

ASX Release | 13 October 2026

Pitse Pilot 3.5B well gas flow builds as dewatering approaches coal seam.

Highlights:

- Continuous gas production maintained since 20 September 2026, with measured flow increasing from approximately 1.5 Mscf/day to 28 Mscf/d (~30 GJ/day).
 - Water level now approximately 10m above the Serowe coal seam, compared with approximately 60m when sustained gas production commenced, marking further progress in reservoir dewatering.
 - Water production has declined approximately 25%, from 320 to 240 barrels per day, while gas production has increased, a trend consistent with the expected development of a coal bed methane well.
 - Further dewatering and controlled flow testing remain underway as confidence grows in the well's sustained production capacity against a 70 GJ/day flow-rate benchmark.
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Botala Energy Ltd (ASX/BSE: BTE) ("Botala" or "the Company") reports that gas production at its Pitse Pilot 3.5B well in Botswana has increased to approximately 28 thousand standard cubic feet per day (Mscf/day), (30 gigajoules per day (GJ/day), as the Company continues dewatering the reservoir and progressively testing the well's production capacity.

Gas has flowed continuously since 20 September 2026, with production increasing as the water level has been progressively lowered towards the top of the 13m-thick Serowe coal seam. Importantly, the latest measured gas flow has been achieved while the water level remains approximately 10m above the coal seam and gas flow is being managed through controlled surface valve settings. These results represent encouraging interim progress, as stabilised gas flow rates and commercial production capacity draw closer to being established.

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

"The most encouraging development at well 3.5B is that gas production is increasing while water production is declining. This is the type of response we have been working towards following the July stimulation program, which has enabled substantial water removal."

"We continue to dewater and open the well. Our priority is to manage the well carefully, preserve its long-term productivity and establish what it can reliably deliver."

"While sustained commercial flow rates remain to be demonstrated, the results are strengthening our confidence that well-3.5B has the potential to achieve our commercial production objective."

Gas up, water down

Since sustained gas production commenced on 20 September, measured gas flow has increased from approximately 1.5 Mscf/day (~1.6 GJ/day) to approximately 28 Mscf/day (~30 GJ/day), with brief higher readings exceeding 30 Mscf/day.

Over the same period, water production has fallen from approximately 320 barrels per day to 240 barrels per day. The reduction has accompanied progressively increasing gas production.

The water level has been progressively lowered to approximately 10m above the Serowe coal seam, compared with approximately 60m when sustained gas production first commenced.

The reduction in water level is significant because coal bed methane production depends on lowering reservoir pressure sufficiently to release gas held within the coal formation.

The increasing gas flow is consistent with the expected response to progressive reservoir depressurisation, although further testing is required to determine the well's sustained productivity.

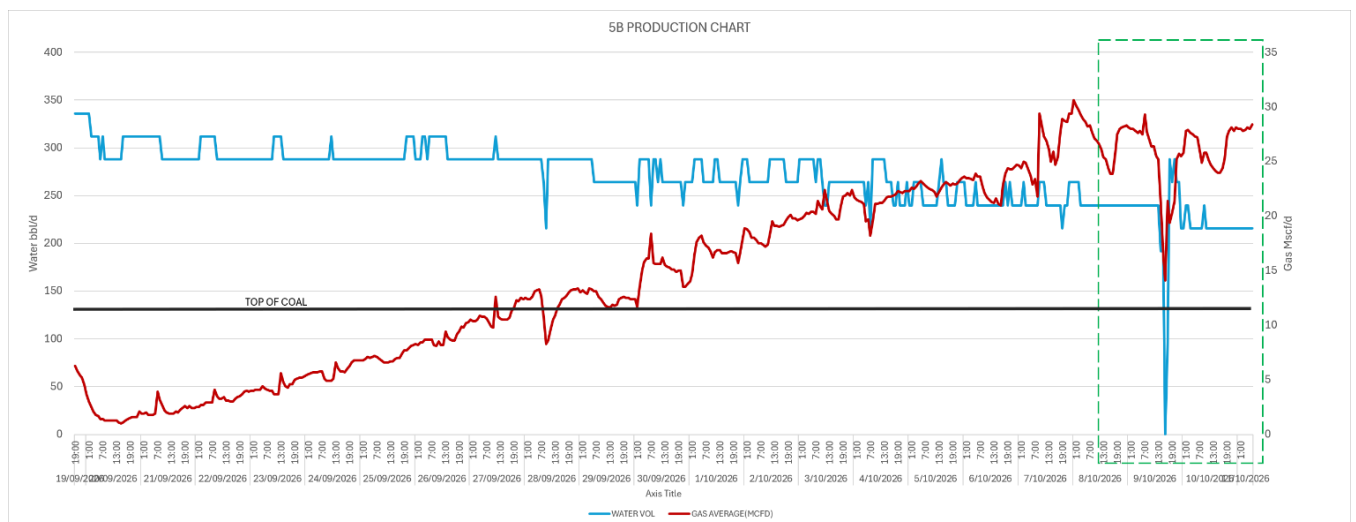


Figure 1. Serowe-3.5B water flow (blue, barrels per day) and gas flow (red, Mscf/d), 19–30 September 2026. Actual field data. (Source: Botala)

Controlled approach to optimising production

Botala continues to manage dewatering and gas flow in a staged manner to protect the well and support sustainable long-term production.

The water level is currently being lowered at approximately 2m per day, while surface gas flow settings are being adjusted progressively in response to observed well performance.

This approach is intended to minimise operational risks, including the mobilisation of coal fines or sand, and avoid excessive drawdown that could compromise well productivity.

Next steps – establishing sustained gas production

Botala will continue its program of controlled dewatering, gas-flow adjustments and production monitoring at well-3.5B.

The Company's previously stated appraisal benchmark remains a sustained gas flow rate of 70 GJ/day. The current rate of approximately 30 GJ/day is an interim field measurement under existing well settings.

The Company's immediate priorities are to:

- Continue lowering reservoir pressure through controlled dewatering.
- Progressively adjust gas flow settings and monitor reservoir response.
Establish reliable stabilised gas flow rates and confirm gas composition.
- Provide the resulting production and reservoir data to independent resource certifier Sproule for consideration in future resource and reserves assessments.

Technical note: Gas flow rates reported in Mscf/day are measured under the prevailing operating conditions and have not yet been demonstrated as stabilised production rates. Indicative GJ/day equivalents use an assumed energy content of 1.055 GJ per thousand standard cubic feet, pending confirmation through gas composition and calorific-value testing. Actual energy production may differ from these indicative figures.

This announcement has been authorised for release by the Board of Botala Energy Ltd.

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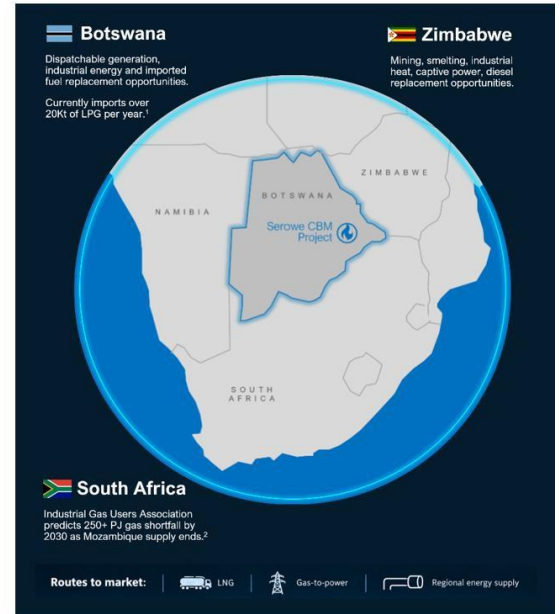
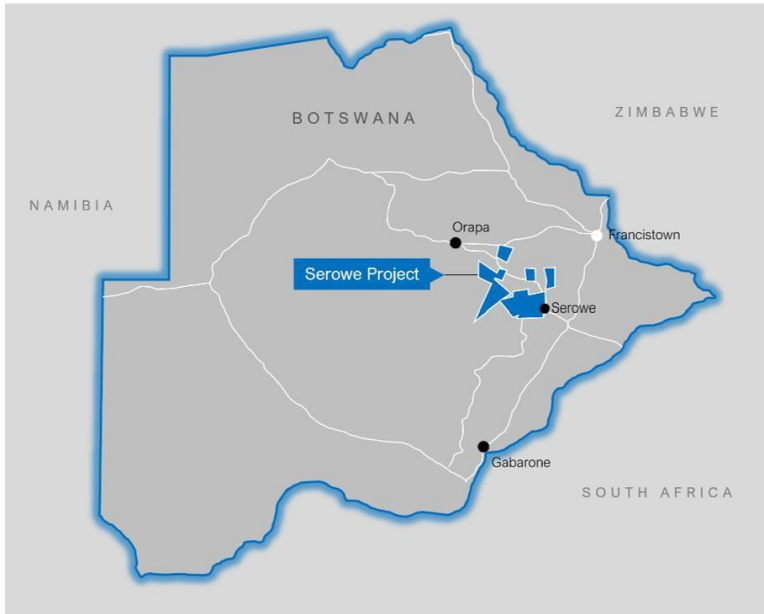
Forward-looking Statements

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

About Botala Energy Ltd

Botala Energy Ltd (ACN 626 751 620) is focused on developing its 100%-owned Serowe Coal Bed Methane (CBM) Project in Botswana. The Company is currently advancing the Pitse Pilot at the project to de-risk reservoir performance, support reserves determination and progress a Bankable Feasibility Study for future commercial development. Botala's strategy is to establish a scalable CBM-to-LNG production pathway capable of supplying domestic and regional energy markets in Southern Africa. With certified gas resources, granted development tenure

and a growing operational footprint, Botala is positioned to support Botswana's energy security and create long-term value for shareholders. Botala is listed on the Australian Securities Exchange and the Botswana Stock Exchange.



Appendix A – Listing Requirements

The following information is provided in respect of the testing results reported in this announcement.

Listing Rule	Rule	Response
5.30	An entity publicly reporting material exploration and drilling results in relation to petroleum resources must include all of the following information in that report and give the report to ASX for release to the market. (a) The name and type of well. (b) The location of the well and the details of the permit or lease in which the well is located. (c) The entity's working interest in the well. (d) If the gross pay thickness is reported for an interval of conventional resources, the net pay thickness. (e) The geological rock type of the formation drilled. (f) The depth of the zones tested. (g) The types of test(s) undertaken and the duration of the test(s). (h) The hydrocarbon phases recovered in the test(s). (i) Any other recovery, such as, formation water and water, associated with the test(s) and their respective proportions. (j) The choke size used, the flow rates and, if measured, the volumes of the hydrocarbon phases measured. (k) If flow rates were tested, information about the pressures associated with the flow and the duration of the test. (l) If applicable, the number of stimulation stages and the size and nature of stimulation applied. (m) Any material volumes of non-hydrocarbon gases, such as, carbon dioxide, nitrogen, hydrogen sulphide and sulphur. (n) Any other information that is material to understanding the reported results.	a) Well title is Serowe-3.5B and is an appraisal well targeting Coal Bed Methane. b) Serowe-3.5B is located at Latitude -22.24839 and Longitude 26.19624 in Mining Licence ML-52 (previously Prospecting Licence PL-400). c) Botala Energy Ltd working interest is 100% in the well. d) Coal seam thickness is 23m in total consisting of 13m of Serowe Seam and 10m of Upper Morupule Seam. e) The Geological rock type is coal. f) The Serowe seam was encountered at a depth of 377m and the Upper Morupule seam was encountered at a depth of 397m. g) A Diagnostic Stimulation Injection Test (DSIT) has been completed on the Serowe Seam. A step-rate test (SRT) was completed ahead of the stimulation, flow testing to commence. h) Gas is the target hydrocarbon and will be measured once well is completed. i) Stimulation water was recovered with no visible returns of proppant, water is currently being evaporated. Produced water volumes will be tested in subsequent flow-testing. j) 2 inch choke on well head. Serowe-3.5B has been flowing gas continuously since 20 September 2026 under controlled choke conditions. Gas flow rates have increased from approximately 1.5 Mscf/day (1.6 GJ/day) to approximately 28 Mscf/day (30 GJ/day), with peak rates exceeding 30 Mscf/day (32 GJ/day). On 6 October 2026, the choke was progressively increased from 16/64" to 18/64", together with an adjustment to the separator throttle, resulting in an immediate increase in gas production. The reported flow rates were measured under controlled choke conditions and do not represent stabilised production rates. Extended flow testing remains ongoing. k) Not Applicable on going. l) Single stimulation conducted over 1.5hrs with 2,200 bbl of total fluid and 43.5 tons of sand at a rate of 24 bbls/min. A stable pressure range from 390-450 documented during the duration with no pressure spikes. m) Not Applicable gas sampling planned. n) Not Applicable.