

ASX Release | 3 August 2026

Serowe CBM Project: Pitse Pilot well 3.5B delivers strong early reservoir response following stimulation.

Highlights:

- **Strong early response from principal production well:** Pitse Pilot well 3.5B has developed approximately 6 psi of casing pressure despite the water level remaining around 210m above the planned operating level.
- **High water production supports effective stimulation:** The current rate of approximately 200 barrels per day is approximately five times the initial rate achieved at Pitse Pilot well 3.1 and more than double Botala's next highest-producing pilot well. Strong water production and early casing pressure indicates that the recent stimulation has established effective flow pathways between the production well and the surrounding gas-bearing coal.
- **Significant drawdown remains available:** With the water level still well above the target operating level, substantial scope remains to further reduce reservoir pressure and promote increasing gas desorption.
- **Positive response from a second coal seam:** Well 3.3 continues to rebuild pressure from the Upper Morupule seam, providing further encouraging evidence that multiple coal seams are responding to dewatering.
- **Pilot optimisation continues:** Production testing and optimisation are continuing across the Pitse Pilot wellfield, together with planned completion work at well 3.2 and remediation of well 3.1.

Botala Energy Ltd (ASX/BSE: BTE) (Botala) has recorded a strong early reservoir response from well 3.5B, the principal production well at Botala's Pitse Pilot within the Serowe Coal Bed Methane Project in Botswana.

Botala Chief Executive Officer, Mr Kris Martinick, stated:

"This is the first opportunity to assess how principal production well 3.5B is responding following stimulation, and the early indicators are highly encouraging."

"The well has only recently commenced dewatering, yet it is already producing approximately 200 barrels of water per day and has developed measurable casing pressure. This is a substantially stronger initial response than we have observed from any of our previous pilot wells."

"In coal bed methane development, strong water production at this stage is exactly the response we're looking for. It is an important and necessary part of reducing reservoir pressure so that increasing volumes of gas can be released from the coal."

"Importantly, this response is occurring while the water level remains approximately 210m above our planned operating level. This means only limited drawdown has occurred and considerable scope remains to further reduce reservoir pressure."

“The early performance provides increasing confidence that the stimulation has effectively connected well 3.5B with the surrounding reservoir. Our focus now is to continue carefully lowering reservoir pressure and allow the well to progressively demonstrate its gas production capability.”

Pitse Pilot well 3.5B provides encouraging evidence of effective stimulation

Following the successful completion of stimulation and the commencement of the production phase announced previously, well 3.5B is now producing approximately 200 barrels of water per day and has developed approximately 6 psi of casing pressure.

This response has occurred despite the water level remaining approximately 210m above the planned operating level, indicating that the reservoir has undergone only limited drawdown and that substantial further pressure reduction remains available.

The early response is materially stronger than that recorded from Botala’s previous pilot wells. The current water production rate is approximately five times the initial rate achieved at well 3.1 and just over double the 90 barrels per day recorded at well 3.5A, the Company’s next highest water producing well.

For coal bed methane wells, the removal of formation water is an essential part of the production process. As water is progressively removed, pressure within the coal decreases, allowing methane held within the coal matrix to be released and flow towards the production well.

The strong water response at Serowe-3.5B is therefore an encouraging early indicator that the stimulation has created effective connectivity between the well and the surrounding coal reservoir.

Well 3.5B’s role in the Pitse Pilot

Well 3.5B is Botala's principal stimulated production well and is designed to demonstrate the production performance required to support commercial development of the Pitse Pilot.

Unlike the earlier open-hole support wells, well 3.5B incorporates the completion and stimulation approach intended to inform future commercial production wells.

Production testing follows the successful completion of principal engineering activities along a structured path to first gas (refer Figure 1).

The current observations represent early-stage reservoir and production indicators. They are not yet a measured or stabilised gas flow result.

Botala will report gas production rates when they are material and supported by verified field measurements.

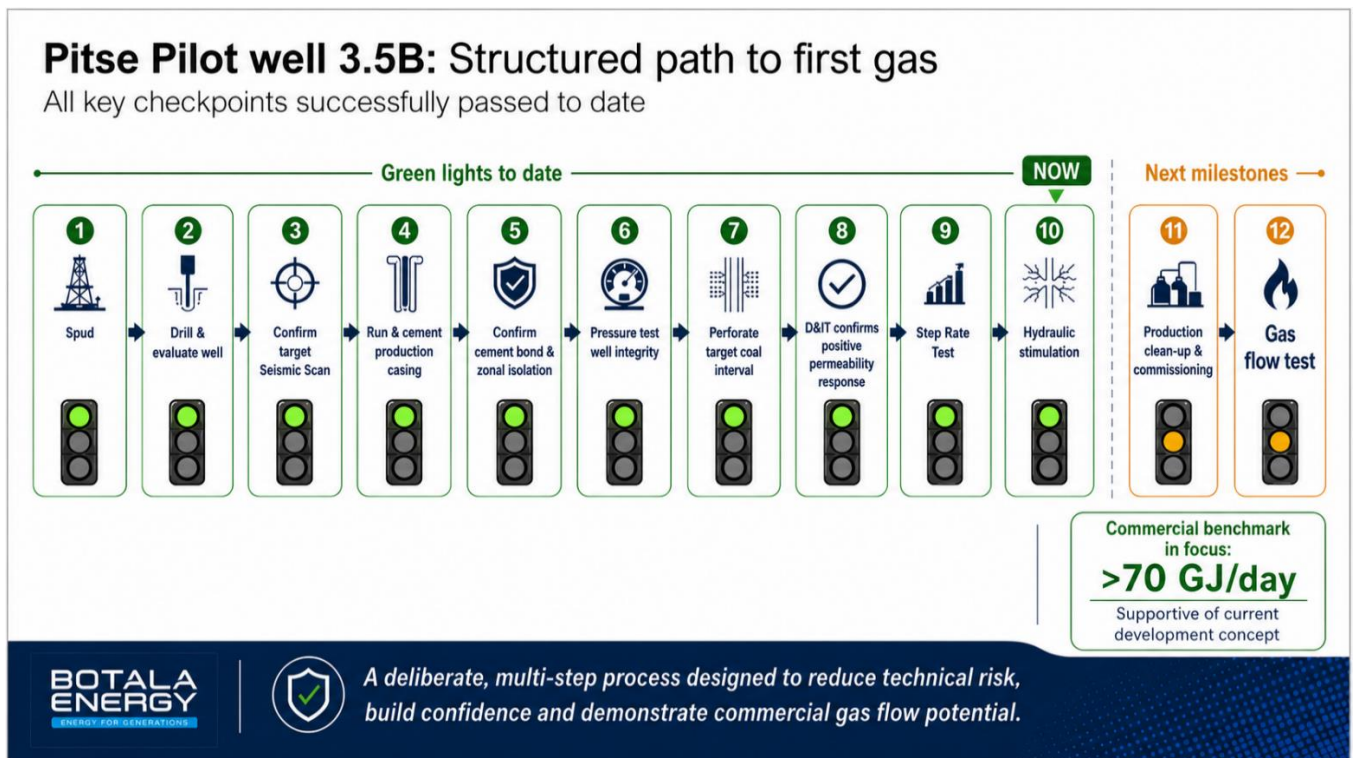


Figure 1. Well 3.5B has now completed the final engineering stage before commercial production testing.

Broader Pitse Pilot activities

Production testing and optimisation are continuing across the Pitse Pilot wellfield. Well 3.3 continues to rebuild pressure from the Upper Morupule seam, providing further encouraging evidence that this second coal seam is responding positively to dewatering and may contribute to the broader productive potential of the pilot area.

Botala is also progressing:

- planned completion activities at well 3.2;
- remediation work at well 3.1;
- ongoing optimisation of pumping rates and reservoir drawdown; and
- continued monitoring of water levels, casing pressure and gas production indicators across the wellfield.

The immediate focus at well 3.5B remains the controlled reduction of reservoir pressure. This will allow Botala to assess the well's gas production response as dewatering progresses and inform the next stage of the Pitse Pilot development program.

Pitse Pilot wellfield status

Well	Status	Key operating data	Current program / interpretation
3.5B	Production testing	~6 psi casing pressure ~200 bbl/day water Water level ~210 m above target	Principal stimulated production well. Separator installed. Strong early response with substantial drawdown still available.
3.5A	Steady dewatering	~2.2 psi ~90 bbl/day water	Separator installed. Stable dewatering continues.
3.4	Controlled dewatering	~0.2 psi ~48 bbl/day water	Managed drawdown continues under controlled pump cycling; water production continues to improve.
3.3	Upper Morupule test	~20 psi ~68 bbl/day water	Pressure is rebuilding following controlled bleed-off. Water production has returned to normal, providing an encouraging response from the Upper Morupule seam.
3.2	Planned completion	Drilled and cased	Awaiting perforation and stimulation before being brought online in the Serowe seam.
3.1	Temporarily offline	Open hole across all three seams	Lower Morupule seam is planned to be isolated before the well is restarted on the Serowe and Upper Morupule seams only.

Note: operating figures are approximate field observations and remain subject to final engineering verification before release. Status colours indicate active testing/dewatering (green), planned completion (amber) and temporary offline/intervention (blue).

Next Steps

- Continue controlled dewatering and monitoring of water level, casing pressure and gas response at well 3.5B;
- Continue optimisation of the active support wells, including the Upper Morupule response at well 3.3;
- Perforate, stimulate and bring well 3.2 online in the Serowe seam;
- Isolate the Lower Morupule seam in well 3.1 before restarting the well on the Serowe and Upper Morupule seams only; and
- Provide further market updates when material and technically verified production milestones are achieved.

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 for a Serowe-to-Leupane gas development, initially targeting LNG production of 3.5 petajoules (PJ) per year from ~108 wells. All environmental approvals are in place across the Serowe gasfield, LNG production facilities, energy hubs, and pipeline corridor.

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

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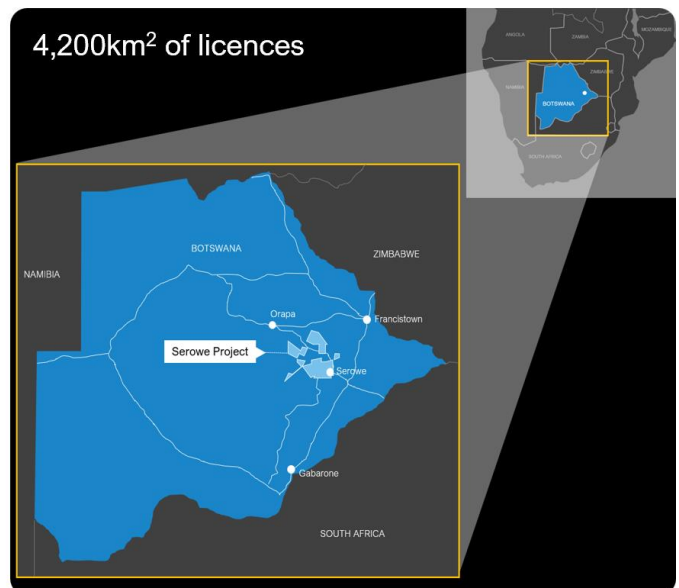
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Forward-looking Statements

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

About Botala Energy Ltd

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



Appendix A – Listing Requirements

The following information is provided in respect of this announcement and the reporting of contingent resources and prospective resources.

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