



5 September 2022

### **STRATEGIC BINDING MOU WITH SOLAR FINLAND**

#### **Highlights:**

- **Binding MOU signed with Solar Finland to jointly investigate solar power generation projects and establish solar panel manufacturing in Botswana.**
- **Solar Finland to employ their Salo™ technology on solar projects.**
- **Botala to support Solar Finland's business case to establish a Salo™ panel manufacturing plant in Botswana on Botala's proposed Leupane Industrial Park.**

Botala Energy Ltd (ACN 626 751 620) (**Botala**) is pleased to announce it has signed a binding Memorandum of Understanding (**MoU**) with Solar Finland Ltd (**Solar Finland**) to provide solar panels for future energy developments and to develop a business model which includes the establishment of a solar panel manufacturing plant in Botswana. This is in line with the Government's aspirations to develop new high technology manufacturing industries in Botswana.

#### **Background**

In developing Botala's coal bed methane (**CBM**) gas resource in Botswana, Botala recognised its belief in (as alluded to in its prospectus dated 16 May 2022) the potential in coupling gas with renewable energy. In particular, Botala highlighted the global need for clean energy solutions and Botala's view that development of the Serowe CBM Project may be combined with renewable energy solutions. Botala is focussed on minimising its Project's carbon footprint during appraisal, development and production phases. Botala's ongoing early-stage development work and evaluation identified the potential to use the gas resource in tandem with solar energy to provide reliable, low cost and low emissions electricity in Botswana.

An essential element of Botala's business model is the development of Botswana's business capacity and the growth of commercial enterprises which are envisaged to provide an off-take market both for the gas and the electricity Botala proposes to generate.

Botala has recognised the need to find an appropriate partner to complement the skills of management in the renewables sector. This binding MoU with Solar Finland is an important outcome of the recent development work.

#### **Introduction to Solar Finland**

Solar Finland is a privately owned company headquartered in Salo, Finland. For more than four decades Solar Finland has developed solutions that have helped to decrease the use of conventional energy sources through their solar technology base. With years of research and development they have created numerous sophisticated technologies and developed the world's first fully automated solar panel factory in Salo, Finland.

Solar Finland has a global reputation in setting industry standards in terms of product quality and energy production. Their goal is to innovate and create new products and solutions to reduce the reliance on fossil fuels.

They have a profound understanding of Solar Photovoltaic (**PV**) systems operating in harsh conditions and can ensure that their products deliver consistent performance under these conditions. Their Finnish design technology know-how is designed to enable the best solutions for harvesting the energy of the sun for private consumers, commercial business, and the public sector.

Solar Finland has an excellent track record of developing and implementing local solar manufacturing capacity anchored on local off-take and skills development.

## Key Elements of the MoU

A summary of the material terms of the MoU are set out as follows:

1. Cooperation to explore, finalise and execute the mutual business opportunity related to the generation of solar and gas electricity generation and distributing Salo™ Solar Panels to markets in Botswana and neighbouring Southern African Development Communities (**SADC**) countries (**Project**).
2. Exploring the potential to set up Independent Power Producers (**IPP**) in Botswana and neighbouring SADC countries.
3. Exploring the potential to set up a Joint Venture (**JV**) for the manufacture of Salo™ Solar Panels with Salo™ Automated PV Module Production Line in Botata's proposed Leupane Industrial Park.
4. The MoU identifies three phases of Project development:
  - a. Stage-1: Botata will lead and coordinate, with the assistance of Solar Finland, an overarching business case for presentation to key stakeholders in Botswana in September/October 2022.
  - b. Stage-2: If the Business Case produced and presented in Stage-1 indicates that the Project is likely to achieve the required support from the Government of Botswana, then the Parties will finalise the required business plans, financing applications and other agreement(s) and documentation needed to establish Solar IPP(s) and the JV to manufacture Salo™ Solar Panels with Financial Partners and local JV Partner(s) within 6 months of the mutual approval to move from Stage 1 to Stage 2.
  - c. Stage-3: Develop and agree the process of setting up Solar IPP(s) and the JV to manufacture Salo™ Solar Panels with local partner(s) who will be identified, mainly by Botata for Solar Finland's approval.
5. In addition, it is the intent of Botata and Solar Finland for further Research and Development work to include the potential for hydrogen production, battery technology and other complementary technologies.
6. Botata and Solar Finland will focus on a small-scale pilot programme likely to be located on Botata's proposed Serowe Energy Hub site.

The MoU contains terms considered standard for agreements of this nature.



Caption: Solar Finland is based in Salo in the Astrum Centre, which formerly was the headquarters of Nokia. The roof of the Astrum Centre is filled by a large solar power plant producing energy for the whole building.



Figure 1 - Serowe Project Location Map

**Kris Martinick, CEO of Botala said:** “The MoU with Solar Finland creates an exciting opportunity for Botala to investigate and develop clean energy solutions which complement gas developments. Solar Finland is an impressive company with a long history of technical excellence and commercial success. This binding MoU is a significant step forward in our objective to develop our Serowe CBM Project and produce clean energy, while ongoing exploration and appraisal of our CBM field provides continuous growth opportunities.”

**Esa Areva, CEO of Solar Finland said:** “It has been magnificent to explore with Botala Energy the mutual business opportunities related to solar and gas electricity technologies. Therefore, Solar Finland is eagerly waiting the execution of the joint development projects in Botswana.”

BY ORDER OF THE BOARD

Yours faithfully

**BOTALA ENERGY LTD**

Kris Martinick  
Chief Executive Officer

**For more information please contact:**

Kris Martinick on 0421 322 737; or email [kris.martinick@botalaenergy.com.au](mailto:kris.martinick@botalaenergy.com.au).

This report is lodged on Botala’s website, [www.botalaenergy.com](http://www.botalaenergy.com)

## **About Botala**

Botala Energy Limited (ACN 626 751 620) is an ASX-listed coal bed methane (**CBM**) exploration and development company focussed on developing production from its 70% owned Serowe CBM Project (the remaining 30% of which is owned by ASX-listed Pure Hydrogen Corporation Limited pursuant to a joint venture agreement with Botala) 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.

## **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 as a result of new information, future events or otherwise.