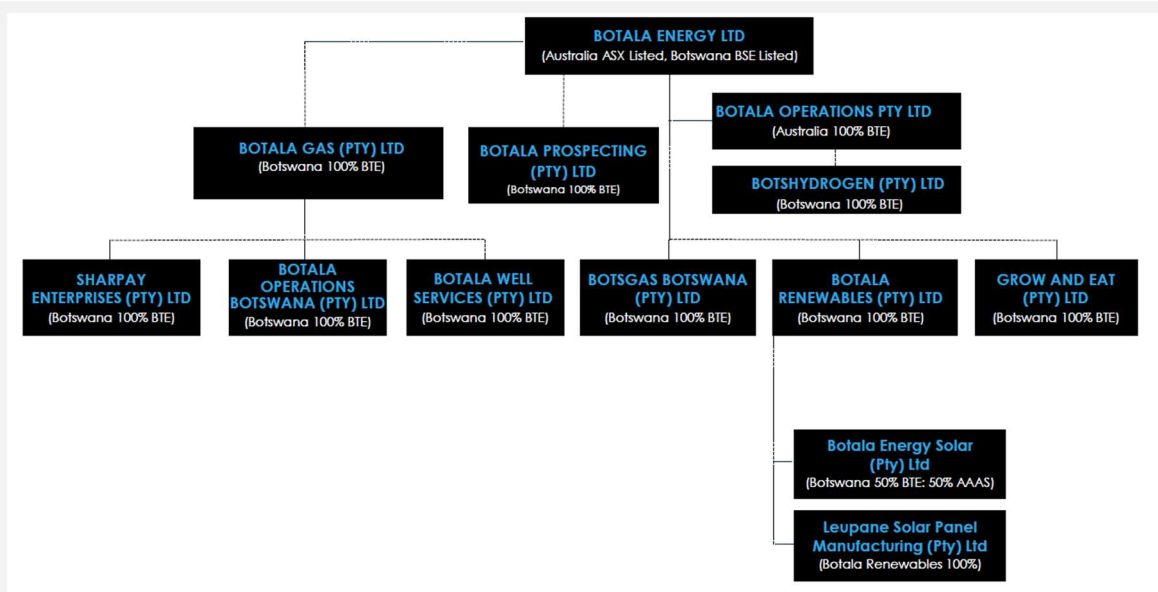
Review of operations

A review of Botala's operations during the financial period is provided on pages 5 to 20.

Likely developments and expected results of operations

Likely developments in the operations of Botala and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to Botala.

Corporate Structure



Information on Directors and Senior Management



*Front Row: Kris Martinick – CEO, Wolf Martinick – Director and Executive Chairman
Back Row: Craig Basson – Executive Director and Company Secretary, Modisana Botsile – Country Manager , Rory Burn – Chief Financial Officer, Peter Grant – Non-Executive Director, Steve Lennon – Executive General Manager Project Development, Genevra Cross – Principal Geologist*

Name:	Dr Wolf Gerhard Martinick
Title:	Director and Executive Chairman
Qualifications:	PhD, BSc (Agric).
Experience and expertise:	Dr Martinick is an agronomist and environmental scientist with over 50 years' experience in the environmental and social aspects of the energy, mineral resources and land development industries in various countries, especially Australasia, China, India, Southern and Northern Africa, Chile, Nicaragua and Mexico.
	Dr Martinick was the owner and founding director of MBS Environmental, a well-respected socio-environmental consultancy attending to resource developments across Australasia and numerous other countries, especially Africa focusing on sustainable solutions to a wide range of technical and social problems and concerns. He is a former managing director, chairman and non-executive director of several ASX and AIM listed exploration and mining companies including Basin Minerals Limited (ASX: BMS), Sun Resources NL (ASX: SUR), Oro Verde Limited (ASX: OVL) (now Ionic Rare Earths Limited (ASX: IXR)), Azure Minerals Limited (ASX: AZS) and Weatherly International PLC (AIM: WTI). Dr Martinick is familiar with project development. He is a retired Fellow of the Australian Institute of Mining and Metallurgy, retired member of the Environmental Consultants Association (WA) Inc and former Vice-President of the Association of Mining and Exploration Companies Inc.
	Dr Martinick is not considered to be an independent Director as he is employed in an executive capacity as Executive Chairman.
Other current directorships:	None
Former directorships (last 3 years):	During the past 3 years, Dr Martinick has not served as a director of any other listed companies.
Special responsibilities:	Member of Audit and Risk Committee and Remuneration and Nomination Committee
Interests in securities:	107,020,287 Shares and 14,430,670 Options
Name:	Mr Craig Basson
Title:	Executive Director, Chief Financial Officer (until 1 July 2026) and Company Secretary
Qualifications:	BCom (Hons), FCA, FGIA, GAICD
Experience and expertise:	Mr Basson is a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of the Governance Institute of Australia, a Graduate of the Australian Institute of Director's Course and holds a Bachelor of Commerce (Hons) degree in accounting and finance. He has over 20 years' experience in auditing, accounting and financial management of resource, education, viticulture and other companies.
	Mr Basson was Company Secretary of Basin Minerals Limited (ASX: BMS) from 1999 until October 2002, when the company was delisted as a consequence of a successful takeover by Iluka Resources Limited (ASX: ILU). Mr Basson was Chief Financial Officer and Company Secretary of Sun Resources NL (ASX: SUR) from November 2009 to April 2018 and Little Green Pharma Ltd (ASX: LGP) from 1 June 2017 to 30 June 2020 where he was part of the management team that transitioned the company from start-up to an ASX listed company on 20 February 2020.
	Mr Basson is not considered to be an independent Director as he is employed in an executive capacity as Executive Director and Chief Financial Officer. Mr Basson resigned as Chief Financial Officer on 1 July 2026.
Other current directorships:	None
Former directorships (last 3 years):	During the previous 3 years, Mr Basson has not served as a director of any other listed companies.
Special responsibilities:	Member of the Audit and Risk Committee and Remuneration and Nomination Committee
Interests in securities:	8,910,000 Shares and 2,515,835 Options

Name:	Peter Grant
Title:	Non-Executive Director
Qualifications:	BSc (Hons in Geology)
Experience and expertise:	Mr Grant has over 45 years of experience in the upstream oil and gas industry specialising in exploration and international E&P business development. Mr Grant has extensive work experience in Africa, South-East Asia, Middle East, South America and Australasia, and has led successful teams that have made discoveries in the UK, Australia, Algeria, Libya, Sierra Leone and Mauritania. Mr Grant's experience base is founded in geoscience but has extensively augmented his expertise in corporate strategy, business development, commercial negotiations and portfolio management through his roles as Exploration Manager for Africa and Middle East and General Manager Yemen for BHP Petroleum, and through senior roles in Woodside Energy as International Exploration Manager, General Manager International, and General Manager International Ventures. Mr Grant established International Energy Solutions, a strategic advisory company for the energy industry and has recently advised clients on growth projects in sub-Saharan Africa, China and South-East Asia, both petroleum and coal seam methane related. He provides commercial and political risk advice and has conducted numerous oil and gas training seminars. He is currently Managing Director of IK Holdings Ltd.
	Mr Grant is a past National Board member of the Australia/Arab Chamber of Commerce and was the state Chair for West Australia for 7 years. He was the founding Chair of the Australia Korea Business Council of WA. He was the President of the American Association of Petroleum Geologists (AAPG) for the Asia Pacific region from 2015 to 2017, and a member of the AAPG Advisory Council (Board) for the same year. He was awarded the AAPG prestigious Vlastimila Dvorakova International Ambassador service award in 2021.
	Mr Grant is regarded as an independent Director and is free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of the person's judgement.
Other current directorships:	None
Former directorships (last 3 years):	During the past 3 years, Mr Grant has not served as a director of any other listed companies.
Special responsibilities:	Chair of the Audit and Risk Committee and Remuneration and Nomination Committee
Interests in securities:	3,475,142 Shares and 2,150,000 Options

Information on Senior Management (KMP)

Name:	Kris Francis Martinick
Title:	Chief Executive Officer
Qualifications:	BChem Eng (Hons), BSc (Chem), BCom
Experience and expertise:	Mr Martinick has over 20 years' experience in the oil and gas industry in Australasia, including oil and gas field development and processing plants, LNG plants, gas fired power stations and project management. Mr Martinick has held senior management roles working on projects and operations in remote areas of Australia and PNG. He is a non-executive director of several private Perth based companies.

Information on Other Senior Management (non-KMP)

Name:	Dr Stephen Lennon
Title:	Executive General Manager Power Developments
Qualifications:	PhD, MSc (Eng)(Wits), BSc (Chem)(Natal)
Experience and expertise:	Dr Lennon brings to Botala expertise gained during a long career of leadership in the energy, sustainability, and management fields, with operational and strategic responsibilities covering the full suite of sustainability disciplines of environment, social development, economics, technology, safety, security and integrated reporting. His numerous executive positions with Eskom from 1986 to 2015 give him a unique understanding of southern African's power generation and distribution infrastructure and services and its complex engineering, financial, political, and social challenges. Dr Lennon is a specialist advisor on climate change policy and strategies, including fuel switching and carbon financing. He was a Climate Change negotiator for the South African government in United Nations processes; Lead Author for the Intergovernmental Panel on Climate Change and successfully managed the relationship with the World Bank to secure a USD \$4.6 billion loan for renewable and coal-based power generation plants for South Africa. From 2002 to 2014 Dr Lennon chaired the South African National Advisory Council for Innovation.
Name:	Modisana Botsile
Title:	Country Manager
Qualifications:	MSc in Minerals and Energy Economics
Experience and expertise:	Mr Botsile is a mineral consultant who has worked for various multinational mining companies and at a senior level in Botswana's Ministry of Minerals. Modisana holds a Master of Science in Minerals and Energy Economics from Curtin Graduate School of Business, Perth and a Bachelor of Engineering with honours in Metallurgy and Material Science from Liverpool University, United Kingdom.
Name:	Rory Burn
Title:	Chief Financial Officer (appointed 1 July 2026)
Qualifications:	BCom; MAcc
Experience and expertise:	Mr Burn is an energy, mining and infrastructure executive with over 20 years' experience across Australia, Southeast Asia and Africa. He specialises in project development, capital markets and complex commercial structuring, with deep expertise in project finance, treasury, joint ventures, offtake negotiation, financial analysis and ESG.

Meetings of Directors

The number of meetings of the Company's Board of Directors ("the Board") and committees held during the year ended 30 June 2026, and the number of meetings attended by each Director were:

	Full Board		Audit & Risk		Remuneration	
	Attended	Held	Attended	Held	Attended	Held
Dr Wolf Gerhard Martinick	7	7	3	3	1	2
Mr Craig Basson	7	7	3	3	2	2
Mr Peter Desmond Grant	6	7	3	3	2	2

Twenty circular resolutions were passed during the year.

Retirement, election and continuation in office of Directors

The Directors retire by rotation in terms of the Constitution of the Company.

Remuneration report (audited)

The Remuneration Report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, and include all Directors, and the Chief Executive Officer.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Service agreements
- Share-based compensation
- Additional information

Emoluments of Directors and other KMP**Table 1**

2026 Name	Fees * \$	Share-based payments \$	Other^^ \$	Total \$	Performance related %
Directors					
Wolf Martinick	120,000	44,623	-	164,623	27.1%
Craig Basson	180,000	35,698	-	215,698	16.6%
Peter Grant	40,000	29,749	97,792	167,541	17.8%
Chief Executive Officer					
Kris Martinick	240,000	118,994	-	358,994	33.2%
2026 Total	580,000	229,064	97,792	906,856	23.6%

Table 1

2025 Name	Fees * \$	Share-based payments \$	Other^^ \$	Total \$	Performance related %
Directors					
Wolf Martinick	120,000	108,429	-	228,429	47.5%
Craig Basson	180,000	106,060	-	286,060	37.5%
Peter Grant	40,000	23,691	102,188	165,879	14.3%
Chief Executive Officer					
Kris Martinick	240,000	151,072	-	391,072	38.6%
2025 Total	580,000	389,252	102,188	1,071,440	36.3%

* Short-term benefits as per *Corporations Regulations* 2M.3.03(1) Item 6. This evaluation includes Cash salary, consulting, director and accrued fees.

^^ Relates to consulting fees paid for geophysics mentoring services.

Ordinary Shares

Table 2 shows a reconciliation of shares held by each KMP for the year ended 30 June 2026 including acquisitions and shares issued during the period.

Table 2

Name	Balance at start of the year	Acquisitions [^]	Options Converted	Other changes during the year*	Balance at the end of the year	Nominally Held
2026						
Directors						
Wolf Martinick	67,457,252	39,563,035	-	-	107,020,287	3,080,000
Craig Basson	7,969,857	940,143	-	-	8,910,000	8,910,000
Peter Grant	2,666,667	808,475	-	-	3,475,142	3,475,142
Chief Executive Officer						
Kris Martinick	12,750,897	3,220,339	-	-	15,971,236	-
2026 Total	90,844,673	44,531,992	-	-	135,376,665	15,465,142

[^] Ordinary shares acquired in capacity as equity participants in share placement offerings or acquisitions via on-market trades during the financial year.

* Ordinary shares sold via on-market trades during the financial year.

Options

Table 3 shows a reconciliation of options held by each KMP from the beginning to the end of FY 2026. All vested options were exercisable.

Table 3

Name	Balance at start of the year	Granted	Free-attaching Options	Expired	Balance at the end of the year	Vested and exercisable	Unvested
2026							
Directors							
Wolf Martinick	15,088,888	1,500,000	11,730,670	13,888,888	14,430,670	14,430,670	-
Craig Basson	1,600,000	1,200,000	215,835	500,000	2,515,835	2,515,835	-
Peter Grant	1,055,556	1,000,000	150,000	55,556	2,150,000	2,150,000	-
Executive Officer							
Kris Martinick	3,000,000	4,000,000	-	-	7,000,000	7,000,000	-
2026 Total	20,744,444	7,700,000	12,096,505	14,444,444	26,096,505	26,096,505	-

The number of options over ordinary shares in the Botala granted as remuneration to key management personnel is shown in the table above. Free-attaching options were issued in capacity as participants in the equity placements during the financial year. The options carry no dividend or voting rights.

Performance based remuneration granted & forfeited during the year.

Table 4 below shows for each KMP how many of their performance rights were issued and vested during the year.

Table 4

Name	Balance at start of the year	Granted	Exercised	Lapsed	Balance at the end of the year	Vested and exercisable	Unvested
2026							
Directors							
Wolf Martinick	-	-	-	-	-	-	-
Craig Basson	-	-	-	-	-	-	-
Peter Grant	-	-	-	-	-	-	-
Chief Executive Officer							
Kris Martinick	-	-	-	-	-	-	-
2026 Total	-	-	-	-	-	-	-

The number of performance rights over ordinary shares in Botala provided as remuneration to key management personnel is shown in Table 4 above. The performance rights carry no dividend or voting rights. See Note 4(i) at share-based compensation section for the conditions that must be satisfied for the performance rights to vest.

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ensures that executive reward satisfies the following key criteria for good reward governance practices. The audited remuneration report is set out under the following main headings:

- **Principles used to determine the nature and amount of remuneration**
- **Details of remuneration**
- **Service agreements**
- **Share-based compensation**
- **Additional remuneration**

Principles used to determine the nature and amount of remuneration

The performance of the Group depends upon the quality of its Directors, Executives and staff. To achieve its financial and operating activities, Botala must attract, motivate and retain highly skilled Directors and Executives. Botala embodies the following principles in its remuneration framework:

- Provide competitive awards to attract high calibre Executives;
- Structure remuneration at a level and mix commensurate with their position and responsibilities within the Group so as to reward Executives for the Group and individual performance; and
- Align executive incentive rewards with the creation of value for Shareholders.

Executive remuneration policy

The policy is for Executives to be remunerated on terms that are competitive with those offered by entities of a similar size within the same industry. Packages are reviewed annually by the remuneration committee with any recommendation of this committee reviewed and approved by the Board of Directors.

Remuneration consultants are not used by Botala.

As the Group is predominately an exploration and development entity, performance outcomes are uncertain, notwithstanding endeavour. As such, remuneration packages are not linked to profit performance. Present policy is to reward successful performance via shares, incentive performance rights and options that are priced on market conditions at the time of issue. The number of performance rights and options granted is at the full discretion of the Board.

The Options are not issued in relation to past performance but are considered to promote continuity of employment and provide additional incentive to Executive Officers to increase Shareholder wealth.

The Company's security trading policy provides acceptable transactions in dealing with the Company's securities, including shares, performance rights and options. The full policy can be read on the Company's website.

Shares given to Directors and Executives are valued as the difference between the market price of those shares and the amount paid by the Director or Executive. Performance rights are valued based on the market price and the probability of achieving the relevant milestone. Options are valued using the Black-Scholes model.

Non-Executive remuneration policy

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees for Non-Executive Directors are currently not linked to the performance of the consolidated entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company. The maximum aggregate amount of fees that can be paid to Directors is currently AU\$250,000.

Executive remuneration

The Board of Director's policy for determining the nature and amount of compensation of Executive Officers for the Group is as follows:

- The compensation structure for Executive Officers is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of Botala. The contracts for service between the Company and Executive Officers have no fixed term.
- Upon retirement, Executive Officers are paid benefit entitlements accrued to the date of retirement. The remuneration committee recommends the proportion of fixed and variable compensation (if applicable) for each Executive Officer which is approved by the Board.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Wolf Martinick
Title:	Chairman
Term of agreement:	Unspecified
	\$120,000 per annum
	3 month notice period
Details:	Share based payments as determined
Name:	Craig Basson
Title:	Chief Financial Officer and Company Secretary
Term of agreement:	Unspecified
	\$180,000 per annum
Details:	Share based payments as determined
Name:	Peter Grant
Title:	Non-Executive Director
Term of agreement:	Unspecified
	\$40,000 per annum
Details:	Share based payments as determined
Name:	Kris Martinick
Title:	Chief Executive Officer
Term of agreement:	Unspecified
	\$240,000 per annum
Details:	Share based payments as determined

Key management personnel have no entitlement to termination payments in the event of removal for misconduct. Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2026 (2025: nil).

Issued options

There were 7,700,000 options over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2026 (2025: 6,300,000).

Issued performance rights

There were no performance rights issued to Directors as part of compensation during the year ended 30 June 2026 (30 June 2025: nil).

Additional information

The results of the Group for the five years to 30 June 2026 are summarised below:

	2026	2025	2024	2023	2022
	\$	\$	\$	\$	\$
(Loss) after income tax	(3,705,998)	(2,910,281)	(2,074,817)	(1,365,936)	(1,097,771)
LTI achieved	-	-	-	0%	46%

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2026	2025	2024	2023	2022
Share price at financial year end (\$)	0.04	0.06	0.09	0.10	0.20
Basic loss per share (cents per share)	(1.10)	(1.25)	(1.32)	(1.00)	(1.42)
Diluted loss per share (cents per share)	(1.10)	(1.25)	(1.32)	(1.00)	(1.42)

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
6 December 2024	6 December 2027	\$0.10	6,300,000
24 December 2024	24 December 2027	\$0.10	9,750,000
31 January 2026	31 January 2026	\$0.10	32,500,005
22 December 2025	22 December 2028	\$0.10	21,900,000
			<u>70,950,005</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Botala or of any other body corporate.

Shares issued on the exercise of options

There were no ordinary shares of Botala issued on the exercise of options during the year ended 30 June 2026 and up to the date of this report. There were 46,244,509 options that expired during the financial year ended 30 June 2026 and up to the date of this report.

Shares under performance rights

There were no unissued ordinary shares of Botala Energy Ltd under performance rights outstanding at the date of this report.

Shares issued on the exercise of performance rights

There were nil ordinary shares of Botala Energy Ltd issued on the exercise of performance rights during the year ended 30 June 2026 and up to the date of this report (30 June 2025: 5,750,000).

Indemnity and insurance of officers

Insurance and indemnity arrangements established in the previous year concerning Officers Botala were retained during the year ended 30 June 2026. Botala has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts, for current and former Directors and Officers, including Executive Officers, Directors and secretaries of Botala. The terms of the insurance policy contract do not allow disclosure of the premium. The insurance premiums relate to:

- (i) costs and expenses incurred by the relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- (ii) other liabilities that may arise from their position, except for conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Indemnity and insurance of auditor

Botala has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Botala or any related entity against a liability incurred by the auditor.

During the financial year, the Botala has not paid a premium in respect of a contract to insure the auditor of the Botala or any related entity.

Proceedings on behalf of Botala

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Botala, or to intervene in any proceedings to which the Botala is a party for the purpose of taking responsibility on behalf of the Botala for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 23 to the financial statements.

Officers of Botala who are former partners of the auditor

There are no officers of Botala who are former partners of HLB Mann Judd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor

The auditor continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Wolf Martinick
Executive Chairman
30 September 2026

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Botata Energy Ltd for the year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 September 2026



L Di Giallonardo
Partner

hlb.com.au

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Botala Energy Limited
ASX: BTE | BSE: BTE
CAN: 626 751 620



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General information

The financial statements cover Botala as a Group consisting of Botala and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Botala's functional and presentation currency.

Botala is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

24 Hasler Road, Osborne Park WA 6017

Principal place of business

Level 1, 1292 Hay Street, West Perth WA 6005

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on the date of the Directors' declaration. The Directors have the power to amend and reissue the financial statements.

Botala Energy Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	Consolidated 2026 \$	2025 \$
Other income			
Interest received		12,656	11,935
Net gain on sale of financial assets at FVTPL		-	2,607
Other income		46,860	12,566
Expenses			
Share based payments	4	(443,385)	(961,634)
Employee benefit expense		(454,545)	(400,541)
Finance costs		(86,443)	(86,561)
Consultancy costs		(490,857)	(534,930)
Marketing costs		(58,871)	(67,909)
Depreciation and amortisation		(279,385)	(113,934)
Administration costs		(864,039)	(771,880)
Well equipment repairs and refurbishment		(175,637)	-
Impairment of receivables	7	(494,277)	-
Net effect of loss of control of subsidiary	19	(418,075)	-
Loss before income tax expense		<u>(3,705,998)</u>	<u>(2,910,282)</u>
Income tax expense	5	-	-
Loss for the year		(3,705,998)	(2,910,282)
Other comprehensive loss			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences arising on translation of foreign operations		(1,273,732)	322,337
Other comprehensive income/(loss) for the year, net of tax		(1,273,732)	322,337
Total comprehensive loss for the year		<u>(4,979,730)</u>	<u>(2,587,944)</u>
Loss for the year is attributable to:			
Owners of Botala Energy Ltd		(3,423,880)	(2,844,634)
Non-controlling interests		(282,117)	(65,647)
		<u>(3,705,998)</u>	<u>(2,910,281)</u>
Total comprehensive loss for the year is attributable to:			
Owners of Botala Energy Ltd		(4,720,165)	(2,520,466)
Non-controlling interests		(259,565)	(67,478)
		<u>(4,979,730)</u>	<u>(2,587,944)</u>
		Cents	Cents
Basic loss per share	29	(1.10)	(1.25)
Diluted loss per share	29	(1.10)	(1.25)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Botala Energy Ltd
Consolidated statement of financial position
As at 30 June 2026

	Note	Consolidated 2026 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	6	1,522,648	471,672
Trade and other receivables	7	129,133	731,693
Prepayments	8	46,084	50,919
Total current assets		<u>1,697,865</u>	<u>1,254,284</u>
Non-current assets			
Inventories	9	237,379	342,157
Exploration and evaluation assets	10	18,964,430	17,330,035
Property, plant and equipment	11	1,538,512	1,770,554
Right-of-use assets	12	547,006	544,597
Total non-current assets		<u>21,287,327</u>	<u>19,987,343</u>
Total assets		<u>22,985,192</u>	<u>21,241,627</u>
Liabilities			
Current liabilities			
Trade and other payables	13	747,161	662,189
Application funds - shares to be issued	13	-	750,000
Lease liabilities - current	15	46,642	-
Total current liabilities		<u>793,803</u>	<u>1,412,189</u>
Non-current liabilities			
Trade and other payables	13	43,674	46,658
Financial liabilities	14	750,000	750,000
Lease liabilities - non-current	15	645,342	662,766
Total non-current liabilities		<u>1,439,016</u>	<u>1,459,424</u>
Total liabilities		<u>2,232,819</u>	<u>2,871,613</u>
Net assets		<u>20,752,373</u>	<u>18,370,014</u>
Equity			
Issued capital	16	29,125,473	22,689,812
Reserves	17	755,978	1,442,024
Accumulated losses	18	(9,053,511)	(5,629,631)
Equity attributable to the owners of Botala Energy Ltd		<u>20,827,940</u>	<u>18,502,205</u>
Non-controlling interests		<u>(75,567)</u>	<u>(132,191)</u>
Total equity		<u>20,752,373</u>	<u>18,370,014</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Botala Energy Ltd
Consolidated statement of changes in equity
For the year ended 30 June 2026

Consolidated	Issued capital \$	Reserves \$	(Accumulated losses) \$	Total \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2024	18,476,731	894,223	(2,784,997)	16,585,957	(64,713)	16,521,244
Loss after income tax expense for the year	-	-	(2,844,634)	(2,844,634)	(65,647)	(2,910,281)
Other comprehensive income/(loss) for the year, net of tax	-	324,168	-	324,168	(1,831)	322,337
Total comprehensive loss for the year	-	324,168	(2,844,634)	(2,520,466)	(67,478)	(2,587,944)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (Note 16)	3,475,081	-	-	3,475,081	-	3,475,081
Share-based payments (Note 4)	-	389,252	-	389,252	-	389,252
Share-based payments - employees	-	572,382	-	572,382	-	572,382
Conversion of performance rights	738,000	(738,000)	-	-	-	-
Balance at 30 June 2025	<u>22,689,812</u>	<u>1,442,024</u>	<u>(5,629,631)</u>	<u>18,502,205</u>	<u>(132,191)</u>	<u>18,370,014</u>

Consolidated	Issued capital \$	Reserves \$	(Accumulated losses) \$	Total \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2025	22,689,812	1,442,024	(5,629,631)	18,502,205	(132,191)	18,370,014
Loss after income tax expense for the year	-	-	(3,423,880)	(3,423,880)	(282,117)	(3,705,998)
Other comprehensive loss for the year, net of tax	-	(1,281,941)	-	(1,281,941)	22,552	(1,259,389)
Total comprehensive loss for the year	-	(1,281,941)	(3,423,880)	(4,705,821)	(259,565)	(4,965,386)
<i>Transactions with owners in their capacity as owners:</i>						
Issue of shares, net of transaction costs (Note 16)	6,413,101	-	-	6,413,101	-	6,413,101
Share-based payments – employee shares	22,560	-	-	22,560	-	22,560
Share-based payments – KMP options (Note 4)	-	229,064	-	229,064	-	229,064
Share-based payments – options to employees and consultants (Note 4)	-	191,761	-	191,761	-	191,761
Broker options (Note 4)	-	189,415	-	189,415	-	189,415
Derecognition of Botala Solar Farm (Pty) Ltd on loss of control (Note 19)	-	(14,346)	-	(14,346)	316,187	301,842
Balance at 30 June 2026	<u>29,125,473</u>	<u>755,978</u>	<u>(9,053,511)</u>	<u>20,827,940</u>	<u>(75,567)</u>	<u>20,752,373</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Botala Energy Ltd
Consolidated statement of cash flows
For the year ended 30 June 2026

		Consolidated	
	Note	2026	2025
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,845,078)	(1,189,088)
Interest received		8,131	11,935
Other operating cash receipts		3,252	-
Net cash used in operating activities	27	<u>(1,833,695)</u>	<u>(1,177,153)</u>
Cash flows from investing activities			
Payments for exploration and evaluation		(2,799,236)	(1,843,296)
Payments for property, plant and equipment		(118,721)	(927,641)
Payments for solar energy projects		-	(216,457)
Payment for investments at FVTPL		-	(2,030)
Proceeds from sale of investments at FVTPL		-	4,637
Deposits paid		-	(91,113)
Deposits refunded		-	50,000
Cash disposed on deconsolidation	19	<u>(622)</u>	<u>-</u>
Net cash used in investing activities		<u>(2,918,579)</u>	<u>(3,025,900)</u>
Cash flows from financing activities			
Proceeds from issue of shares and options		6,000,000	3,570,572
Share issue transaction costs		(196,750)	(89,241)
Placement advance from directors	14	<u>-</u>	<u>750,000</u>
Net cash provided by financing activities		<u>5,803,250</u>	<u>4,231,331</u>
Net increase in cash held		1,050,976	28,278
Cash and cash equivalents at the beginning of the financial year		<u>471,672</u>	<u>443,394</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>1,522,648</u></u>	<u><u>471,672</u></u>

Note 1. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Group has not yet assessed the impact of these new or amended Accounting Standards or Interpretations.

Going concern

The consolidated financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business and at the amounts stated in the financial statements. Notwithstanding that the Group incurred a loss after tax of \$3,705,998 (2025: \$2,910,281) and net cash outflows from operating activities of \$1,833,695 (2025: \$1,177,153), the Directors are of the opinion that the Group is a going concern. At 30 June 2026 the Group had working capital of \$904,062 (2025: working capital deficit of \$157,905) and a net asset surplus of \$20,752,373 (2025: \$18,370,014). Based on the Group's budgeted plans, the Group will continue to consider the funding options and cash-management initiatives noted below:

- The Group will continue to exercise appropriate cash management and monitoring of operating cashflows according to exploration success. Future exploration expenditure is generally discretionary in nature and exploration activities may be slowed or suspended as part of the Group's cash management strategy.
- The Group has demonstrated its ability to raise capital via equity placements to shareholders. Given the strong support of substantial shareholders and the prospectivity of the Group's current projects the Directors are confident that any future capital raisings will be successful. The Group successfully raised \$6m via placement during the current financial year.

Should the Group be unable to raise debt or capital within the next 12 months, there exists a material uncertainty that may cast significant doubt on whether the Group will be able to continue as a going concern and whether it will be required to realise assets and extinguish liabilities other than in the ordinary course of business and at the amounts stated in the financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Botala Energy Ltd ('Company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Botala Energy Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Note 1. Material accounting policy information (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Botala Energy Ltd's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

The Group recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Note 1. Material accounting policy information (continued)

Deferred tax assets and liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Inventories

Inventories include consumable supplies and maintenance spares expected to be utilised as part of the Group's ongoing exploration activities. Inventories are valued at the lower of cost and net realisable value. Inventories determined to be obsolete or damaged are written down to net realisable value, being the estimated selling price less selling costs.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the period in which the decision is made.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Note 1. Material accounting policy information (continued)

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 1. Material accounting policy information (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings/loss per share

Basic earnings/loss per share

Basic earnings per share is calculated by dividing the profit/loss attributable to the owners of Botala Energy Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings/loss per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings/loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2026. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions

The company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant exploration interest. Factors that could impact the future commercial production at the wells include the level of reserves and resources, future technology changes, which could impact the cost of extraction, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Contingent consideration for acquisitions

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. This consideration is determined based upon agreed reserves certifications of the Company's exploration interests. Consideration payable to vendors in relation to acquisitions is recognised at fair value based on whether the estimated milestones will meet the required thresholds for consideration to be paid. Contingent consideration settled in cash at a future date is regarded as debt, and has been classified as a financial liability whereby proof of concept is adequately documented, and the contingencies have a high probability of realisation. This has been included in the cost of the asset on acquisition. Significant judgement is involved in assessing the contingency realisation.

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segments: exploration. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The information reported to the CODM is on a monthly basis.

Geographical information

	Geographical non-current assets	
	2026	2025
	\$	\$
Australia	288	1,500
Botswana	21,287,040	19,985,843
	<u>21,287,328</u>	<u>19,987,343</u>

Note 4. Share based payments

	Consolidated	
	2026	2025
	\$	\$
Share based payments expense through profit & loss	<u>443,385</u>	<u>961,634</u>
	Consolidated	
	2026	2025
	\$	\$
Share based payments - performance rights (i)	-	542,400
Share based payments - employee shares (ii)	22,560	-
Share based payments - employee/consultant options (iii)	140,708	269,982
Share based payments - Director/CEO options (iv)	229,064	149,252
Share based payments - consultant options (v)	11,669	-
Share based payments - consultant options (vi)	29,187	-
Share based payments - consultant options(vii)	10,197	-
Total share-based payments recognised through profit and loss	<u>443,385</u>	<u>961,634</u>
Share based payments - broker options recognised through equity (viii)	189,415	-
Total share-based payments recognised through equity	<u>189,415</u>	<u>-</u>
Total share-based payments	<u>632,800</u>	<u>961,634</u>

The total share-based payment expense recognised through profit and loss for the year ended 30 June 2026 was \$443,385 (2025: \$961,634). The expense comprises awards to key management personnel, employees and consultants, and the expensed component of broker awards, as detailed in the tables below.

(i) Share-based payments – performance rights

Performance rights were issued in prior years as an incentive to encourage future performance and the retention of consultants. During the prior year, all milestones attached to the rights had been met, with the total value of the rights having been brought to account.

Tranche	Number of Performance Rights	Milestone
A	1,000,000	Completion of a Commercial Gas Sales Agreement.
B	3,000,000	Listing Botala Energy Ltd on the ASX or similar securities exchange. For the avoidance of doubt, the Tranche B Performance Rights will vest and convert to Shares as a condition of Admission.
C	1,000,000	Discovery of an independently certified 400bcf 2C Resource in the Serowe CBM Project.
D	1,000,000	Successful commercial pilot well in the Serowe CBM Project.
E	1,100,000	Completion of a Commercial Gas Sales Agreement
F	1,100,000	Completion of a Commercial Electricity Sales Agreement
G	550,000	Employed or Consulting to Botala Energy Ltd on 31 December 2023

Note 4. Share based payments (continued)

Tranche	Milestone	More Likely or Less Likely
A	Completion of a Commercial Gas Sales Agreement	This was achieved during a prior financial year.
B	Listing Botala Energy Ltd on the ASX or similar securities exchange. For the avoidance of doubt, the Tranche B Performance Rights will vest and convert to Shares as a condition of Admission.	This was achieved during a prior financial year.
C	Discovery of an independently certified 400bcf 2C Resource in the Serowe CBM Project	This was achieved during a prior financial year.
D	Successful Commercial Pilot Well in the Serowe CBM Project	This was achieved during a prior financial year.
E	Completion of a Commercial Gas Sales Agreement	This was achieved during a prior financial year.
F	Completion of a Commercial Electricity Sales Agreement	This was achieved during a prior financial year.
G	Employed or Consulting to Botala Energy Ltd on 31 December 2023	This was achieved during a prior financial year.

The total expense recognised arising from the performance rights had been recorded prior to the current financial year.

	Consolidated
	2026 2025
	\$ \$
Share based payments - Performance rights	- <u>542,400</u>

(ii) Share-based payments – employee shares

During the financial year, the Company issued 376,000 shares to employees in terms of the Company's ESIP approved on 26 November 2025. The grant date was deemed to be 13 March 2026 and the underlying share price used in valuing the shares was \$0.06, resulting in a total share-based payment expense associated with employee shares of \$22,560 being recognised during the financial year.

(iii) Share based payments – Employee/consultant options

During the financial year, the Company issued 5,200,000 options to employees and consultants. The grant date of the options was 22 December 2025 being the date of agreement between the parties and each option has a fair value of \$0.027. As there are no attached service conditions, a total charge of \$140,708 has been expensed through profit and loss on the date of grant.

Number Issued	5,200,000
Exercise Price	\$0.10
Expiry Date	22/12/2028
Grant Date	22/12/2025
Volatility (%)	90%
Risk Free Rate (%)	3.57%
Underlying Fair Value on Grant Date	\$0.027
Total Fair Value (\$) – Life of Options	\$140,708
Total Fair Value (\$) – expensed to 30 June 2026	\$140,708

Note 4. Share based payments (continued)

(iv) Share based payments – Directors/CEO options

During the financial year, the Company issued 7,700,000 options to directors and executives. The grant date of the options was 26 November 2025 being the date of shareholder approval and each option has a fair value of \$0.029. As there are no attached service conditions, a total charge of \$229,064 has been expensed through profit and loss on the date of grant.

Number Issued	7,700,000
Exercise Price	\$0.10
Expiry Date	22/12/2028
Grant Date	26/11/2025
Volatility (%)	90%
Risk Free Rate (%)	3.87%
Underlying Fair Value on Grant Date	\$0.029
Total Fair Value (\$) – Life of Options	\$229,064
Total Fair Value (\$) – expensed to 30 June 2026	\$229,064

(v) Share based payments – Consultant options

During the financial year, the Company issued 500,000 options to a consultant. The grant date of the options was 7 July 2025 being the date of agreement between the parties and each option has a fair value of \$0.023. As there are no attached service conditions, a total charge of \$11,669 has been expensed through profit and loss on the date of grant.

Number Issued	500,000
Exercise Price	\$0.10
Expiry Date	7/01/2027
Grant Date	7/07/2025
Volatility (%)	90%
Risk Free Rate (%)	3.57%
Underlying Fair Value on Grant Date	\$0.023
Total Fair Value (\$) – Life of Options	\$11,669
Total Fair Value (\$) – expensed to 30 June 2026	\$11,669

(vi) Share based payments – Consultant options

During the financial year, the Company issued 1,000,000 options to a consultant. The grant date of the options was 27 January 2026 being the date of agreement between the parties and each option has a fair value of \$0.029. As there are no attached service conditions, a total charge of \$29,187 has been expensed through profit and loss on the date of grant.

Number Issued	1,000,000
Exercise Price	\$0.10
Expiry Date	27/01/2029
Grant Date	27/01/2026

Note 4. Share based payments (continued)

Volatility (%)	90%
Risk Free Rate (%)	3.67%
Underlying Fair Value on Grant Date	\$0.029
Total Fair Value (\$) – Life of Options	\$29,187
Total Fair Value (\$) – expensed to 30 June 2026	\$29,187

(vii) Share based payments – Consultant options

During the financial year, the Company issued 500,000 options to a consultant. The grant date of the options was 27 February 2026 being the date of agreement between the parties and each option has a fair value of \$0.020. As there are no attached service conditions, a total charge of \$10,197 has been expensed through profit and loss on the date of grant.

Number Issued	500,000
Exercise Price	\$0.10
Expiry Date	27/02/2029
Grant Date	27/02/2026
Volatility (%)	90%
Risk Free Rate (%)	3.67%
Underlying Fair Value on Grant Date	\$0.020
Total Fair Value (\$) – Life of Options	\$10,197
Total Fair Value (\$) – expensed to 30 June 2026	\$10,197

(viii) Share-based payments – Options for lead managers

During the financial year, the Company issued 7,000,000 options to lead managers for capital raising services rendered. The grant date of the options was 22 December 2025 being the date of shareholder approval and each option has a fair value of \$0.027. A total charge of \$189,415 has been expensed through equity as the lead manager services were directly attributable to the capital raising in December 2025. Refer below table for further details.

Number Issued	7,000,000
Exercise Price	\$0.10
Expiry Date	22/12/2028
Grant Date	22/12/2025
Volatility (%)	90%
Risk Free Rate (%)	3.57%
Underlying Fair Value on Grant Date	\$0.027
Total Fair Value (\$) – Life of Options	\$189,415
Total Fair Value (\$) – expensed to 30 June 2026	\$189,415

Note 5. Income tax expense

	Consolidated	
	2026	2025
	\$	\$
<i>Income tax expense</i>		
Deferred tax - origination and reversal of temporary differences	-	-
Aggregate income tax expense	<u>-</u>	<u>-</u>
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	-	-
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(3,705,998)	(2,910,281)
Tax at the statutory tax rate of 30%	(1,111,799)	(873,084)
Deferred tax not recognised and other adjustments	853,361	584,594
Permanent differences	258,438	288,490
Income tax expense	<u>-</u>	<u>-</u>

	Consolidated	
	2026	2025
	\$	\$
<i>Amounts credited directly to equity</i>		
Deferred tax liabilities	-	-
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	9,113,264	5,407,267
Potential tax benefit @ 30%	2,733,979	1,622,180

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the similar business test is passed.

Note 6. Cash and cash equivalents

	Consolidated	
	2026	2025
	\$	\$
<i>Current assets</i>		
Cash at bank	1,522,648	471,672
	<u>1,522,648</u>	<u>471,672</u>

Note 7. Trade and other receivables

	Consolidated	
	2026	2025
	\$	\$
<i>Current assets</i>		
Goods and services tax receivable	33,700	20,166
Deposits	50,000	146,763
Other receivables	45,433	107,655
Botswana Power Corporation tender receivable ¹	-	350,000
Legal reimbursement receivable ²	-	107,109
	<u>129,133</u>	<u>731,693</u>

¹ During the year ended 30 June 2026, the Group determined that it would no longer pursue the Botswana Power Corporation ("BPC") tender opportunity. As a result, management determined that there was no longer a reasonable expectation of recovering the costs previously recognised in relation to the tender. The receivable was therefore fully impaired and written off during the year in accordance with *AASB 9 Financial Instruments*.

² During the year ended 30 June 2026, the Group reassessed the recoverability of the legal costs previously recognised as a receivable in connection with the Group's solar project activities. In conjunction with the decision not to proceed with the BPC tender opportunity and the associated reassessment of these activities, management determined that recovery of the amounts was no longer reasonably expected. Accordingly, the receivable was fully impaired and written off during the year in accordance with *AASB 9 Financial Instruments*.

Impairment

The write-off of the BPC tender receivable and legal reimbursement receivable resulted in a total impairment expense of \$494,277, recognised in profit or loss for the year ended 30 June 2026.

Allowance for expected credit losses

The Group recognised an expected credit loss of \$nil (2025: \$nil) for the year ended 30 June 2026. All debtors at 30 June 2026 were within terms and no allowance for expected credit losses has been recognised.

Note 8. Prepayments

	Consolidated	
	2026	2025
	\$	\$
<i>Current assets</i>		
Prepayments	<u>46,084</u>	<u>50,919</u>

Prepayments relate to expenditure which has been incurred but the economic benefits have not been utilised. The predominant amount relates to insurance expenditure covering future periods.

Note 9. Inventories

	Consolidated	
	2026	2025
	\$	\$
<i>Non-current assets</i>		
Inventories - consumables	<u>237,379</u>	<u>342,157</u>

Inventories include consumable supplies and maintenance spares expected to be utilised as part of the Group's ongoing exploration activities. Inventories are valued at the lower of cost and net realisable value. Inventories determined to be obsolete or damaged are written down to net realisable value, being the estimated selling price less selling costs.

Note 10. Exploration and evaluation assets

	Consolidated	
	2026	2025
	\$	\$
Exploration and evaluation phase – at cost	<u>18,964,430</u>	<u>17,330,035</u>

Reconciliation

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

	Consolidated	
	2026	2025
	\$	\$
Opening carrying amount	17,330,035	15,486,739
Additions	2,799,236	1,588,999
Exchange differences and other adjustments	(1,164,841)	254,297
	<u>18,964,430</u>	<u>17,330,035</u>

The ultimate recoupment of the value of exploration and evaluation assets is dependant on the successful development and commercial exploitation, or alternatively, sale of the underlying exploration properties.

Note 11. Property, plant and equipment

	Consolidated	
	2026	2025
	\$	\$
<i>Non-current assets</i>		
Computer equipment – at cost	22,422	20,564
Less: Accumulated depreciation	(17,317)	(12,372)
	<u>5,105</u>	<u>8,192</u>
Assets under construction	<u>84,411</u>	<u>89,449</u>
Land	<u>24,806</u>	<u>23,044</u>
Plant and equipment	1,713,219	1,709,127
Less: Accumulated depreciation	(320,402)	(134,113)
	<u>1,392,818</u>	<u>1,575,014</u>
Motor vehicles – at cost	186,374	199,107
Less: Accumulated depreciation	(158,246)	(131,309)
	<u>28,128</u>	<u>67,798</u>
Furniture and fittings – at cost	27,754	29,650
Less: Accumulated depreciation	(24,508)	(22,593)
	<u>3,246</u>	<u>7,057</u>
Total property, plant and equipment	<u>1,538,512</u>	<u>1,770,554</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Botala Energy Ltd
Notes to the consolidated financial statements
30 June 2026

Consolidated	Motor Vehicles \$	Furniture & Fixtures \$	Computer Equipment \$	Land \$	Plant & Equipment ¹ \$	Assets under construction ² \$	Total \$
Balance at 30 June 2024	109,300	9,628	9,138	-	476,458	105,234	709,758
Additions	-	5,396	5,073	23,037	1,124,011	-	1,157,517
Depreciation expense	(41,118)	(10,914)	(5,140)	-	(35,955)	-	(93,127)
Exchange differences	(384)	2,947	(879)	7	10,500	(2,398)	9,793
Disposals/Transfers	-	-	-	-	-	(13,387)	(13,387)
Balance at 30 June 2025	67,798	7,057	8,192	23,044	1,575,014	89,449	1,770,554
Additions	-	-	2,994	-	115,727	-	118,721
Depreciation expense	(39,296)	(4,145)	(6,140)	-	(201,715)	-	(251,296)
Exchange differences	(374)	333	59	1,762	(96,209)	(5,038)	(99,467)
Balance at 30 June 2026	28,128	3,245	5,105	24,806	1,392,817	84,411	1,538,512

¹Plant & equipment additions during the financial year of \$115,727 (2025: \$1,124,011) related to drilling and well equipment acquired.

²Assets under construction relate to establishment costs related to the Leupane Energy and Industrial Park & Serowe Energy Hub. As at 30 June 2026, these assets were not yet ready for their intended use and as such no depreciation expense has been recognised for the financial year ended 30 June 2026.

Note 12. Right-of-use assets

	Consolidated	
	2026	2025
	\$	\$
<i>Non-current assets</i>		
Land - right-of-use asset, net	547,006	544,597
	-	-
	<u>547,006</u>	<u>544,597</u>

During the year ended 30 June 2026 the Company entered into a new 3-year office lease in Perth Western Australia.

The Group leases land for the proposed site at the Leupane Energy and Industrial Park and the Serowe Energy Hub under agreements of between 35 to 44 years with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The implicit interest rate used is 12%.

Note 13. Trade and other payables

	Consolidated	
	2026	2025
	\$	\$
<i>Current liabilities</i>		
Trade payables	733,480	549,474
Other payables and accruals	13,681	112,715
	<u>747,161</u>	<u>662,189</u>
Application funds - shares to be issued	-	750,000
<i>Non-current liabilities</i>		
Other payables - AAAS Energy BV loan	43,674	46,658
	<u>43,674</u>	<u>46,658</u>

Refer to Note 21 for further information on financial instruments.

Note 14. Financial liabilities

	Consolidated	
	2026	2025
	\$	\$
Financial liabilities – deferred consideration ¹	750,000	750,000
	<u>750,000</u>	<u>750,000</u>

¹On 3 April 2024, the Company entered into a binding share sale agreement with Pure Hydrogen Corporation Limited for the acquisition of the remaining 30% interest in Sharpay Enterprises (Pty) Ltd ('Sharpay') for consideration of 14,500,000 ordinary shares and deferred consideration of A\$750,000 cash. The A\$750,000 cash milestone payment will be paid to the vendor upon agreed reserves certification of 50PJ or 50bcf of 2P on the Serowe CBM Project. As at 30 June 2026, the Company has assessed a 100% probability of meeting the milestones for the payment of this consideration in future and this amount has been recognised as a financial liability.

Refer to Note 21 for further information on financial instruments.

Note 15. Lease liabilities

	Consolidated	
	2026	2025
	\$	\$
<i>Current liabilities</i>		
Lease liability – Perth Office	23,152	-
Lease liability – Leupane Energy and Industrial Park ¹	15,885	-
Lease liability – Serowe Energy Hub ¹	7,604	-
	<u>46,642</u>	<u>-</u>
<i>Non-Current liabilities</i>		
Lease liability – Perth Office	29,710	-
Lease liability – Leupane Energy and Industrial Park ¹	438,882	473,395
Lease liability – Serowe Energy Hub ¹	176,751	189,371
	<u>645,342</u>	<u>662,766</u>

¹ Lease liabilities relating to the Leupane Energy and Industrial Park and Serow Energy Hub have a length of the lease being between 35 to 44 years.

The following are the amounts recognised in profit or loss:

	Consolidated	
	2026	2025
	\$	\$
Depreciation expense of right-of-use assets	37,305	15,506
Finance costs include lease interest	86,504	72,852
Expense relating to short-term leases	-	13,212
	<u>123,809</u>	<u>101,570</u>

The maturity analysis of lease liabilities is disclosed in Note 21.

Note 16. Issued capital

	2026	Consolidated	2026	2025
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>390,186,255</u>	<u>261,172,958</u>	<u>29,125,473</u>	<u>22,689,812</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2024	188,502,923		18,476,731
Issue of Ordinary Shares	12 August 2024	1,700,000	\$0.075	127,500
Issue of Ordinary Shares	13 September 2024	2,666,673	\$0.075	200,000
Issue of Ordinary Shares for Acquisition of 30% Sharpay - Tranche 2 ¹	16 September 2024	6,500,000	-	-
Issue of Ordinary Shares	16 September 2024	27,778,080	\$0.056	1,555,572
Issue of Ordinary Shares - Directors	2 December 2024	5,625,000	\$0.056	315,000
Issue of Ordinary Shares - Directors	2 December 2024	9,633,333	\$0.075	722,500
Conversion of Performance Rights	5 December 2024	5,750,000	-	738,000
Issue of Ordinary Shares for Acquisition of 30% Sharpay - Tranche 2 ¹	20 March 2025	2,000,000	-	-
Issue of Ordinary Shares	28 April 2025	8,220,339	\$0.059	485,000
Issue of Ordinary Shares	20 June 2025	2,796,610	\$0.059	165,000
Share issues costs		-		(95,491)
Balance	30 June 2025	<u>261,172,958</u>		<u>22,689,812</u>
Issue of Ordinary Shares	25 August 2025	18,050,847	\$0.059	1,065,000
Issue of Ordinary Shares	25 August 2025	400,000	\$0.060	24,000
Issue of Ordinary Shares – Directors and CEO	18 December 2025	20,338,983	\$0.059	1,200,000
Issue of Ordinary Shares	18 December 2025	847,458	\$0.059	50,000
Issue of Ordinary Shares	12 February 2026	35,807,000	\$0.050	1,790,350
Issue of Ordinary Shares – Employee shares	13 March 2026	376,000	\$0.060	22,560
Issue of Ordinary Shares – Directors and CEO	17 April 2026	24,193,009	\$0.050	1,209,650
Issue of Ordinary Shares	20 April 2026	29,000,000	\$0.050	1,450,000
Share issues costs		-		(375,899)
Balance	30 June 2026	<u>390,186,255</u>		<u>29,125,473</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Note 16. Issued capital (continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Note 17. Reserves

	Consolidated	
	2026	2025
	\$	\$
Foreign currency reserve	(989,464)	306,822
Options reserve	1,745,442	1,135,202
	<u>755,978</u>	<u>1,442,024</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Options reserve

The reserve is used to recognise the value of equity benefits provided to the initial concept developers of the Botswana exploration assets to directors as part of their remuneration, and other parties as part of their compensation for services. The options have been valued using the Black-Scholes method.

Movements in all reserves are explained further in the consolidated statement of changes in equity.

Note 18. Accumulated losses

	Consolidated	
	2026	2025
	\$	\$
Retained profits/(accumulated losses) at the beginning of the financial year	(5,629,631)	(2,784,997)
(Loss) after income tax expense for the year	(3,423,880)	(2,844,634)
Accumulated losses at the end of the financial year	<u>(9,053,511)</u>	<u>(5,629,631)</u>

Note 19. Disposal of subsidiary

On 14 April 2026, the Company transferred its 49% interest in Botala Solar Farm (Pty) Ltd for nil consideration. The Company's nominated directors also resigned. As the Company no longer controlled Botala Solar Farm (Pty) Ltd, the Group ceased consolidating it from that date. No interest was retained and Botala Solar Farm's loss of \$551,410 up to 14 April 2026 is included in the consolidated result for the year.

Carrying amounts at the date control was lost

	2026
	\$
Cash and cash equivalents	622
Security deposit	86,132
Trade and other payables	(353)
Loans payable to Group entities	<u>(706,377)</u>
Net liabilities	<u>(619,975)</u>

The amounts above are before elimination of balances between Botala Solar Farm and other Group entities.

Effect on consolidated profit before tax

	2026
	\$
Consideration received	-
Net liabilities derecognised	619,975
Non-controlling interest deficit derecognised	(316,187)
Parent's foreign currency translation reserve reclassified to profit or loss	14,346
Gain on loss of control	318,134
Write-off of receivable from former subsidiary	<u>(736,208)</u>
Net effect of loss of control of subsidiary	<u>(418,075)</u>

When control was lost, the amounts owed by Botala Solar Farm to other Group entities ceased to be eliminated on consolidation. The gross receivable at 30 June 2026 was \$736,208. As the Group had no reasonable expectation of recovery, it wrote off the full amount and recognised the expense within impairment. Including Botala Solar Farm's loss consolidated up to 14 April 2026, the total adverse effect on consolidated loss before tax for the year was \$969,485.

No cash consideration was received. The \$622 of cash and cash equivalents derecognised on loss of control represents a net investing cash outflow.

Note 20. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 21. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board monthly.

Market risk

Interest rate risk

The company's main interest rate risk arises from cash in bank as there are no loans outstanding.

Consolidated - 2026	Basis points change	Basis points increase	Effect on	Basis points decrease	Effect on	Effect on equity
		profit before tax	Effect on equity	profit before tax	Effect on equity	
Cash and cash equivalents	100	<u>15,226</u>	<u>15,226</u>	(100)	<u>(15,226)</u>	<u>(15,226)</u>

Consolidated - 2025	Basis points change	Basis points increase	Effect on	Basis points decrease	Effect on	Effect on equity
		profit before tax	Effect on equity	profit before tax	Effect on equity	
Cash and cash equivalents	100	<u>4,717</u>	<u>4,717</u>	(100)	<u>(4,717)</u>	<u>(4,717)</u>

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Carrying amounts by expected settlement period	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Consolidated - 2026	%	\$	\$	\$	\$	\$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	747,161	43,674	-	-	790,836
Financial liabilities – contingent consideration	-	-	750,000	-	-	750,000
<i>Interest-bearing - variable</i>						
Lease liability	12.00%	46,642	46,642	77,025	521,675	691,984
Total non-derivatives		<u>793,803</u>	<u>840,316</u>	<u>77,025</u>	<u>521,675</u>	<u>2,232,819</u>

Botala Energy Ltd
Notes to the consolidated financial statements
30 June 2026

Carrying amounts by expected settlement period Consolidated - 2025	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Non-derivatives						
<i>Non-interest bearing</i>						
Trade and other payables	-	662,189	46,658	-	-	708,847
Financial liabilities – contingent consideration	-	-	750,000	-	-	750,000
<i>Interest-bearing - variable</i>						
Lease liability	12.00%	-	-	-	662,766	662,766
		662,189	796,658	-	662,766	2,121,613

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 22. Key management personnel disclosures

Directors

The following persons were Directors of Botala Energy Ltd during the financial year:

Wolf Gerhard Martinick	Executive Chairman
Craig Basson	Chief Financial Officer and Company Secretary
Peter Grant	Non-Executive Director

Other key management personnel

The following person also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Kris Francis Martinick	Chief Executive Officer
------------------------	-------------------------

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2026	2025
	\$	\$
Short-term employee benefits	580,000	580,000
Share-based payments	229,064	389,252
Other^	97,792	102,188
	<u>906,856</u>	<u>1,071,440</u>

^Relates to consulting fees paid for geophysics services.

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the Company:

	Consolidated	
	2026	2025
	\$	\$
<i>Audit services -</i>		
Audit or review of the financial statements	67,910	67,500

Note 24. Related party transactions

Parent entity

Botala Energy Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 26.

Joint ventures

There were \$nil interests in joint ventures during the year ended 30 June 2026.

Key management personnel

Disclosures relating to key management personnel are set out in Note 22 and the remuneration report included in the Directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2026	2025
	\$	\$
Payment for other expenses:		
Fees paid to key management personnel - Cash	580,000	580,000
Share-based payments	229,064	389,252
Other - Cash	97,792	102,188

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2026	2025
	\$	\$
(Loss) after income tax	(5,076,475)	(2,076,444)
Total comprehensive loss	(5,076,475)	(2,076,444)

Note 25. Parent entity information (continued)

Statement of financial position

	Parent	
	2026	2025
	\$	\$
Total current assets	1,488,356	620,917
Total assets	21,238,906	20,333,072
Total current liabilities	612,445	1,213,058
Total liabilities	1,362,445	1,963,058
Net assets	20,752,372	18,370,014
Equity		
Issued capital	29,125,473	22,689,812
Options reserve	1,745,442	1,135,202
Accumulated losses	(10,118,543)	(5,042,068)
Total equity	20,752,372	18,370,014

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2026 and 30 June 2025.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2026 %	2025 %
Botala Operations Pty Ltd	Australia	100%	100%
BotsGas (Botswana) (Pty) Ltd	Botswana	100%	100%
BotsHydrogen (Pty) Ltd	Botswana	100%	100%
Botala Renewables (Pty) Ltd	Botswana	100%	100%
Leupane Solar Panel Manufacturing (Pty) Ltd	Botswana	100%	100%
Botala Gas (Pty) Ltd	Botswana	100%	0%
Sharpay Enterprises (Pty) Ltd	Botswana	100%	100%
Botala Operations Botswana (Pty) Ltd	Botswana	100%	100%
Grow and Eat (Pty) Ltd	Botswana	100%	100%
Botala Well Services (Pty) Ltd	Botswana	100%	0%
Botala CBM (Pty) Ltd	Botswana	100%	0%
Botala Prospecting (Pty) Ltd	Botswana	100%	0%

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Principal activities	Parent		Non-controlling interest	
			Ownership interest 2026 %	Ownership interest 2025 %	Ownership interest 2026 %	Ownership interest 2025 %
Botala Energy-Solar (Pty) Ltd ¹	Botswana	Renewable energy	50.00%	50.00%	50.00%	50.00%
Botala Solar Farm (Pty) Ltd ²	Botswana	Renewable energy	0.00%	49.00%	100.00%	51.00%

¹ Botala Energy Ltd holds 50% of the issued shares of Botala Energy – Solar (Pty) Ltd ('Botala Energy Solar'). As Botala Energy Ltd represents 4 out of 6 directors of Botala Energy Solar, and due to various agreements in place with other related entities, Botala Energy Ltd is deemed to have effective control of Botala Energy Solar and has consolidated this entity in the financial report.

² Until 14 April 2026, Botala Energy Ltd held 49% of the issued shares in Botala Solar Farm (Pty) Ltd ("Botala Solar Farm") and had effective control through its representation of three of the four directors and various agreements with related entities. On 14 April 2026, Botala Energy Ltd disposed of its entire 49% shareholding and its representatives resigned from the board of Botala Solar Farm. Accordingly, Botala Energy Ltd ceased to control Botala Solar Farm and deconsolidated the entity from that date. Consequently, no non-controlling interest in Botala Solar Farm is recognised as at 30 June 2026. Refer to Note 19 in the financial statements for further details.

Note 26. Interests in subsidiaries (continued)

Summarised financial information

Summarised financial information of the subsidiaries with non-controlling interests that are material to the Group are set out below:

	Botala Energy- Solar (Pty) Ltd 2026 \$
<i>Summarised statement of financial position</i>	
Current assets	7,979
Non-current assets	<u>29,484</u>
Total assets	<u>37,484</u>
Current liabilities	29,484
Non-current liabilities	<u>196,434</u>
Total liabilities	<u>225,918</u>
Net (liabilities)	<u><u>(188,455)</u></u>
Interest attributable to NCI	<u><u>(94,228)</u></u>
<i>Summarised statement of profit or loss and other comprehensive income</i>	
Revenue	-
Expenses	<u>(1,797)</u>
Loss before income tax expense	(1,797)
Income tax expense	<u>-</u>
Loss after income tax expense	(1,797)
Other comprehensive income	<u>-</u>
Total comprehensive loss	<u><u>(1,797)</u></u>
<i>Statement of cash flows</i>	
Net cash from operating activities	(368)
Net cash used in investing activities	-
Net cash used in financing activities	5,669
Net increase/(decrease) in cash and cash equivalents	5,301
<i>Other financial information</i>	
Profit attributable to non-controlling interests	<u>(898)</u>
Accumulated non-controlling interests at the end of reporting period	<u><u>(75,567)</u></u>

Note 27. Reconciliation of (loss) after income tax to net cash (used in) operating activities

	Consolidated	
	2026	2025
	\$	\$
Loss after income tax expense for the year	(3,705,998)	(2,910,281)
Adjustments for:		
Depreciation and amortisation	279,385	113,934
Share of loss - joint venture	-	-
Share based payments	443,385	961,634
Foreign exchange differences	355,372	274,835
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	602,560	(198,526)
Decrease/(increase) in inventories	104,777	(57,710)
Decrease/(increase) in prepayments	4,835	8,051
Increase/(decrease) in trade and other payables	81,988	630,910
Net cash used in operating activities	<u>(1,833,695)</u>	<u>(1,177,153)</u>

There were no non-cash investing and financing activities during the year ended 30 June 2026 (30 June 2025: nil).

Changes in lease liabilities arising from financing activities

	2026
	\$
Balance at 1 July	662,766
Cash payments in respect of lease liabilities	(67,183)
Recognition of new leases	66,537
Interest expense on lease liabilities	77,137
Foreign currency translation and other non-cash changes	(47,273)
Balance at 30 June	<u>691,984</u>

Note 28. Loss per share

	Consolidated	
	2026	2025
	\$	\$
(Loss) after income tax	<u>(3,705,998)</u>	<u>(2,910,281)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	<u>312,249,983</u>	<u>233,168,379</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>312,249,983</u>	<u>233,168,379</u>
	Cents	Cents
Basic loss per share	(1.10)	(1.25)
Diluted loss per share	(1.10)	(1.25)

Note 29. Events after the reporting period

The following matters were announced to the market subsequent to the end of the year:

- 1 July 2026 - Rory Burn was appointed Chief Financial Officer.
- 8 July 2026 – Positive permeability results confirm Serowe-3.5B ready for stimulation
- 20 July 2026 – Successful hydraulic stimulation of Pitse Pilot Well 3.5B
- 3 August 2026 – Pitse Pilot well 3.5B delivers strong early reservoir response following stimulation
- 20 August 2026 – Pitse Pilot gas observations highly encouraging ahead of 3.5B flow test
- 8 September 2026 – Botala secures expansion over prospective Serowe CBM Fairway

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Botala Energy Ltd
Consolidated entity disclosure statement
For the year ended 30 June 2026

Basis of preparation

The Consolidated Entity Disclosure Statement has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Tax Residency

S295(3A)(vi) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency may involve judgement as there are different interpretations that could be adopted and which could give rise to different conclusions regarding residency. In determining tax residency, the Group has applied the following interpretations:

Australian Tax Residency

Current legislation and judicial precedent has been applied, including having regard to the Tax Commissioner's public guidance.

Foreign tax residency

Where appropriate, independent tax advisers have been engaged to assist in the determination of tax residence to ensure applicable foreign tax legislation has been complied with.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Botala Energy Ltd	Body corporate	Australia	-	Australia
Botala Operations Pty Ltd	Body corporate	Australia	100	Australia
BotsHydrogen (Pty) Ltd	Body corporate	Botswana	100	Botswana
Botala Renewables (Pty) Ltd	Body corporate	Botswana	100	Botswana
Botala Energy – Solar (Pty) Ltd	Body corporate	Botswana	50	Botswana
Leupane Solar Panel Manufacturing (Pty) Ltd	Body corporate	Botswana	100	Botswana
Botala Gas (Pty) Ltd	Body corporate	Botswana	100	Botswana
Sharpay Enterprises (Pty) Ltd	Body corporate	Botswana	100	Botswana
Botala Operations Botswana (Pty) Ltd	Body corporate	Botswana	100	Botswana
BotsGas (Botswana) (Pty) Ltd	Body corporate	Botswana	100	Botswana
Grow and Eat (Pty) Ltd	Body corporate	Botswana	100	Botswana
Botala Well Services (Pty) Ltd	Body corporate	Botswana	100	Botswana
Botala CBM (Pty) Ltd	Body corporate	Botswana	100	Botswana
Botala Prospecting (Pty) Ltd	Body corporate	Botswana	100	Botswana

At the end of the financial year, no entity within the consolidated entity was a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Wolf Martinick
Executive Chairman

Dated the 30 September 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Botala Energy Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Botala Energy Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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In addition to the matter described in the *Material Uncertainty Related to Going Concern*, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation assets Refer to Note 11	
In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Company capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group. We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation asset may exceed its recoverable amount.	Our procedures included but were not limited to the following: – We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; – We considered the Directors' assessment of potential indicators of impairment; – We obtained evidence that the Group has current rights to tenure of its areas of interest; – We discussed with management the nature of planned ongoing activities; – We substantiated a sample of expenditure by agreeing to supporting documentation; and – We examined the disclosures made in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- (a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Botala Energy Ltd for the year ended 30 June 2026 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



HLB Mann Judd
Chartered Accountants

Perth, Western Australia
30 September 2026



L Di Giallonardo
Partner

Botala Energy Ltd
ASX additional information
30 June 2026

The shareholder information set out below was applicable as at 2 September 2026.

Equity security holders

Distribution of Shareholdings as at 2 September 2026

Range	Total holders	Units	% Units
1 - 1,000	15	2,399	-
1,001 - 5,000	13	48,523	0.01
5,001 - 10,000	144	1,391,665	0.36
10,001 - 100,000	227	9,235,245	2.37
100,001 Over	211	379,508,423	97.26
Total	610	390,186,255	100.00

On-market buy-back

There is no current on-market buy-back

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum \$ 500.00 parcel at \$ 0.065 per unit	<u>7,813</u>	<u>40</u>	<u>130,968</u>

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

Rank	Name	Units	% Units
1	DR WOLF-GERHARD MARTINICK	103,940,287	26.64
2	PURE ONE CORPORATION LIMITED	41,736,557	10.70
3	MOMENTUM VENTURES LIMITED	27,550,000	7.06
4	MR KRIS FRANCIS MARTINICK	15,045,310	3.86
5	MR RITCHIE JAY CAMPBELL	11,390,113	2.92
6	MR FANNIE GWIZI	10,875,706	2.79
7	CORPSERV PTY LTD	7,000,000	1.79
8	ROVIRA NO 2 PTY LTD <ROVIRA NO 2 A/C>	5,000,000	1.28
9	SIXTH ERRA PTY LTD <THE I COLLIE FAMILY A/C>	4,868,173	1.25
10	WELLPRO SERVICES PTY LTD	4,444,444	1.14
11	NEIL TRELEAVEN SPETTIGUE	4,214,044	1.08
12	MR RONALD PREFONTAINE + MRS ANNABEL FRANCES PREFONTAINE <PREFONTAINE SUPER FUND A/C>	4,183,333	1.07
13	MRS MELANIE ROSANNE RANSOM + MR REGINALD THOMAS RANSOM <RT RANSOM SUPER FUND A/C>	3,832,850	0.98
14	GLENHURST SUPER FUND PTY LTD	3,475,142	0.89
15	GLENDA ELAINE MARTINICK	3,227,080	0.83
16	BLUE GAMBIT INVESTMENT COMPANY	3,179,000	0.81
17	MARTINICK INVESTMENTS PTY LTD	3,080,000	0.79
18	MISS GENEVRA DEBORAH CROSS	3,005,511	0.77
19	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,854,385	0.73
20	1215 CAPITAL PTY LTD	2,817,064	0.72
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		265,718,999	68.10
Total Remaining Holders Balance		124,467,256	31.90

Botala Energy Ltd
ASX additional information
30 June 2026

Unquoted equity securities

Unlisted securities have no voting rights until conversion as fully paid shares.

The Company has the following unquoted securities:

Class	Number
Options with an exercise price of \$0.10 each and expiring on 6 December 2027	6,300,000
Options with an exercise price of \$0.10 each and expiring on 24 December 2027	10,250,000
Options with an exercise price of \$0.10 each and expiring on 31 January 2028	32,500,005
Options with an exercise price of \$0.10 each and expiring on 22 December 2028	21,900,000

Restricted securities

There are no Securities subject to ASX restrictions.

Substantial holders

Substantial holders in the Company are listed below:

	Number held	Issued %
Dr Wolf Gerhard Martinick	103,940,287	26.64
Pure One Corporation Limited	41,736,557	10.70
Momentum Ventures Limited	27,550,000	7.06

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

Every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Company Secretary

The name of the Company Secretary is Mr. Craig Basson

Registered Office

The address and telephone details of the registered and administrative office:
24 Hasler Road
Osborne Park, Western Australia, 6017

Telephone: 0417 942 466

Securities Register

The address and telephone number of the office at which a register of securities is kept:

Computershare Investor Services Pty Ltd
Level 17
221 St Georges Terrace
Perth WA 6000

Telephone: +61 (8) 9323 2000
Free line: 1300 850 505
Facsimile: +61 (8) 9323 2033

Securities Exchange

The Company's listed equity securities are quoted on the Australian Securities Exchange and the Botswana Stock Exchange.

Interests in Prospecting Licences

Prospecting licence number	Expiry Date	Interest owned %
016/2018	31/03/2027	100.00
018/2018	31/03/2027	100.00
019/2018	31/03/2027	100.00
356/2018	Mining Licence	100.00
357/2018	30/09/2027	100.00
400/2018	Mining Licence	100.00
055/2021	30/06/2028	100.00

* The interest shown in each of the licences represents the legal interest percentage that Botala Energy Ltd owns.

** Sharpay Enterprises (Pty) Ltd was granted Mining Licence ML0052/2025 in late February 2025. PL356/2018 and PL400/2018 were converted into the Mining Licence.

