



31 January 2025

QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDING 31 DECEMBER 2024

CRITICAL ENVIRONMENTAL IMPACT APPROVAL.

SUCCESSFUL CAPITAL RAISE OF A\$1.87 MILLION.

Highlights:

- **Environmental Approval received for Serowe Energy Hub, a significant component of the wider Serowe CBM Project**, advancing toward commercial gas production.
- **All Environmental Approvals now in place for development of the Serowe CBM Project** including Serowe gasfield, LNG production facilities, energy hubs in Serowe and Leupane and a pipeline from the gasfield to Leupane.
- **Successful Capital Raising of A\$1.87 million**, providing additional funds to support Botala's exploration and development activities.
- **Strong Shareholder Support at AGM** where all resolutions were passed by poll, reflecting strong shareholder backing of Botala's strategic direction.
- **Substantial Shareholder Changes** were announced during the Quarter.

Botala Energy's CEO Kris Martinick stated *"Closing out 2024, it was time to reflect on a year of significant progress for Botala Energy. Key milestones achieved during the Quarter were the receipt of the Environmental Impact Approval for the Serowe CBM Project and a successful A\$1.87 million capital raise. These achievements have gone a long way to strengthen our position to move towards commercial gas production. At our AGM, we received strong support from our shareholders, with all resolutions passed, reflecting confidence in our strategic direction and long-term vision."*

Heading into 2025, Botala is well-positioned to achieve its core objectives. Our focus will be on advancing the Serowe CBM Project, progressing our LNG strategy through partnerships and exploring hybrid renewable energy solutions to deliver reliable, sustainable energy to Botswana and the broader Southern African region. With a solid foundation in place and a clear pathway, I look forward to the year ahead, as we continue to build momentum and deliver on our goals."

1. Environmental Impact Approval for Serowe CBM Project

On 7 October 2024, Botala announced that it had received Environmental Impact Approval for its Serowe CBM Project. This approval is a significant milestone, clearing a major regulatory hurdle and allowing the Company to proceed with its development plans. The approval underscores Botala's commitment to sustainable operations and environmental compliance.

All environmental approvals are now in place for development of the Serowe CBM Project including:

- Serowe gasfield.
- LNG production facilities.
- Energy hubs in Serowe and Leupane.
- Pipeline from the gasfield to Leupane.

The Serowe CBM Project represents a major opportunity to supply natural gas to both domestic and regional markets, particularly as South Africa faces an impending gas shortage.

The environmental approval aligns Botala with its long-term strategy of becoming a key energy supplier in Southern Africa.

2. Successful A\$1.87 Million Capital Raising

On 23 October 2024, Botala successfully completed a capital raising via a placement to raise A\$1.87 million. The funds will be used to advance exploration and development activities at the Serowe CBM Project and support the Company's ongoing operations.

This placement was well-supported by existing shareholders and new investors, reflecting confidence in Botala's strategy and the growing recognition of the Serowe CBM Project's potential to address regional energy needs.

3. Annual General Meeting and Shareholder Support

On 28 November 2024, Botala held its Annual General Meeting (**AGM**), where all resolutions

were passed by poll. This strong shareholder endorsement demonstrates confidence in the company's leadership and future plans

Key resolutions included the re-election of a director, approval of the Company's remuneration report, and the ratification of prior share placements. These approvals provide the Company with the flexibility to continue its exploration and development activities, whilst pursuing strategic partnerships.

4. Changes in Substantial Shareholdings

During the Quarter, Botala announced several updates regarding changes in substantial shareholdings. Notably, substantial shareholder Dr Wolf Martinick increased his shareholding in the Company through additional placements approved at the AGM.

5. Social Impact

Financial Position and Outlook

The successful capital raising during the Quarter has strengthened Botala's financial position, providing the necessary funding to advance its key projects, the Serowe CBM Project. Botala remains focused on progressing the Serowe CBM Project toward commercial production and exploring new opportunities in the renewable energy sector.

Looking ahead, Botala aims to finalise key partnerships and continue its development activities, positioning itself as a critical energy supplier in the Southern African region.

Botala has been informed that its Mining Licence (**ML**) application is progressing within Government Departments.

Operational Update

The upcoming Operational work programme focuses on essential well drilling, workover and commissioning tasks to enhance gas production. The primary activity involves a workover of the Serowe-3.1 well, which includes replacing the downhole sensor, followed by a second acid wash to optimise performance and ensure the well is prepared for ongoing operations.

Drilling operations will commence with Serowe-3.4A, where the well will be drilled, reamed and acid washed. This will be followed by the drilling and perforation of Serowe-3.4B and Serowe-3.5B. Both wells will be made ready for stimulation to maximise gas flow rates, with all preparations aligning to ensure timely commissioning.

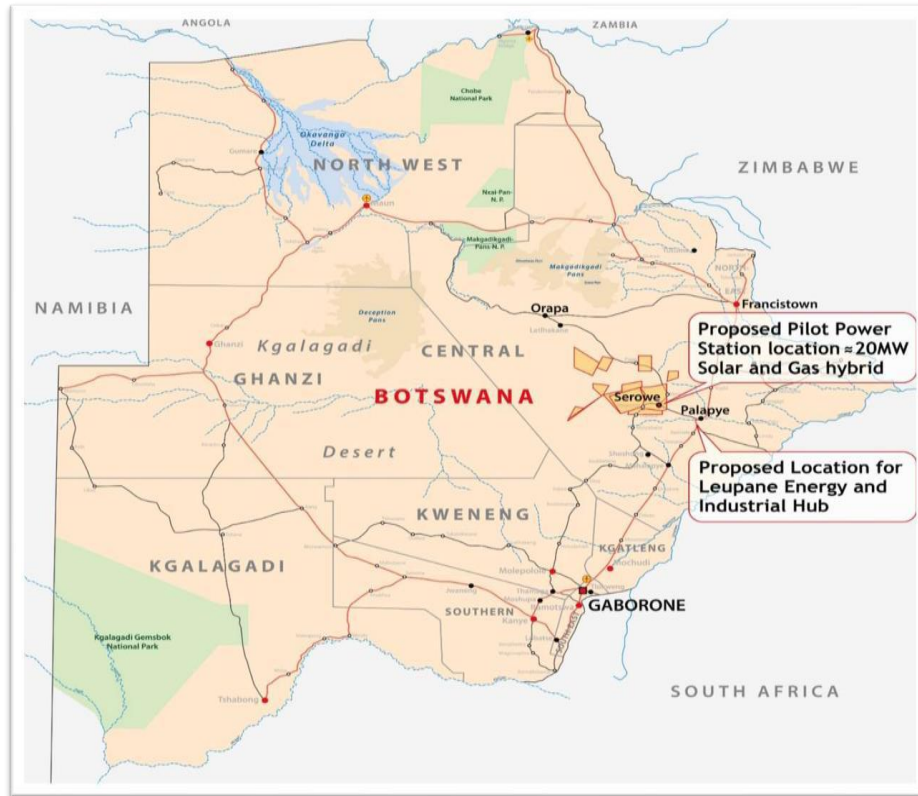


Figure 1 - Botswana and Serowe CBM Project acreage map

TENEMENT DIRECTORY

The following tenements (collectively, **Serowe CBM Project**) are held by Sharpay Enterprises (Pty) Ltd in which Botala has a 100% legal interest and is Operator. All tenements are in good standing.

Prospecting Licence Number	Expiry Date	Area (KM ²)	Comments
016/2018	31/03/2025	648.12	Current
018/2018	31/03/2025	694.35	Current
019/2018	31/03/2025	511.39	Current
356/2018	30/09/2025	918.97	Current
357/2018	30/09/2025	892.23	Current
400/2018	30/09/2025	192.79	Current
055/2021	31/03/2026	267.14	Current

(Total KM² as at 31 December 2024)

The Serowe CBM Project is located in the Karoo-Kalahari Basin of Central Botswana.

GAS PRODUCTION

There was no gas production for the December 2024 Quarter.

CASH MANAGEMENT

Botala held net cash of A\$1,397,000 at the end of the December 2024 Quarter.

CORPORATE

Botala raised A\$1.87 million in the December 2024 Quarter.

ADDITIONAL ASX LISTING RULE DISCLOSURE

Pursuant to ASX Listing Rule 5.4.5, Botala must include a description of and an explanation for payments to related parties and their associates as disclosed in the Appendix 5B in Section 6 as follows:

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	55
6.2	Aggregate amount of payments to related parties and their associates included in item 2	90

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Item 6.1: The aggregate amount of payments to related parties and their associates during the December 2024 Quarter was A\$55k in Director and CEO consulting fees for Company administration.

Item 6.2: The aggregate amount of payments to related parties and their associates during the December 2024 Quarter was A\$90k in Director and CEO consulting fees for exploration and evaluation activities.

BY ORDER OF THE BOARD

Yours faithfully

BOTALA ENERGY LTD



Kris Martinick

Chief Executive Officer

For more information please contact:

Kris Martinick: kris.martinick@botalaenergy.com.au or 0421 322 737

This report is lodged on Botala's website, www.botalaenergy.com

About Botala

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

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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

BOTALA ENERGY LTD

ABN

41 626 751 620

Quarter ended ("current quarter")

31 DECEMBER 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(120)	(242)
(e) administration and corporate costs	(103)	(184)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(219)	(420)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(406)	(406)
(d) exploration & evaluation	(661)	(1,025)
(e) investments	(2)	(2)
(f) other non-current assets	-	(91)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	50
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,069)	(1,474)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,870	2,901
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(32)	(53)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	1,838	2,848

4.	Net increase / (decrease) in cash and cash equivalents for the period	550	954
4.1	Cash and cash equivalents at beginning of period	847	443
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(219)	(420)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,069)	(1,474)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,838	2,848

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,397	1,397

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,397	847
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,397	847

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	55
6.2	Aggregate amount of payments to related parties and their associates included in item 2	90

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	50	1
7.3 Other (please specify)	-	-
7.4 Total financing facilities	50	1
7.5 Unused financing facilities available at quarter end		49
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Credit standby facilities are for a credit card facility of \$50,000 from the NAB at commercial interest rates, which is secured.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(219)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,069)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,288)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,397
8.5 Unused finance facilities available at quarter end (item 7.5)	49
8.6 Total available funding (item 8.4 + item 8.5)	1,446
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.1
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No, Botala expects costs to further reduce in the next Quarter as it continues to evaluate the drilling programme at Project Pitse.	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Botala raised A\$1,870,000 by placement during the Quarter as announced to the ASX on 23 October 2024. As announced to the ASX on the 4 April 2024, sole ownership of the Serowe CBM Project is important for engagement with prospective strategic partners as Botala advances towards development. Botala is currently in advanced negotiations with a number of development partners (though for completeness, no binding terms have been agreed and there is no guarantee that any such transaction will materialise on terms favourable to Botala, or at all).	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, refer to the Company's response provided under item 8.8.2 above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

31 January 2025

Date:



Authorised by:

Craig Basson
(Company Secretary)

Authorised by: The Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.