

ASX Release | 20 August 2026

Pitse Pilot gas observations highly encouraging ahead of 3.5B flow test.

Highlights:

- Gas is already being observed at Serowe-3.5B while the water level remains well above the coal, a highly encouraging indication that parts of the reservoir are beginning to desorb gas as bottom-hole pressure falls.
- Serowe-3.5B is approaching a key dewatering milestone; the fluid level is approximately 80 metres above the coal.
- Serowe currently contains independently certified 454 Bcf (approximately 471 PJ) of 2C Contingent Resources and approximately 7.1 Tcf (7,542 PJ) of 3C Contingent Resources, defined from less than 5% of Botala's approximately 4,200 km² exploration acreage¹.
- Support well Serowe-3.3 is producing substantial gas from the Upper Morupule seam, validating a second gas-bearing coal horizon and expanding the potential scale and development optionality of the Serowe Project.
- Support well Serowe-3.5A was successfully flared for 30 minutes during a controlled blowdown to relieve system pressure and enable a separator changeover, then recharged from 0 psi to approximately 48 psi in three days.
- These are highly encouraging well-test indicators. Gas flow rates at Serowe-3.5B and commercial recovery of the broader resource base remain to be demonstrated through ongoing testing and evaluation.

Botala Energy Ltd (ASX/BSE: BTE) (Botala or the Company) reports highly encouraging progress from production testing and dewatering across Project Pitse in Botswana. The pilot is the first commercial-production test within Botala's 100%-owned Serowe CBM Project, which contains independently certified 454 Bcf (~471 PJ) 2C and 7.1 Tcf (~7,542 PJ) 3C Contingent Resources.

The latest results build directly on earlier Pitse updates demonstrating strong water production, progressive drawdown and casing-pressure response. Importantly, gas is now being observed at principal production-test well 3.5B while the water level remains above the target coal seam, an encouraging indication that parts of the reservoir are already reaching the pressure conditions required for gas desorption.

¹ The resource figures are gross, independently certified estimates previously reported by Botala in its ASX/BSE investor presentation released on 10 September 2025. Botala confirms that it is not aware of any new information or data that adversely affects those estimates and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. 1 Tcf = 1,055 PJ | 1 Bcf = 1.055 PJ | 1 PJ = 1,000,000 GJ

Botala Chief Executive Officer, Mr Kris Martinick, stated:

"We are now approaching an important point in the Pitse program.

"At well 3.5B, we are seeing gas before full drawdown has been achieved, which is a very encouraging indication that the reservoir is responding as intended.

"The support wells are strengthening that picture. Well 3.5A flared successfully and rapidly rebuilt pressure, while substantial gas from the Upper Morupule at well 3.3 demonstrates the potential contribution of a second coal seam.

"The next critical step is to establish sustainable commercial gas flow from 3.5B. Success would provide the production data required to advance reserves certification, the Bankable Feasibility Study and the staged development of Serowe."

Serowe-3.5B Approaching Key Dewatering Milestone

Pitse Pilot well Serowe-3.5B is the principal production-test well and remains the immediate operational priority. Water production is approximately 12.2 barrels per hour (approximately 293 barrels per day), the fluid level is approximately 80m above the coal and drawdown is continuing.

Casing pressure is approximately 42 psi and continues to rebuild after bleed-off periods which is the main indicator of the wells ability to recharge the gas phase.

Most significant, gas is already being observed while the fluid level remains above the coal seam. This indicates portions of the reservoir are beginning to desorb gas as bottom-hole pressure declines, ahead of full drawdown.

While encouraging, commercial deliverability will only be established through continued dewatering and subsequent production testing.

Cumulative water production has exceeded 4,187 barrels, compared with approximately ~2,200 barrels pumped during stimulation. The stimulation-fluid volume has therefore been exceeded, supporting the interpretation that significant formation water is being recovered through the stimulated network.

Support wells strengthen the development case

At well 3.5A, the well was successfully flared for approximately 30 minutes during a controlled blowdown undertaken to relieve system pressure and enable a separator changeover.

Following the blowdown, casing pressure rebuilt from 0 psi to approximately 48 psi within three days. As at 17 August, the fluid level was approximately 10m above the Serowe coal seam.

At well 3.3, Botala is testing the Upper Morupule seam, which lies beneath the primary Serowe coal target.

The well is producing substantial gas, demonstrating gas response from a second coal horizon within the Pitse stratigraphy. If sustained through further testing, the Upper Morupule could provide an additional producing interval and increase flexibility in future wellfield design.

Flow rates and commercial deliverability remain subject to ongoing measurement and testing.

Well 3.4A continues stable dewatering as part of the broader pilot program.

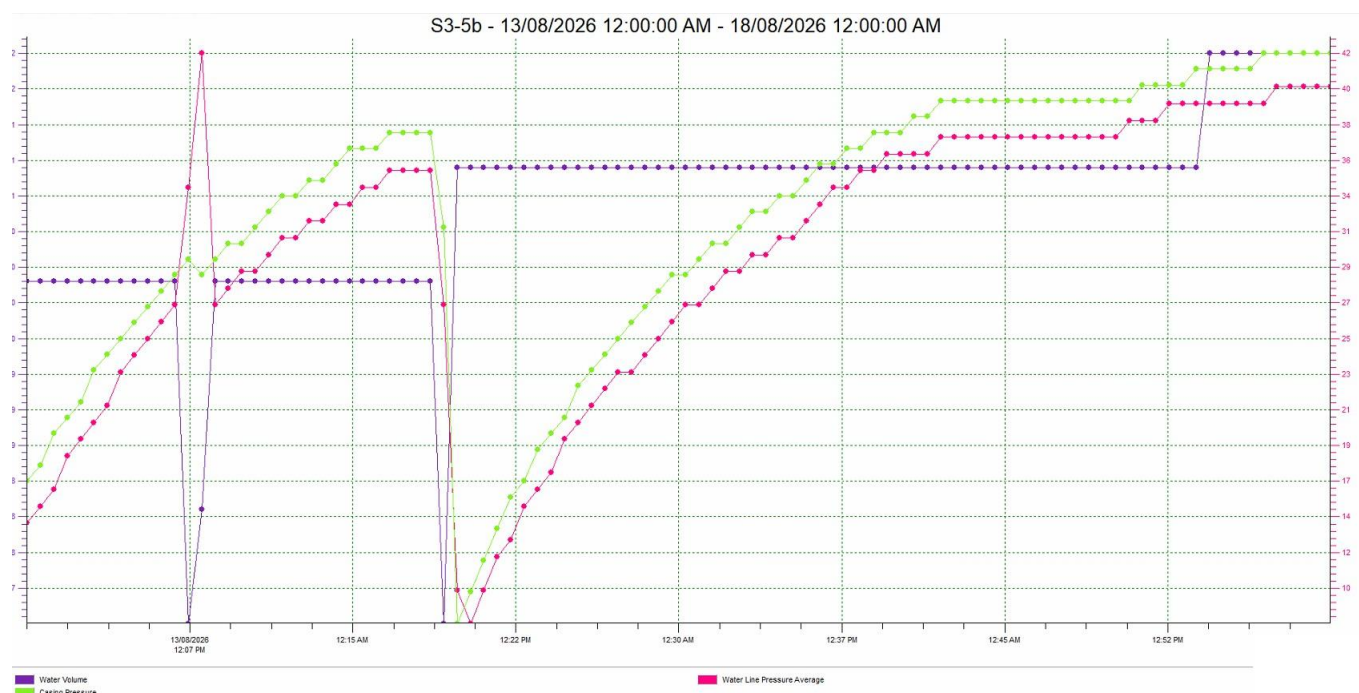


Figure 1: Serowe-3.5B water-volume and pressure trends, 13-18 August 2026.

Figure 1 explanation: The green casing-pressure series repeatedly rebuilds after reductions associated with controlled pressure release (bleed-offs) and reaches approximately 42 psi toward the end of the period. The purple water-volume series is consistent with the reported production rate of approximately 12.2 barrels per hour, while gas is already being observed as dewatering continues.

From pilot to development

Project Pitse is designed to provide the production evidence required to advance Serowe from a large independently certified gas resource toward commercial development.

Botala currently holds independently certified 454 Bcf (~471 PJ) of 2C Contingent Resources and approximately 7.1 Tcf (~7,542 PJ) of 3C Contingent Resources, defined from less than approximately 5% of the Company's 4,200 km² exploration acreage.

Commercial gas flow from 3.5B would provide important production data for:

- independent reserves certification;
- completion and refinement of the Bankable Feasibility Study;
- commercial wellfield design;
- project financing and gas-sales discussions; and
- assessment of the potential to replicate the Pitse production model across the wider Serowe resource.

Project Pitse is the first stage of Botala's planned phased development strategy, initially targeting LNG production of approximately 3.5 PJ per annum, equivalent to approximately 200 tonnes per day, from an eventual wellfield of approximately 108 wells. The current results do not establish commercial recovery of the entire 2C or 3C resource. They are progressively building the production and reservoir data required to assess that opportunity.

All environmental approvals are in place across the Serowe gasfield, LNG production facilities, energy hubs, and pipeline corridor.

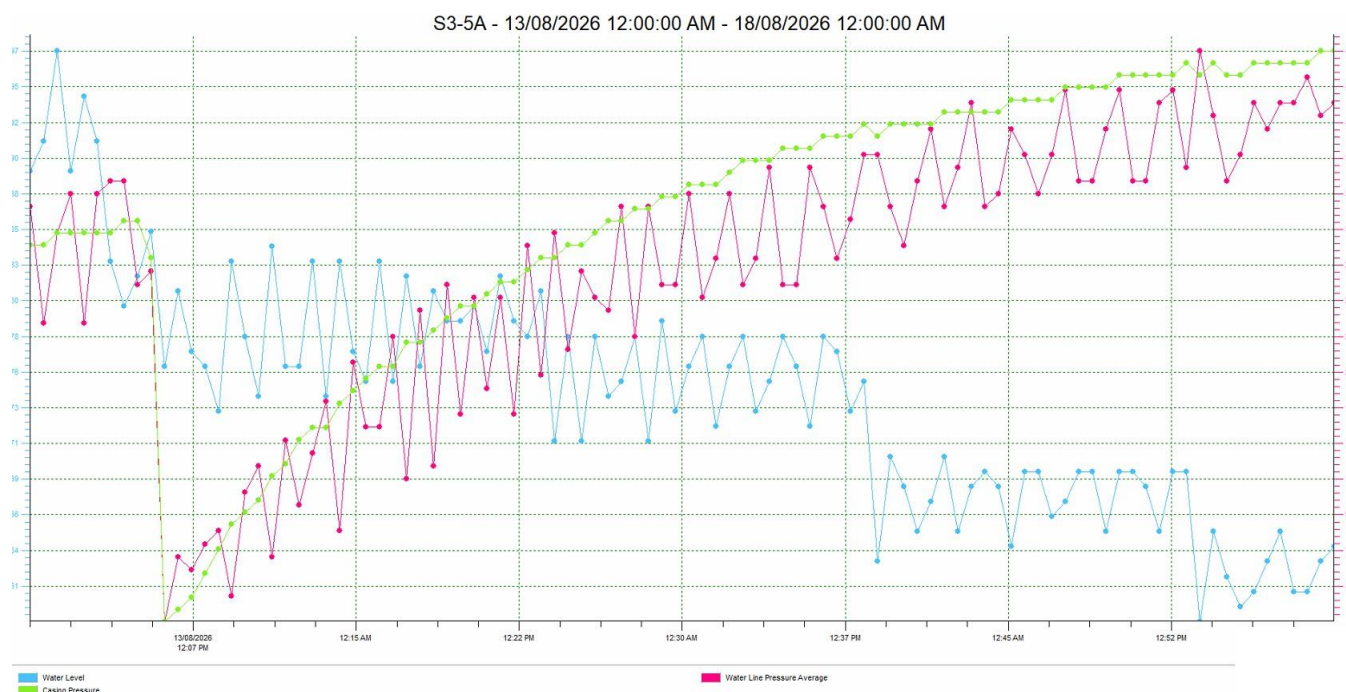


Figure 2: Serowe-3.5A water-level and pressure trends, 13-18 August 2026.

Figure 2 explanation: The blue water-level series generally trends lower while the green casing-pressure series rises. The rapid recharge to approximately 48 psi following the controlled blowdown is consistent with the strong pressure response reported from the well.

About the Serowe CBM Project

The Serowe CBM Project in central Botswana is designed to develop a domestic source of natural gas to support power generation, industrial energy demand and LNG supply for Southern Africa. The project is 100% owned by Botala through its wholly owned Botswana subsidiary, Botala Gas (Pty) Ltd.

Project Pitse is the first of four development phases, targeting a cluster of six wells designed to demonstrate commercial CBM production and underpin the Bankable Feasibility Study initially targeting LNG production of 3.5 petajoules (PJ) per year (~ 200 tonnes per day of LNG) from ~108 wells. All environmental approvals are in place across the Serowe gasfield, LNG production facilities, energy hubs, and pipeline corridor.

The Serowe-3.5B well was drilled and stimulated in accordance with the Project's approved Environmental Impact Assessment. Botala maintains ongoing reporting and engagement with Botswana's Department of Mines and Department of Environmental Affairs and, where Botswana-specific technical standards are not prescribed, applies relevant Australian guidelines and standards as an additional operational benchmark.

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

For further information:

Kris Martinick
Chief Executive Officer
info@botalaenergy.com.au

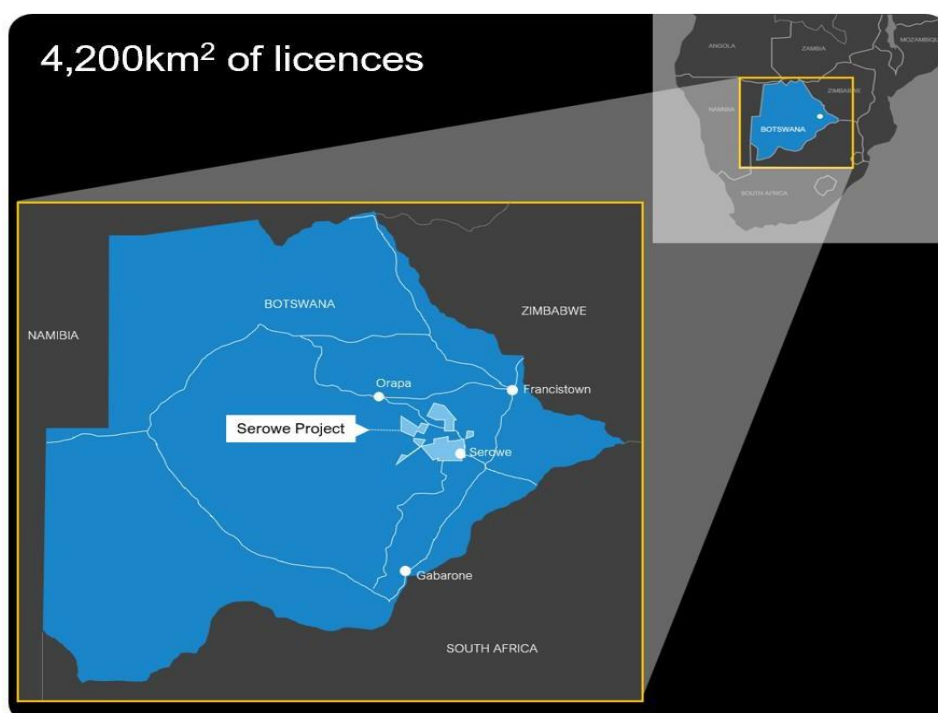
Gareth Quinn
Investor Relations
gareth@republicir.com.au
0417 711 108

Forward-looking Statements

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

About Botala Energy Ltd

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



Appendix A – Listing Requirements

The following information is provided in respect of this announcement and the reporting of material well-test results.

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) The primary material well-test results relate to Serowe-3.5B, the principal appraisal and production-test well targeting Coal Bed Methane. Contextual support-well information is provided for Serowe-3.5A, Serowe-3.3 and Serowe-3.4A. 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's working interest is 100%. d) Coal seam thickness is 23 metres in total, comprising 13 metres of Serowe Seam and 10 metres of Upper Morupule Seam. e) The geological rock type is coal. f) The Serowe Seam was encountered at approximately 377 metres and the Upper Morupule Seam at approximately 397 metres. g) A Diagnostic Stimulation Injection Test and step-rate test were completed on the Serowe Seam. Production testing and dewatering are continuing. h) Gas is already being observed at Serowe-3.5B, but no quantified commercial gas flow rate is reported. i) Cumulative water production at Serowe-3.5B is 4,187 barrels, compared with approximately 2,200 barrels injected during stimulation. The excess is interpreted as significant formation-water production. j) Current water production at Serowe-3.5B is approximately 12.2 barrels per hour (approximately 293 barrels per day). k) Serowe-3.5B casing pressure is approximately 42 psi and rebuilds following bleed-off periods. The plotted monitoring period extends to 18 August 2026. l) Serowe-3.5A was successfully flared for 30 minutes during a controlled blowdown to relieve system pressure and enable a separator changeover. Casing pressure subsequently recharged from 0 psi to approximately 48 psi in three days. m) Serowe-3.3 targets the Upper Morupule (middle) seam and is producing substantial gas. No quantified gas flow rate is reported. Serowe-3.4A continues stable dewatering. n) A single stimulation was conducted at Serowe-3.5B over approximately 1.5 hours using approximately 2,200 barrels of total fluid and 43.5 tonnes of sand at a rate of approximately 24 barrels per minute. No material non-hydrocarbon gas volumes are reported. Well testing is continuing. The reported gas observations, pressure responses and water-production results are preliminary testing indicators and do not yet establish sustainable commercial deliverability at Serowe-3.5B or commercial recovery of the broader 2C and 3C Contingent Resource base.