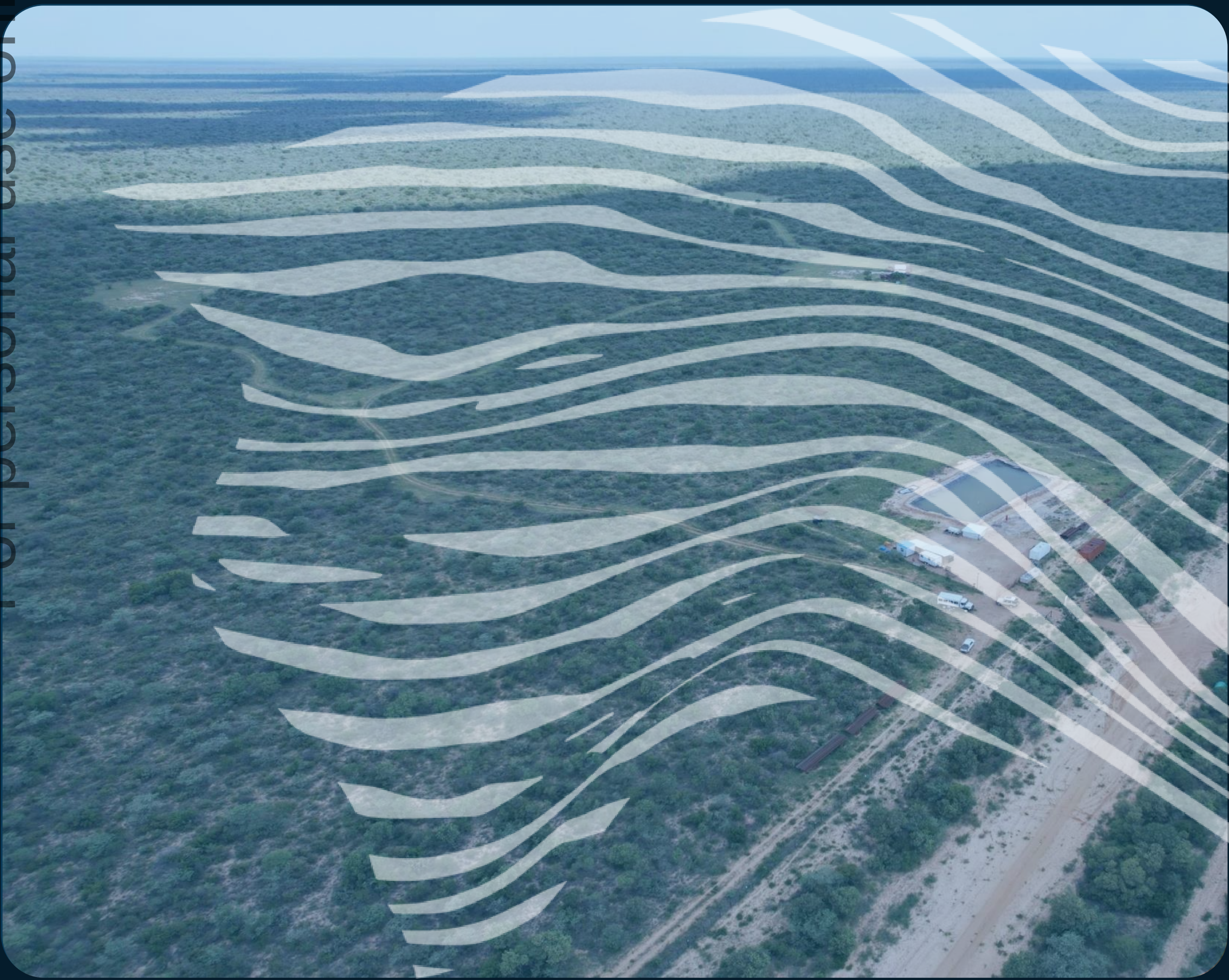
Answering Southern Africa's call for gas

Annual Report 2025

For the year ended 30 June 2025

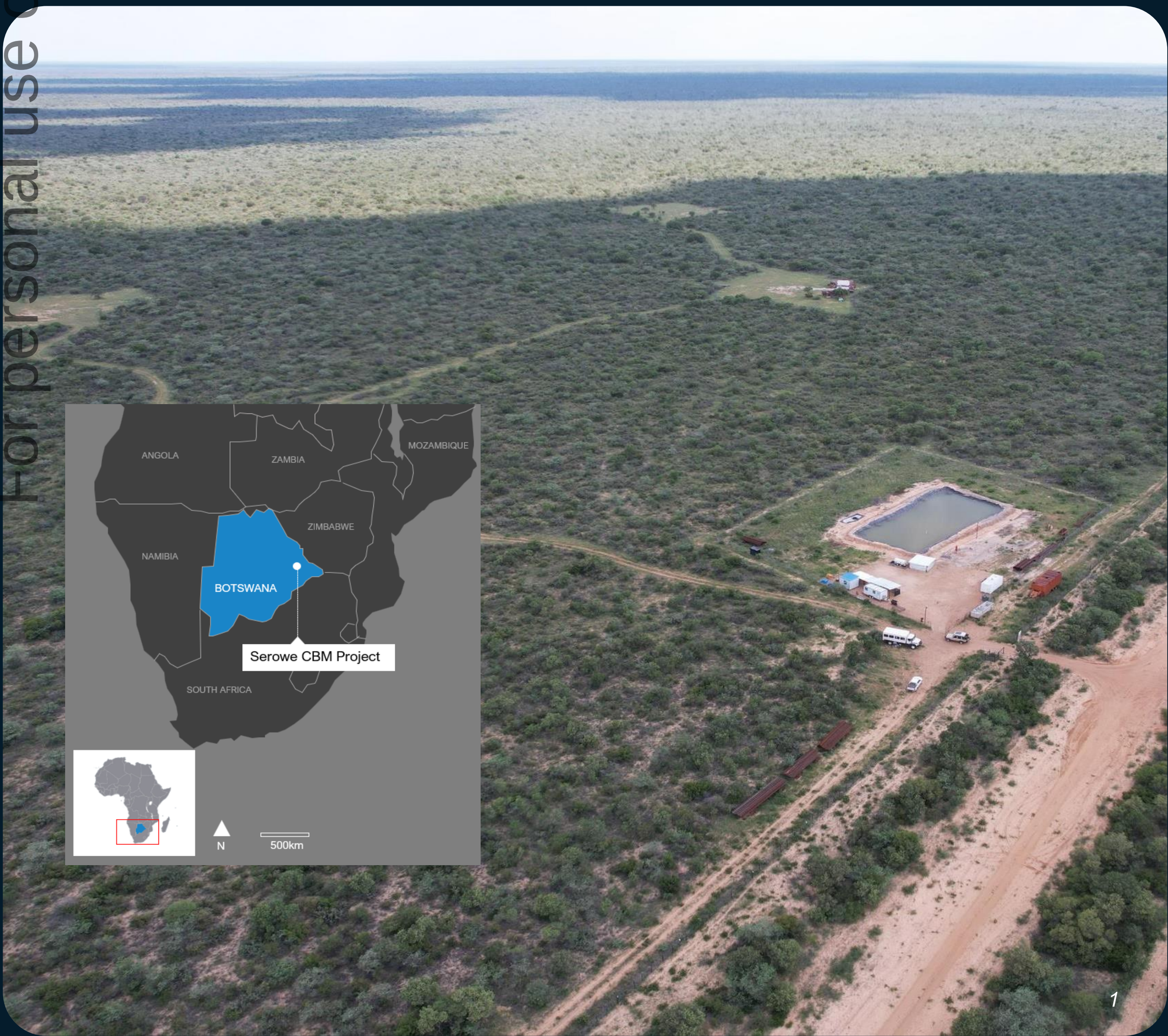


Botala Energy Ltd
ASX: BTE | BSE: BTE
ACN 626 751 620

BOTALA ENERGY

Answering Southern Africa's call for gas

Botala Energy's 100%-owned Serowe coal bed methane (CBM) project in Botswana represents compelling exposure to Southern Africa's emerging industrial gas supply crisis, the "Gas Cliff". We are maturing our substantial 2C resource to support a small-scale LNG plant capable of producing at least 3.5 petajoules (PJ) per year for 20 years.



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Australian Business Number
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Chairman's Letter

Dear fellow Shareholders,

It is my great pleasure to present Botala Energy's Annual Report for the financial year ended 30 June 2025.

Over the last 12 months, Botala has achieved a series of important milestones that continue our transition from an exploration-focused business to a developer and producer of liquefied natural gas (**LNG**) through commercialisation of our Serowe Coal Bed Methane (**CBM**) Gas Project in Botswana.

Notable achievements this year span resource expansion, infrastructure development, acquisition of drilling and well-development equipment, regulatory approvals, strategic partnerships and operational delivery — all advancing the Serowe CBM Project toward becoming Botswana's first producing LNG asset.

The steps taken over the past 12 months have laid a firm foundation for Botala to deliver sustainable energy solutions and help address Southern Africa's gas supply challenge.

Key achievements include:

a. Mining Licence ML0052/2025 was granted, providing Botala with exclusive rights to develop, produce and sell gas and materially progressing the regulatory path to commercial production.

b. Independently certified 2C contingent gas resources increased by 42% to 454 Bcf (~471 PJ) on 8 July 2024, confirming the scale and continuity of the Serowe Basin.

c. Phase-1 of the Bankable Feasibility Study (**BFS**) was completed and confirmed the viability of a modular, scalable LNG facility using technology supplied by Chart Industries and Galileo Technologies.

d. The Pitse development programme continues to deliver encouraging technical results while maintaining disciplined capital expenditure. Records of commercially attractive flowrates in the MAS-13 complex on adjacent acreage (with coals like ours) provide additional encouragement for further low-cost drilling, production and resource expansion.

e. Commercial progress included a binding Letter of Intent with SCAW South Africa to supply up to 3.5 PJ per annum of LNG, with an option to expand to 4.7 PJ/a, for their steel production. This represents potential annual revenue of ~A$38 million and provides a secure offtake foundation for Phase-1. SCAW is participating in Phase-2 of the BFS, aligning infrastructure, pricing and logistics to support project execution.

f. A Botala led consortium was awarded a 4MW solar power project by Botswana Power Corporation to be located within our Serowe Energy Hub, and environmental approvals to proceed with commercial development of the Serowe and Leupane Energy Hubs were received. Leupane is planned to support up to 500MW of solar and 200MW of gas-fired generation; 250MW of the solar capacity is progressing under a development farm-in agreement with AAAS Energy BV (Netherlands).

Looking ahead, the BFS will culminate in a Financeable Development Plan ahead of a Final Investment Decision. First gas supply to SCAW is targeted for 2027/2028.

Our strong community ties in Botswana remain a high priority. We continue to invest in skills development, employment opportunities and extensive community consultations. During the year, we expanded our in-country team to support the growing requirements of the Pitse development programme.

Priorities for 2025/26 include:

a. Finalise the BFS.

b. Commence the pilot production phase at Serowe.

c. Advance offtake negotiations to binding agreements.

d. Progress midstream infrastructure development.

On behalf of the Board and management team, I thank our shareholders, partners, communities, government partners and employees for their ongoing support and commitment. Botala, with its Serowe CBM Project, represents a unique investment opportunity in the emerging Southern African gas sector, and we look forward to sharing the journey ahead as we progress toward LNG production.

We will continue to update you on our progress.

Yours faithfully,

Dr Wolf Martinick
Executive Chairman

Review of Operations

Serowe CBM Project

Botswana, Africa
100% ownership

The Southern African region, particularly South Africa, is facing an impending gas shortage, commonly referred to as the "gas cliff," which is expected to take effect from mid-2028. This looming supply gap has created an urgent need for alternative sources of natural gas to ensure energy security and continuity for industries across the region.

Botala is in the process of transforming its Serowe CBM Project from an exploration asset into a commercially viable gas production project. We are maturing our substantial 2C resource to support a small-scale liquefied natural gas (LNG) plant capable of producing at least 3.5 petajoules (PJ) per year for 20 years. Our current resource is drawn from less than 5% of our exploration acreage. 95% remains undrilled.

Figure 1. Serowe Project Location

Key milestones met by Botala to date have significantly de-risked the Serowe Coal Bed Methane Project and paved the way for production:

a. Resource Growth & Certification

b. Mining Licence Granted

c. Necessary Environmental Approvals

d. Commercial & Development Progress

e. Bankable Feasibility Study initiated

The Serowe CBM Project comprises a multi focus approach including the exploration and subsequent production of gas, in addition to a solar component through its energy hubs.

Significant resource expansion

Botala achieved a major resource milestone with a 42% increase in Contingent Resources, boosting the certified CBM volume (refer to ASX announcements dated 8 and 10 July 2024). This resource growth, independently validated by Sproule, resulted from enhanced mapping techniques and exploration drilling, demonstrating a robust potential to meet Southern Africa's energy needs as demand for natural gas grows. The additional resources support Botala's goal to transition from exploration to becoming a primary supplier of gas in Botswana, and ultimately, to the Southern African Power Pool.

Gas quality enhancements through high purity and efficient desorption

Gas desorption and composition testing at the Serowe CBM Project revealed an exceptional methane purity of up to 94%, with low levels of carbon dioxide and trace impurities, such as H2S. These quality parameters not only ensure Botala's gas meets high-efficiency standards but also enhance the commercial value of the gas. Such results affirm Botala's choice to pursue a coal-bed methane (CBM) project that aligns with cost-effective, sustainable development goals.

Mining Licence granted

In March 2025 Botala advised it had secured final regulatory approval to transition to commercial production with the successful granting of Mining Licence 0052/2025 (ML0052/2025) for its Serowe CBM Project, in accordance with Section 40 of the Mines and Minerals Act of Botswana.
The granting of the Mining Licence was a transformational milestone for Botala, providing the final regulatory approval required for project development and unlocking the pathway to commercial production.

ML 0052/2025 provides Botala exclusive rights and security of tenure to develop and produce CBM gas for 10 years, with the right to renew for a further 25 years. ML 0052/2025 is indicated in Figure 2 below as the shaded area in white.

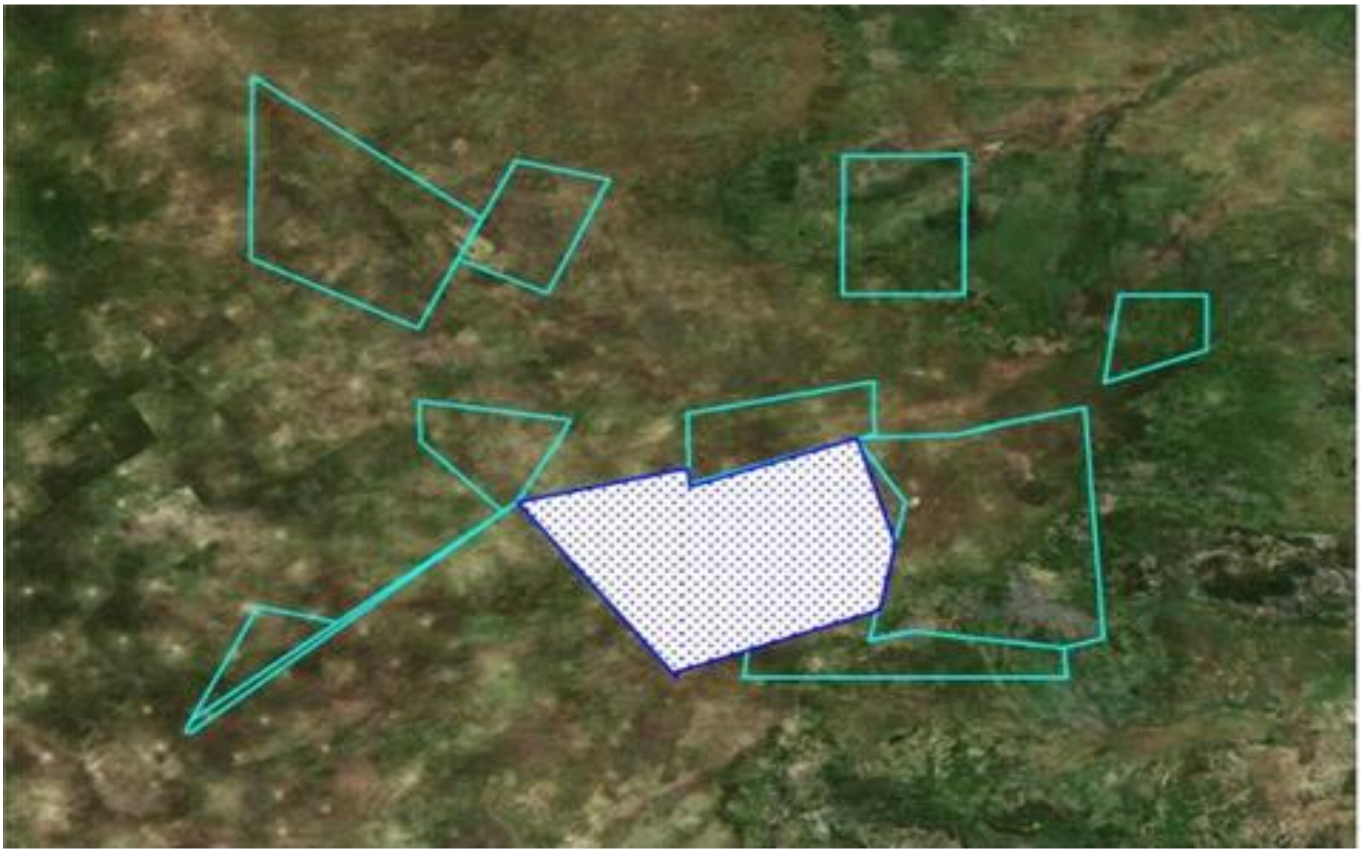

Figure 2. Mining Licence (showed in white) and Tenement Map

ML 0052/2025 Overview and Key Terms:

a. **Surface area:** It incorporates most of the region previously designated under Prospecting Licences PL356/2018 and PL400/2018.

b. **Duration:** Granted for a period of 10 years with the option to renew for a further 25 years, thereby providing long-term security for project development.

c. **Full Coverage:** Covers the full area applied for, enabling Botala to proceed with its staged Development Plan.

d. **Government Participation:** The Botswana Government has a 90-day period to decide whether to acquire a 15% equity stake in the project under Section 40 of the Mines and Minerals Act. If the Botswana Government exercises this option, it should result in a receipt of around A$2.7 million to Botala.

e. **Royalties:** A royalty of 3% of the gross market value is payable to the Government of Botswana, calculated at the mine gate (wellhead) on an arm's length sale basis.

f. **Licence Fees:** An annual licence fee of BWP100 per km^2 is payable to the Director of Minerals and Energy.

g. **No Minimum Spend Requirement:** Botala has full flexibility to commence project development at its own pace, without a stipulated minimum capital investment requirement.

Project Pitse

A high performing cluster strategy, a proven low-cost drilling model, and a real opportunity to replicate scalable CBM success in Botswana.

Project Pitse, the initial focus of the Serowe CBM Project, is the development of the Pitse commercial well pilot programme, which involves delivering gas flow rates from a central dewatered well.

Key components of this phase include:

a. **Pitse Commercial Gas Flowrate**
Targeting low (40mscfd), medium (80mscfd), and high (100mscfd) flow rates by early 2026.

b. **Production Wells**
Developing Production wells to test new areas within the prospecting licences by late 2025.

c. **Bankable Feasibility Study**
Currently ongoing estimated to be concluded in 2026.

d. **Conclusion of Conditional Gas Sales Agreements (GSAs)**
GSAs are currently under negotiation, with Botala securing first commercial offtake customer SCAW South Africa (See Commercial Agreements below).

e. **Mining Licence Secured**
Regulatory approval to transition to commercial production received in March 2025.

The successful completion of these activities will contribute towards recertification of the resources to reserves, setting the stage for the transition to the next phase of production development.

Current Appraisal Phase

The current appraisal phase includes the drilling of new appraisal wells with geographical information being used to accurately determine their locations.

Figure 3. Project Pitse Showing Commercial Well Pilot Locations

Post reporting period, Botala provided an update detailing the successful completion of drilling and coring at the Serowe-3.4A well, the second well in its Project Pitse pilot cluster. The Company advised of a strategic realignment of Project Pitse to include a new well, Serowe-3.5B to replicate MAS-13's (located in adjacent acreage) sustained flowrate of ~120,000scfd for 3 months.

Current status of the Project Pitse wells are as follows:

- **a.** Serowe-3.4A now online and currently dewatering.
- **b.** Serowe-3.1: Acid-washing significantly increases productivity, with well-pressure tripling.
- **c.** Serowe-3.1 and 3.4A will operate as dewatering support wells; five-well dewatering strategy now underway.
- **d.** Serowe-3.5B to be drilled, stimulated and completed by the end of Quarter 1 2026.

Figure 4. Serowe-3.4A Core Sampling Programme showing extensive cleats in coal

Remaining Appraisal Work

The following data is outstanding Data prior to commencing reserve recertification:

- **a.** Gas flows from 4-Open holes over 90-day period
- **b.** Gas flow from stimulated well based on MAS-13 stimulation plan over 90-day period

Botala will use data from flow-testing to determine the production rate, communication between wells, define well spacing and water rates to finalise water handling. This data will then be used in the Field Development Plan and Bankable Feasibility Study.

Development Process

Development planning for the field is currently focused on near-term flow-rates from Project Pitse. The longer-term development goal is via a 200tpd (3.5PJ/Annum) LNG Plant to supply LNG to off-taker SCAW Metals in Gauteng South Africa.

To prepare sufficient gas flows for the 200tpd LNG plant, Botala is working on a phased approach by expanding the existing 5-well Pitse Cluster to ~9-wells, refer to Figure 5 below.

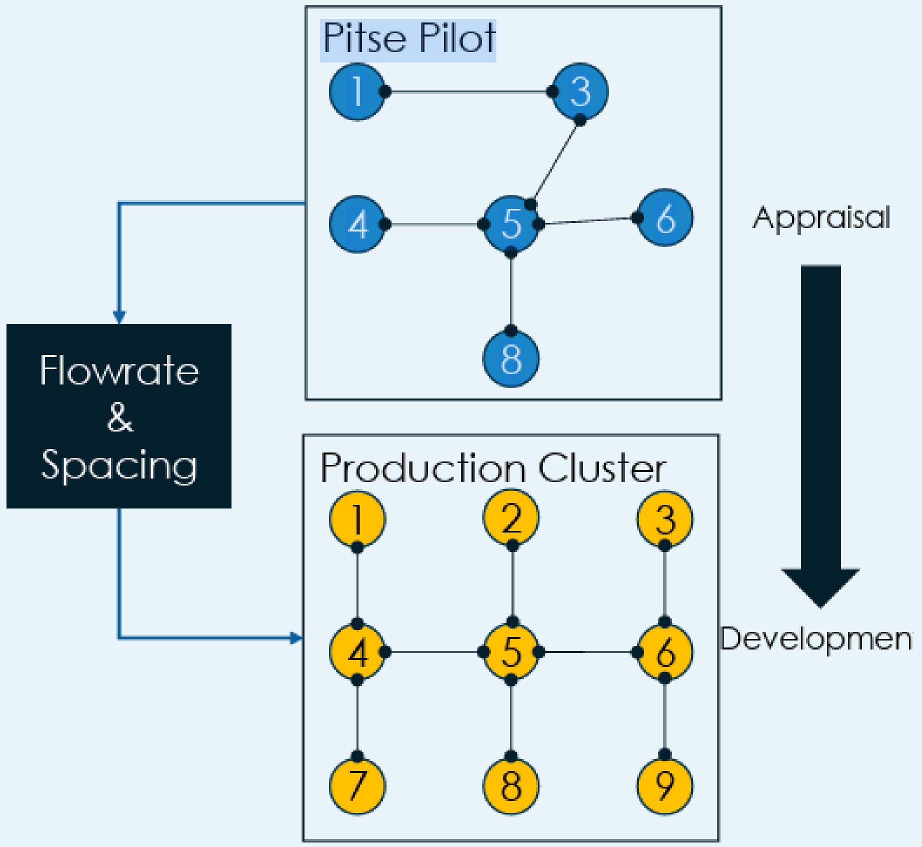

Figure 5. Transitioning Project Pitse to 9-well Production Cluster

Upon successful conversion of the Pitse 5-well cluster to 9-well cluster, Botala envisages evacuating produced gas via a Galileo (12.5tpd / 0.25PJ/Annum) LNG plant. This initial phase would enable Botala to generate revenue, optimise operations on a small-scale basis and provide a proof-of-concept development prior to reaching Final Investment Decision (FID) on the larger scale 200tpd Project.

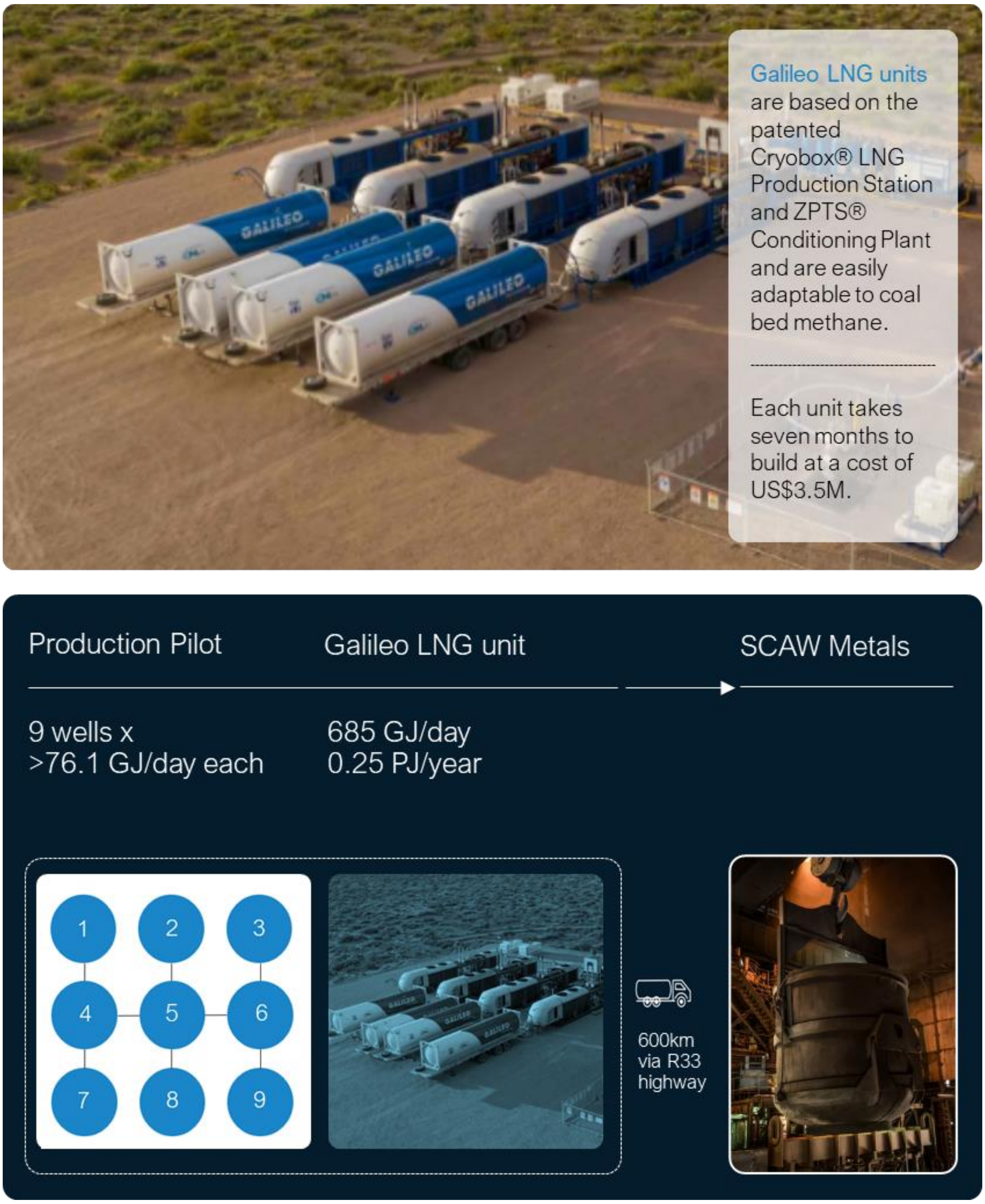

Figure 6. Phase 1 Conversion of Pitse Appraisal Programme to Development Programme

Field Development Plan

The Field Development Plan (**FDP**) currently being completed, forms the geological and operational foundation of Botala's development strategy for the Serowe CBM Project.

The FDP documents over six years of structured exploration, encompassing 11 wells drilled across key tenements, regional and proprietary geophysical surveys, and advanced coal characterisation through nuclear magnetic resonance (NMR) logging and desorption analysis.

These investigations have confirmed the presence of three target coal seams demonstrating a combined average net coal thickness of 33 metres, and multiple wells showing evidence of free gas:

a. **Serowe**
b. **Upper Morupule**
c. **Lower Morupule**

The outcomes of this work was critical in securing the Mining Licence over PL356 and PL400 in early 2025.

Significantly, the recent announcement of strong gas flowrates from the MAS-13 cluster, drilled by a third party within a neighbouring prospecting licence, has validated the regional continuity and production potential of the Serowe seams. This result, when considered alongside Botala's own findings, provides further confidence in the productivity of the eastern flank and informs the current expansion of the exploration and appraisal focus across both flanks of the basin.

The MAS-13 flow data will be integrated into Botala's reservoir modelling and well spacing assumptions, helping refine the location of initial production clusters and accelerate resource conversion from contingent to reserve status.

The FDP directly contributes to the BFS by providing subsurface models, gas content estimates, and flow performance projections that underpin field layout, stimulation requirements, infrastructure planning, and full-field scale-up concepts. This includes guiding the design of the 200tpd LNG development scenario and phased ramp-up options.

Additionally, the purpose of the FDP is to outline future well design strategies, drawdown management protocols, and flow assurance considerations essential to maintaining commercial uptime and gas deliverability.

The FDP would ensure that the BFS is underpinned by a technically sound, field-proven geological model. It will continue to evolve alongside operational results and new regional data, such as those from MAS-13, with a view to ensuring that Botala's phased development approach remains low-cost, technically flexible, and commercially resilient.

Bankable Feasibility Study

The Bankable Feasibility Study (BFS) for Botala's modular LNG development is structured into two key phases and is designed to deliver a commercially viable, technically robust and investment-ready plan for the Company's proposed 200 tonnes per day (tpd) LNG production facility.

The outcome of the BFS will be a comprehensive and financeable development plan that supports project funding, execution and offtake finalisation.

The BFS is a critical step on the pathway to delivering first commercial gas.

Phase 1 of the BFS focused on defining and evaluating development options has now been completed, which included a global review of modular LNG technologies, technical and commercial engagement with leading vendors, site assessments, and framing workshops.

The completion of Phase 1 has confirmed that this modular strategy is technically and commercially sound.

Led by Fraser McGill, which provides independent strategic advisory services to junior and mid-tier companies in the mining and minerals sector from the head office in Johannesburg, the Phase 1 programme comprised of:

a. Framing workshops to define development priorities.

b. Serowe gas field and staging area site visit.

c. Global technology screening and supplier engagement.

d. A structured Multi-Criteria Analysis (MCA) to assess technical, commercial, and risk factors for five shortlisted technology vendors.

Key outcomes included:

a. **Location Selection:** The staging area, 40km from the wellfield, was selected for the plant location due to logistical efficiency, avoiding the need for costly upgrades to the unsealed wellfield access road.

b. **Pipeline route:** Routing from the field to the proposed downstream LNG plant location.

c. **Power Supply:** The project is envisaged to incorporate self-sufficient power generation with backup systems.

d. **Technology Shortlist:** Five technology providers were evaluated. The assessment focused on scalability, cost, delivery timelines, and technical fit for the 200 tpd design.

Phase 2 of the BFS has now progressed which will incorporate:

a. Detailed engineering and design (Class 2 cost estimates) for the Chart and Galileo solutions.

b. Final plant location infrastructure planning at the Serowe staging area.

c. Evaluation of power generation solutions, likely involving gas or hybrid generation models.

d. Financial model updates, incorporating revised CapEx/OpEx profiles, contingency frameworks, and delivery timelines.

e. Development of implementation scenarios to allow for phased rollout and early production using modular trains.

A key strategic element of Phase 2 is the direct participation of SCAW South Africa, Botala's first industrial gas offtake partner (See Commercial Agreements below).

As part of the BFS, SCAW is actively collaborating with Botala to optimise downstream infrastructure including LNG storage, delivery logistics, and site-specific regasification solutions. Their input is critical in designing a fit-for-purpose delivery model that aligns with end-user requirements, maximises plant utilisation, and ensures early uptake of Botala's LNG volumes.

This integrated BFS approach, combining upstream production, midstream liquefaction, and end-user delivery, ensures that commercial, technical, and financial elements are fully aligned ahead of final investment decision.

Operational Independence Achieved

Botala achieved operational independence through the strategic acquisition of a comprehensive suite of specialised drilling and well development equipment which significantly reduces operational costs.

Historically, Botala relied on the only contractor in Southern Africa equipped to drill, test and develop CBM wells; using equipment imported from the USA for these purposes. This equipment was purchased and refurbished by Botala for ~A$750,000 when auctioned under instructions from the Court of Botswana and has been legally transferred to Botala.

Additionally, this investment also enabled recruitment of key, experienced operators from the original contractor, many trained in the US and now residing in villages near the Serowe Project. The move ensures Botala can manage its entire wellfield development internally, offering significant savings on leasing, mobilisation, demobilisation and operational expenses.

Equipment purchased includes cementing and stimulation machinery; gas/water separation units; drilling and work-over rigs; specialised pumps and instrumentation; fuel and water tankers, trailers, loaders, excavators, spares, drill pipes, rods and field tools. This new capability allows Botala to build a multi-skilled, locally based contract team for drilling, equipping and wellfield operations, including cementing and gas flow stimulation.

Figure 7. Botala Achieved Operational Independence Through the Strategic Acquisition of a Comprehensive Suite of Specialised Drilling and Well Development Equipment

Expanded Exploration Programme

Botala has drilled 11 wells to date and plans to drill additional appraisal wells and exploration wells in 2025/early 2026, aiming to expand production data from the Western Flank with proven CBM zones ~40 km eastwards, closer to the bitumen road that leads to the 90MW Orapa gas-fired power station. The latter remains inactive due to a lack of gas supply.

Figure 8 overleaf shows the exploration programme to date in the Western Flank and proximity to the MAS-13 well cluster. This exploration phase was facilitated a comprehensive reinterpretation of gas resources within the entire Serowe Coal Basin. Expansion of the exploration programme into the Eastern Flank is designed to expand understanding of the eastern edge and will be mapped in support of an updated independent resource assessment by late 2025.

These exploration holes will be drilled and equipped using Botala's newly acquired drilling fleet, significantly reducing costs to a target drill and completion cost of ~A$100,000 per well, or less than half the previous average of ~A$220,000.

This capability enables more aggressive resource delineation at a fraction of Botala's historical costs. Botala's Serowe-3 five-well cluster (Project Pitse), located in a high-potential zone in the Western Flank, is noted for three evenly distributed coal seams (30 to 40m of coal) supported by favourable geophysical data. Preliminary data for eastward drilling suggests similar coal characteristics to those found in the Western Flank and in the MAS-13 cluster, just outside Botala's mid-eastern Serowe Project Area. The central well in the cluster flowed gas at a sustained rate of 110,000 - 120,000 scf/d before declining with pump failures in the surrounding dewatering wells1. For comparison, the low-case commercially viable low rate identified in Botala's initial BFS for Project Pitse is ~40,000scf/d (ASX announcement of 17 February 2025; as part of the Appendices to the Independent Expert's Report).

These exploration results are expected to enable rapid development of new wells in the Eastern Flank particularly near wells of high historical gas flows and the bitumen road to the Orapa power station.

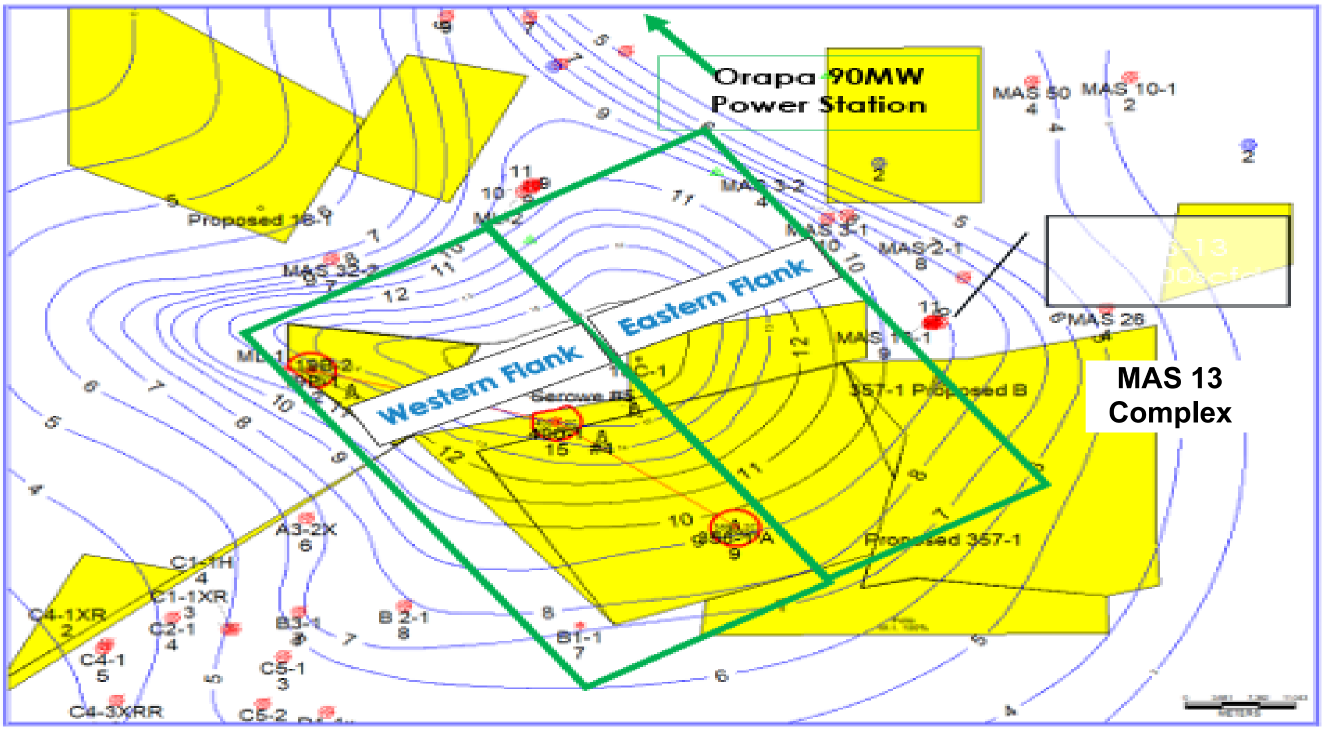

Figure 8. The Exploration Programme to Date in the Western Flank and Proximity to the MAS-13 Well Cluster

Commercial Agreements

Botala is committed to developing domestic and Southern African LNG supply to meet rising demand. Through the reporting period, Botala secured a series of agreements/partnerships, detailed below, which are all complementary, creating a diversified strategy to address Southern Africa's escalating gas shortage and growing demand.

Together, these agreements enhance Botala's ability to scale production and reach diverse market segments, while strategically mitigating risks by distributing supply across multiple partners. This multi-pronged approach strengthens Botala as a critical energy supplier and provides flexibility to meet varying customer demands. This ensures greater opportunity and resilience to address the region's urgent need for cleaner energy solutions.

The SCAW offtake agreement secures Botala's first major industrial LNG off-taker and lays the foundation for project development (in addition to collaboration on the ongoing BFS) whilst the NOVO agreement focuses on developing a regional LNG supply chain with a strong emphasis on midstream logistics and distribution to a broad range of markets. The FFS partnership compliments this by leveraging an established downstream customer base and infrastructure tailored for industrial and commercial sectors.

SCAW South Africa

In March Botala achieved its largest and most significant commercial milestone to date, securing its first major industrial LNG off-taker, with the signing of a binding letter of intent (LOI) to negotiate an LNG offtake agreement with SCAW South Africa Proprietary Limited (SCAW). This legally binding agreement provides SCAW with exclusive rights to procure up to 3.5 PJ/a (200tpd) (100% of Phase 1 Gas) of LNG from the Serowe CBM Project's first phase, with an option to expand to 4.7 PJ/a (270tpd) as production scales up.

The commitment assists to de-risk the Serowe CBM Project by establishing a contracted customer for the full offtake of phase 1 and supporting commercial viability as Botala advances towards development. Importantly, the agreement integrates SCAW into the Bankable Feasibility Study (BFS), by attending to infrastructure developments, logistics, and delivery optimisation.

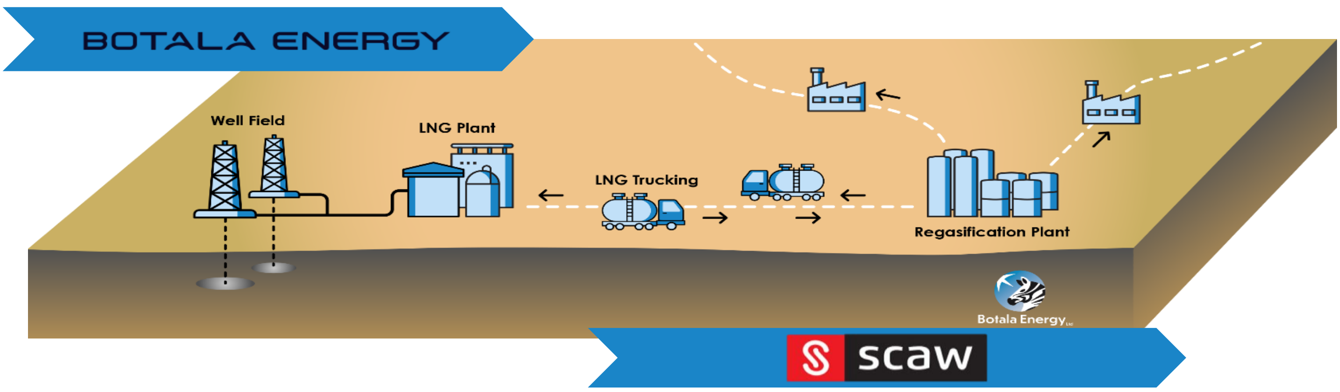

Figure 9. A Legally Binding Agreement Provides SCAW with Exclusive Rights to Procure up to 3.5 PJ/a (200tpd) (100% of Phase 1 Gas) of LNG from the Serowe CBM Project's First Phase.

SCAW is a leading industrial manufacturer of steel products with a significant demand for gas. SCAW views Botala as a key gas producer for its operations in South Africa and by securing a long-term LNG supply agreement, is reducing its reliance on traditional fuels, improving cost predictability, and supporting South Africa's energy transition towards cleaner alternatives. Botala's deal with SCAW is a clear demonstration of the strong demand for reliable LNG supply.

This partnership not only ensures a stable and secure gas supply for SCAW, it strengthens Botala's role to becoming a key LNG supplier to Southern Africa's industrial sector. SCAW is the 2nd largest steel manufacturer in South Africa and will greatly assist Botala to develop its business in the region.

The final LNG Sale and Purchase Agreement (SPA)/Gas Sales Agreement (GSA) will be guided by the BFS. With the demand for gas in South Africa intensifying. By securing SCAW as an anchor customer, Botala positions itself as a key LNG supplier in a high demand market.

The deal represents significant revenue potential of ~A$38 million annually, targeting first LNG supply in 2027/2028[1]. With this potential revenue stream, the LOI with SCAW reinforces Botala's transition from exploration to commercial LNG production. SCAW is a major consumer of natural gas in the South African steel and metallurgical sector and has signed a binding Letter of Intent (LOI) for long-term LNG supply (refer ASX announcement 27 March 2025).

Key Terms of the Agreement

The LOI contemplates that the Binding Documentation will have the following key commercial terms:

- **a.** Term: Initial 10-year agreement, with an option to extend up to 20 years.
- **b.** Offtake Volumes: Up to 3.5 PJ/a (200tpd) in Phase-1, with potential to expand to 4.7 PJ/a (270tpd).
- **c.** Pricing: Cost-plus based pricing for Phase-1 volumes up to 3.5PJ/a (200tpd); market related pricing for balance of volumes.
- **d.** Take-or-Pay (ToP): 90-95% of the Annual Contract Quantity (ACQ) to be finalised in the BFS.
- **e.** Exclusivity: Botala commits to exclusive negotiations with SCAW for Phase-1 volumes.

Potential for Growth – Expanding Beyond Phase-1

This LOI sets the stage for further expansion, with potential for:

- **a.** Additional Offtake Agreements: Ongoing negotiations with other major industrial players (though shareholders and investors are cautioned such negotiations are ongoing and there is no guarantee any binding agreement will materialise).
- **b.** Expanded LNG Infrastructure: Additional LNG storage, transport, and regasification assets.
- **c.** Strategic Gas Partnerships: Further collaboration with South African industries requiring long term, secure LNG supply.

[1] Calculation is based on multiplying the potential sales agreement with the current gas price in South Africa as per the following: SASOL Announcement 5-August-2022 "SASOL Position on gas prices", piped gas price R133,34/GJ (1 Rand = 0.086 A$ 24/2/2025). NOTE: This is for pipeline gas and not LNG prices which are anticipated by NERSA to be higher.

FFS Refiners

A strategic term sheet was signed in January 2025 by Botala for a Long-Term LNG Supply Agreement with FFS Refiners (Pty) Ltd (FFS) a South African hydrocarbon solutions leader, to establish a long-term LNG supply agreement.

This partnership leverages Botala's CBM resources from Serowe and FFS's established market presence in South Africa to deliver reliable and sustainable energy solutions across the region. Under the term sheet, initial off-take production capacity is targeted at 50 tons per day (tpd) by late 2026, scaling up to over 200tpd by 2028. FFS provide Botala with greater certainty on market demand for an expansion case[2].

NOVO Energy

Also announced in January 2025 was the signing of a non-binding Memorandum of Understanding (MoU) with leading Southern African gas distributor NOVO Energy (Pty) Ltd (NOVO), a prominent distributor of Natural Gas via pipeline and Compressed Natural Gas (CNG) that is expanding into LNG.

This strategic partnership aims to develop a gas supply chain to address regional shortages and will utilise Botala's CBM resources in Botswana and NOVO's established infrastructure and distribution network in South Africa. The MoU outlines the potential for expanding LNG production to meet growing demand and develop additional gas markets in Southern Africa.

Under the terms of the MoU, NOVO will become a key off-taker and distributor of Botala's LNG and related production facilities. Botala will benefit from NOVO's established gas infrastructure and proven capabilities in gas distribution which should enable rapid deployment of LNG solutions in markets with limited gas infrastructure.

Serowe Solar Project Award and Community Engagement

The Botswana Power Corporation awarded Botala's consortium a tender for a 4MW solar power project within Botala's Serowe Energy Hub, marking a significant leap in Botala's renewable energy agenda. This project will be seamlessly integrated with the 20MW hybrid gas-solar setup planned for the Serowe Hub. Additionally, the project is committed to reinvesting in the local community by directing 1% of revenues toward social programs in Serowe, promoting local employment, and advancing sustainable development.

With respect to its solar energy activities, Botala Energy:

a. Has environmental approval to develop a 14MW solar project on its Serowe Energy Hub.
b. Managed the tender to BPC that resulted in the award of the 4MW Solar Project. Botala holds a material stake in the 4MW Solar Project through Botala Solar Farm (Pty) Ltd. This is the entity contractually directly associated with the 4MW Solar Project (Botswana Power Corporation Power Purchase Agreement) not the Serowe Solar Consortium (Pty) Ltd.
c. Has environmental approval to develop a 500MW solar project in the Leupane Industrial Park and Energy Hub. Of this 250MW is currently under development in partnership with Netherlands based company AAAS Energy BV.

[2] Expansion of the LNG plant is subject to the initial phase Field Development Plan and the ability for the field to produce sufficient gas. This will be determined within the BFS and confirmed with independent certifier Sproule prior to commencing.

Mineral Development Company of Botswana (MDCB)

Botala has agreed to an additional 2-month extension of the Botswana Government's 90-day option period from 31 July 2025 to 30 September 2025, in accordance with the terms of its granted Mining Licence 0052/2025 for its Serowe CBM Project.

The Botswana Government through the Mineral Development Company of Botswana (MDCB) is completing its due diligence process with respect to exercising its option to acquire a 15% equity stake in the Serowe CBM Project under Section 40 of the Mines and Minerals Act. The additional time will be used to progress and complete commercial discussions.

The Mineral Development Company of Botswana (MDCB) is a minerals and mining investment holding company owned by the Government of Botswana (GrB). Its primary role is to manage and develop the GrB's mining interests to optimise returns while ensuring socially and environmentally responsible management. MDCB's vision is to become a globally competitive investment company, contributing to Botswana's financial security through its mining and mineral investment portfolio.

Environmental Milestone: Approval for Leupane Energy Hub

Botala secured environmental approval for the development of the Leupane Energy Hub and Industrial Park, a central component in Botswana's evolving energy landscape. This 1,520-hectare hub near Palapye will eventually house a 500MW solar project and a 200MW gas-fired power facility, establishing it as a key regional energy supplier. Initial development will involve a 250MW solar project in collaboration with AAAS Energy BV. The approval enables Botala to move forward with infrastructure that will position Leupane as a sustainable, mixed energy solution.

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:

a. Serowe gasfield.

b. LNG production facilities.

c. Energy hubs in Serowe and Leupane.

d. 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.

Corporate

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 were 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.

A$1.25 million Capital Raising

On 22 April 2025, Botala completed a capital raising via a placement to raise A$1.25 million. The funds were used to advance exploration and development activities at the Serowe CBM Project and support the Company's ongoing operations.

Annual General Meeting and Shareholder Support

On 28 November 2024, Botala held its Annual General Meeting, 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.

Tenement Directory at 30 June 2025

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	31/03/2027	648.12	Current
018/2018	31/03/2027	694.35	Current
019/2018	31/03/2027	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 KM^2 as at 30 June 2025)

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

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Environmental regulation, sustainability and governance

Botala's environmental and occupational health and safety ("OHS") obligations are regulated under both State and Federal Law or in the case of Botala's overseas interests, by the governing laws of that country. All environmental and OHS performance obligations are monitored by the Board and subjected from time to time to Government agency audits and site inspections. Botala has a policy of complying, and in most cases exceeding its performance obligations. Botala ensures that it complies with all necessary conditions while exploring its permits, which is governed by the terms of respective joint operating agreements. Botala has established environmental and OHS Board policies under which all exploration is carried out. Both policies ensure all employees, contractors and other service providers are fully acquainted with the Botala environment and OHS programmes. Botala's primary goal in the environmental management of exploration activities is to prevent unnecessary environmental impact and reinstate sites where disturbance cannot be avoided, whilst its goal in OHS is to provide and foster a culture of carrying out exploration activities in a safe working environment at best exploration practice. The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007, which requires entities to report annual greenhouse gas emissions and energy use. For the measurement period 1 July 2024 to 30 June 2025 the Directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

The Group's ESG responsibilities are a key consideration when planning and conducting its activities, whether in the corporate office or as part of its exploration activity. Our core responsibilities are outlined in our Corporate Governance Statement and Company Policies. The areas of particular focus are:

- **People:** We aim to foster a working environment that is collaborative, enjoyable, and stimulating and where our employees can fully utilise and develop new skills to the benefit of the Company and their ongoing careers. Our people drive our ESG efforts, so we value and place high value on new initiatives in this regard.
- **Safety:** The health safety and wellbeing of our people including employees and contractors is of the utmost importance. We have well developed safety procedures and recognised that a safe work environment comes when a culture of safety is fostered amongst our people such that it becomes an inherent part of all we do. We are pleased to advise that there were no injuries incurred by our workforce during the year.
- **Stakeholders:** We value and respect all stakeholders in the regions where we work and recognise the unique long-term relationship local Stakeholders have with the land. We endeavour to build long-term mutually beneficial relationships with our local stakeholders.
- **Environment:** We have a dual focus when it comes to our environmental impact. Firstly, we strive to minimise the impact that our activities have on the areas in which we work. Secondly, we place high importance on our land rehabilitation obligations and aim to leave no long-term adverse environmental impacts.

Directors' Report

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity ('Group') consisting of Botala Energy Ltd ('Botala', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Directors

The following persons were Directors of Botala Energy Ltd during the whole of the financial period and up to the date of this report, unless otherwise stated:

Dr Wolf Gerhard Martinick	Director and Chairman
Mr Craig Basson	Director, Chief Financial Officer and Company Secretary
Mr Peter Desmond Grant	Non-executive Director

The Directors have been in office since the start of the financial year to the date of this report. Mr Kris Francis Martinick is the Company's CEO.

Principal activities

Botala Energy Ltd (ASX: BTE) (Botala) is committed to transforming its Serowe Coal Bed Methane (CBM) Project in Botswana from an exploration asset to a commercially viable and development ready project.

Botala has established itself as a front runner in Botswana's CBM to Liquefied Natural Gas (LNG) industry and is aiming to address the emerging gas shortage in Southern and Central Africa with its Serowe CBM Project. Southern Africa is heading towards a 'gas cliff' by 2028, with existing supplies set to decline, leaving the region in urgent need of new producers.

The principal activities of Botala during the period were focused on CBM exploration and development of renewable energy.

No significant changes to the nature of Botala's principal activities occurred during the financial period.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Operating Result

The loss for the Group after providing for income tax amounted to $2,910,281 (30 June 2024: $2,074,817).

Review of operations

A review of Botala's operations during the financial period is provided on pages 5 to 22.

Likely developments and expected results of operations

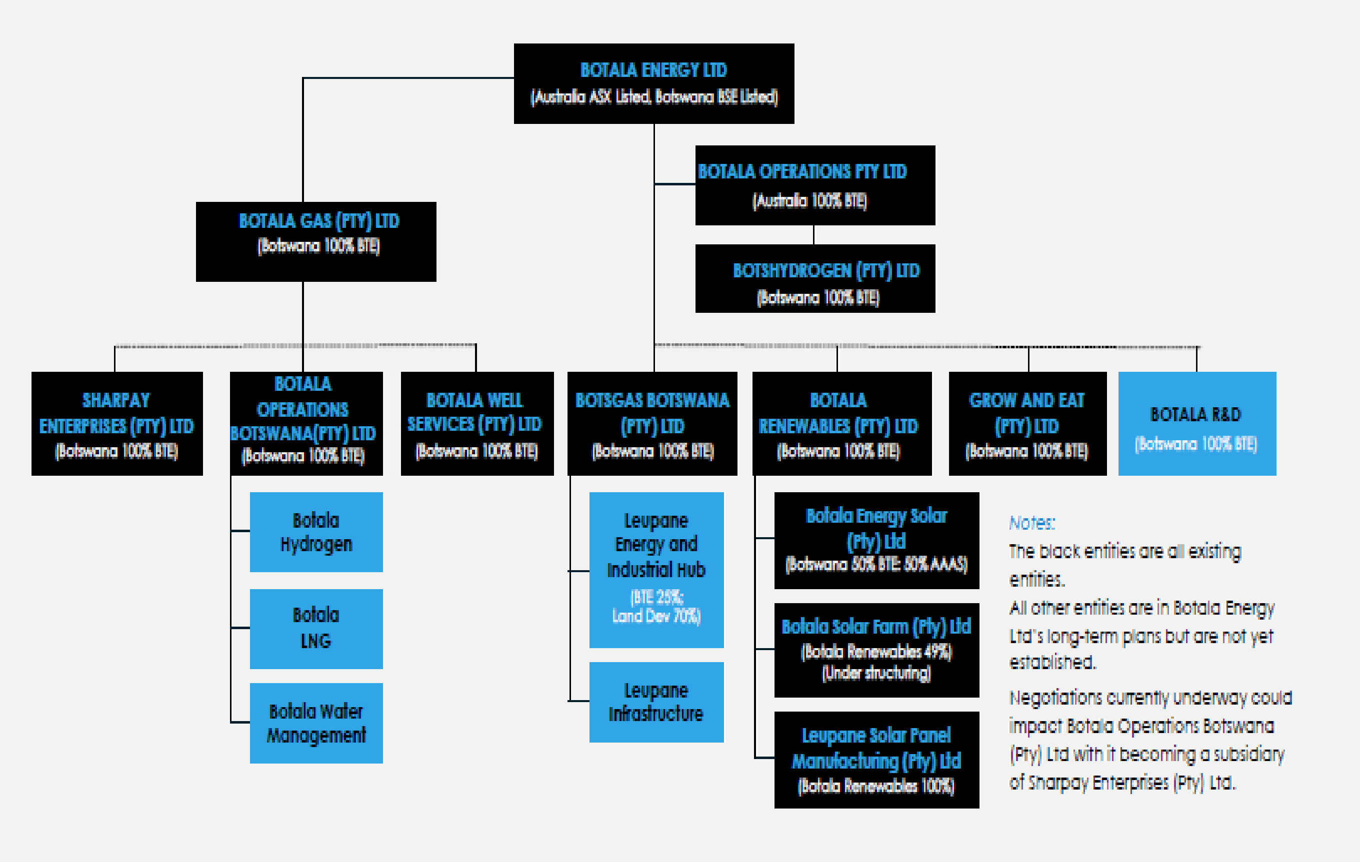
Likely developments in the operations of Botala and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to Botala.

Events after the reporting period

The following matters were reported to the market subsequent to the end of the year:

- 7 July 2025 – Second Pitse well Serowe-3.4A was brought online.
- 31 July 2025 – MDCB granted 2-month extension on the 90-day option previously granted in respective of its prospective acquisition of a 15% equity stake in the CBM Gas Project.
- 18 August 2025 – Share placement of A$1.5 million was completed.

Corporate Structure



Information on Directors and Senior Management

Front Row: Craig Basson – Executive Director, Wolf Martinick – Director and Executive Chairman, Peter Grant – Non-Executive Director. Back Row: Talia Lackenby – Communications Coordinator, Steve Lennon – General Manager Power Developments, Kris Martinick – CEO, Modisana Botsile – Country Manager.

Name:	**Dr Wolf Gerhard Martinick**
Title:	Director and Executive Chairman
Qualifications:	PhD, BSc (Agric).
Experience and expertise:	Wolf is an agronomist and environmental scientist with over 50 years' experience in the environmental and social aspects of the energy, mineral resources and land development industries in various countries, especially Australasia, China, India, Southern and Northern Africa, Chile, Nicaragua and Mexico. Dr Martinick was the owner and founding director of MBS Environmental, a well-respected socio-environmental consultancy attending to resource developments across Australasia and numerous other countries, especially Africa focusing on sustainable solutions to a wide range of technical and social problems and concerns. He is a former managing director, chairman and non-executive director of several ASX and AIM listed exploration and mining companies including Basin Minerals Limited (ASX: BMS), Sun Resources NL (ASX: SUR), Oro Verde Limited (ASX: OVL) (now Ionic Rare Earths Limited (ASX: IXR)), Azure Minerals Limited (ASX: AZS) and Weatherly International PLC (AIM: WTI). Wolf is familiar with project development. He is a retired Fellow of the Australian Institute of Mining and Metallurgy, retired member of the Environmental Consultants Association (WA) Inc and former Vice-President of the Association of Mining and Exploration Companies Inc. Dr Martinick is not considered to be an independent Director as he is employed in an executive capacity as Executive Chairman.
Other current directorships:	None
Former directorships (last 3 years):	During the past 3 years, Dr Martinick has not served as a director of any listed companies.
Special responsibilities:	Member of Audit and Risk Committee and Remuneration and Nomination Committee
Interests in securities:	67,457,252 Shares and 15,088,888 Options

Name:	**Mr Craig Basson**
Title:	Executive Director, Chief Financial Officer and Company Secretary
Qualifications:	BCom (Hons), FCA, FGIA, GAICD
Experience and expertise:	Craig is a Fellow of Chartered Accountants Australia and New Zealand, a Fellow of the Governance Institute of Australia, a Graduate of the Australian Institute of Director's Course and holds a Bachelor of Commerce (Hons) degree in accounting and finance. He has over 20 years' experience in auditing, accounting and financial management of resource, education, viticulture and other companies. Craig was Company Secretary of Basin Minerals Limited (ASX: BMS) from 1999 until October 2002, when the company was delisted as a consequence of a successful takeover by Iluka Resources Limited (ASX: ILU). Craig was Chief Financial Officer and Company Secretary of Sun Resources NL (ASX: SUR) from November 2009 to April 2018 and Little Green Pharma Ltd (ASX: LGP) from 1 June 2017 to 30 June 2020 where he was part of the management team that transitioned the company from start-up to an ASX listed company on 20 February 2020. Mr Basson is not considered to be an independent Director as he is employed in an executive capacity as Executive Director and Chief Financial Officer.
Other current directorships:	None
Former directorships (last 3 years):	During the previous 3 years, Mr Basson has not served as a director of any listed companies.
Special responsibilities:	Member of the Audit and Risk Committee and Remuneration and Nomination Committee
Interests in securities:	7,969,857 Shares and 1,600,000 Options

Name:	**Peter Grant**
Title:	Non-Executive Director
Qualifications:	BSc (Hons in Geology)
Experience and expertise:	Peter has over 45 years of experience in the upstream oil and gas industry specialising in exploration and international E&P business development. Peter has extensive work experience in Africa, South-East Asia, Middle East, South America and Australasia, and has led successful teams that have made discoveries in the UK, Australia, Algeria, Libya, Sierra Leone and Mauritania. Peter's experience base is founded in geoscience but has extensively augmented his expertise in corporate strategy, business development, commercial negotiations and portfolio management through his roles as Exploration Manager for Africa and Middle East and General Manager Yemen for BHP Petroleum, and through senior roles in Woodside Energy as International Exploration Manager, General Manager International, and General Manager International Ventures. Peter established International Energy Solutions, a strategic advisory company for the energy industry and has recently advised clients on growth projects in sub-Saharan Africa, China and South-East Asia, both petroleum and coal seam methane related. He provides commercial and political risk advice and has conducted numerous oil and gas training seminars. He is currently Managing Director of IK Holdings Ltd. He is a past National Board member of the Australia/Arab Chamber of Commerce and was the state Chair for West Australia for 7 years. He was the founding Chair of the Australia Korea Business Council of WA. He was the President of the American Association of Petroleum Geologists (AAPG) for the Asia Pacific region from 2015 to 2017, and a member of the AAPG Advisory Council (Board) for the same year. He was awarded the AAPG prestigious Vlastimila Dvorakova International Ambassador service award in 2021. Mr Grant is regarded as an independent Director and is free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of the person's judgement.
Other current directorships:	None
Former directorships (last 3 years):	During the past 3 years, Mr Grant has not served as a director of any listed companies.
Special responsibilities:	Chair of the Audit and Risk Committee and Remuneration and Nomination Committee
Interests in securities:	2,666,667 Shares and 1,055,556 Options

Information on Senior Management (KMP)

Name:	**Kris Francis Martinick**
Title:	Chief Executive Officer
Qualifications:	BChem Eng (Hons), BSc (Chem), BCom
Experience and expertise:	Kris has over 20 years' experience in the oil and gas industry in Australasia, including oil and gas field development and processing plants, LNG plants, gas fired power stations and project management. Kris has held senior management roles working on projects and operations in remote areas of Australia and PNG. He is a non-executive director of several private Perth based companies.

Information on Other Senior Management (non-KMP)

Name:	**Stephen Lennon**
Title:	Executive General Manager Power Developments
Qualifications:	PhD, MSc (Eng)(Wits), BSc (Chem)(Natal)
Experience and expertise:	Dr Lennon brings to Botala expertise gained during a long career of leadership in the energy, sustainability, and management fields, with operational and strategic responsibilities covering the full suite of sustainability disciplines of environment, social development, economics, technology, safety, security and integrated reporting. His numerous executive positions with Eskom from 1986 to 2015 give Steve a unique understanding of southern African's power generation and distribution infrastructure and services and its complex engineering, financial, political, and social challenges. Stephen is a specialist advisor on climate change policy and strategies, including fuel switching and carbon financing. He was a Climate Change negotiator for the South African government in United Nations processes; Lead Author for the Intergovernmental Panel on Climate Change and successfully managed the relationship with the World Bank to secure a USD $4.6 billion loan for renewable and coal-based power generation plants for South Africa. From 2002 to 2014 Stephen chaired the South African National Advisory Council for Innovation.

Name:	**Modisana Botsile**
Title:	Country Manager
Qualifications:	MSc in Minerals and Energy Economics
Experience and expertise:	Mr Botsile is a mineral consultant who has worked for various multinational mining companies and at a senior level in Botswana's Ministry of Minerals. Modisana holds a Master of Science in Minerals and Energy Economics from Curtin Graduate School of Business, Perth and a Bachelor of Engineering with honours in Metallurgy and Material Science from Liverpool University, United Kingdom.

Meetings of Directors

The number of meetings of the Company's Board of Directors ("the Board") held during the year ended 30 June 2025, and the number of meetings attended by each Director were:

	Full Board		Audit & Risk		Remuneration	
	Attended	Held	Attended	Held	Attended	Held
Mr Wolf Gerhard Martinick	8	9	2	2	1	1
Mr Craig Basson	9	9	2	2	1	1
Mr Peter Desmond Grant	9	9	2	2	1	1

Seventeen circular resolutions were passed during the year.

Retirement, election and continuation in office of Directors

The Directors retire by rotation in terms of the Constitution of the Company.

Remuneration report (audited)
The Remuneration Report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Service agreements
- Share-based compensation
- Additional information

Emoluments of Directors and other KMP
Table 1

Name	**Fees ***	**Non-monetary benefits ****	**Other^^**	**Total**	**Performance related**
2025	**$**	**$**	**$**	**$**	**%**
Directors					
Wolf Martinick	120,000	108,429	-	228,429	47.5%
Craig Basson	180,000	106,060	-	286,060	37.1%
Peter Grant	40,000	23,691	102,188	165,879	14.3%
Executive Officer					
Kris Martinick	240,000	151,072	-	391,072	38.6%
2025 Total	580,000	389,252	102,188	1,071,440	36.3%

Name	**Fees ***	**Non-monetary benefits ****	**Other^^**	**Total**	**Performance related**
2024	**$**	**$**	**$**	**$**	**%**
Directors					
Wolf Martinick	120,000	-	-	120,000	-
Craig Basson	180,000	-	-	180,000	-
Peter Grant	40,000	-	112,151	152,151	-
Executive Officer					
Kris Martinick	240,000	-	-	240,000	-
2024 Total	580,000	-	112,151	692,151	-

* Short-term benefits as per *Corporations Regulations* 2M.3.03(1) Item 6. This evaluation includes Cash salary, consulting, director and accrued fees.
** Other long-term benefits as per *Corporations Regulation* 2M.3.03(1) Item 8. Share-based payments and Performance rights have been included in the values.
^^ Relates to consulting fees paid for geophysics mentoring services.

Ordinary Shares
Table 2 shows a reconciliation of shares held by each KMP from the beginning to the end of 30 June 2025 including acquisitions and shares issued during the period.

Table 2

Name	Balance at start of the year or appointment	Acquisitions ^	Performance Rights Converted	Other changes during the year*	Balance at the end of the year	Nominally Held
2025						
Directors						
Wolf Martinick	51,485,582	14,971,670	1,000,000	-	67,457,252	3,080,000
Craig Basson	6,502,000	467,857	1,000,000	-	7,969,857	7,969,857
Peter Grant	2,033,334	633,333	-	-	2,666,667	2,666,667
Executive Officer						
Kris Martinick	11,716,151	84,746	1,000,000	(50,000)	12,750,897	925,926
2025 Total	**71,737,067**	**16,157,606**	**3,000,000**	**(50,000)**	**90,844,673**	**14,642,450**

^ Ordinary shares acquired in capacity as equity participants in share placement offerings or acquisitions via on-market trades during the financial year.
* Ordinary shares sold via on-market trades during the financial year.

Options

Table 3 shows a reconciliation of options held by each KMP from the beginning to the end of FY 2025. All vested options were exercisable.

Table 3

Name	Balance at start of the year or appointment	Granted	Expired	Balance at the end of the year	Vested and exercisable	Unvested
2025						
Directors						
Wolf Martinick	19,488,888	1,200,000	(5,600,000)	15,088,888	15,088,888	-
Craig Basson	2,175,000	1,100,000	(1,675,000)	1,600,000	1,600,000	-
Peter Grant	1,055,556	1,000,000	(1,000,000)	1,055,556	1,055,556	-
Executive Officer						
Kris Martinick	5,650,000	3,000,000	(5,650,000)	3,000,000	3,000,000	-
2025 Total	**28,369,444**	**6,300,000**	**(13,925,000)**	**20,744,444**	**20,744,444**	**-**

The number of options over ordinary shares in the Botala provided as remuneration to key management personnel is shown in the table above. The options carry no dividend or voting rights.

Performance based remuneration granted & forfeited during the year.

Table 4 below shows for each KMP how many of their performance rights were issued and vested during the year.

Table 4

Name	Balance at start of the year	Granted	Exercised	Lapsed	Balance at the end of the year	Vested and exercisable	Unvested
2025							
Directors							
Wolf Martinick	1,000,000	-	(1,000,000)	-	-	-	-
Craig Basson	1,000,000	-	(1,000,000)	-	-	-	-
Peter Grant	-	-	-	-	-	-	-
Executive Officer							
Kris Martinick	1,000,000	-	(1,000,000)	-	-	-	-
2025 Total	**3,000,000**	**-**	**(3,000,000)**	-	-	-	-

The number of performance rights over ordinary shares in Botala provided as remuneration to key management personnel is shown in Table 4 above. The performance rights carry no dividend or voting rights. See Note 4(i) at share-based compensation section for the conditions that must be satisfied for the performance rights to vest.

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ensures that executive reward satisfies the following key criteria for good reward governance practices. The audited remuneration report is set out under the following main headings:

- **Principles used to determine the nature and amount of remuneration**
- **Details of remuneration**
- **Service agreements**
- **Share-based compensation**
- **Additional remuneration**

Principles used to determine the nature and amount of remuneration

The performance of the Group depends upon the quality of its Directors, Executives and staff. To achieve its financial and operating activities, Botala must attract, motivate and retain highly skilled Directors and Executives. Botala embodies the following principles in its remuneration framework:

- Provide competitive awards to attract high calibre Executives;
- Structure remuneration at a level and mix commensurate with their position and responsibilities within the Group so as to reward Executives for the Group and individual performance; and
- Align executive incentive rewards with the creation of value for Shareholders.

Executive remuneration policy

The policy is for Executives to be remunerated on terms that are competitive with those offered by entities of a similar size within the same industry. Packages are reviewed annually by the remuneration committee with any recommendation of this committee reviewed and approved by the Board of Directors.

Remuneration consultants are not used by Botala.

As the Group is predominately an exploration and development entity, performance outcomes are uncertain, notwithstanding endeavour. As such, remuneration packages are not linked to profit performance. Present policy is to reward successful performance via shares, incentive performance rights and options that are priced on market conditions at the time of issue. The number of performance rights and options granted is at the full discretion of the Board.

The Options are not issued in relation to past performance but are considered to promote continuity of employment and provide additional incentive to Executive Officers to increase Shareholder wealth.

The Company's security trading policy provides acceptable transactions in dealing with the Company's securities, including shares, performance rights and options. The full policy can be read on the Company's website.

Shares given to Directors and Executives are valued as the difference between the market price of those shares and the amount paid by the Director or Executive. Performance rights are valued based on the market price and the probability of achieving the relevant milestone. Options are valued using the Black-Scholes model.

Non-Executive remuneration policy

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. Fees for Non-Executive Directors are currently not linked to the performance of the consolidated entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company. The maximum aggregate amount of fees that can be paid to Directors is currently AU$250,000.

Executive remuneration

The Board of Director's policy for determining the nature and amount of compensation of Executive Officers for the Group is as follows:

- The compensation structure for Executive Officers is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of Botala. The contracts for service between the Company and Executive Officers have no fixed term.
- Upon retirement, Executive Officers are paid benefit entitlements accrued to the date of retirement. The remuneration committee recommends the proportion of fixed and variable compensation (if applicable) for each Executive Officer which is approved by the Board.

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Wolf Martinick
Title:	Chairman
Term of agreement:	Unspecified $120,000 per annum 3 month notice period
Details:	Share based payments as determined

Name:	Craig Basson
Title:	Chief Financial Officer and Company Secretary
Term of agreement:	Unspecified $180,000 per annum
Details:	Share based payments as determined

Name:	Peter Grant
Title:	Non-Executive Director
Term of agreement:	Unspecified $40,000 per annum
Details:	Share based payments as determined

Name:	Kris Martinick
Title:	Chief Executive Officer
Term of agreement:	Unspecified $240,000 per annum
Details:	Share based payments as determined

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.
Share-based compensation

Issue of shares
There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2025 (2024: nil).

Issued options
There were 6,300,000 options over ordinary shares issued to Directors as part of compensation that were outstanding as at 30 June 2025 (2024: nil)

Issued performance rights

There were no performance rights issued to Directors as part of compensation during the year ended 30 June 2025 (30 June 2024: nil).

Additional information
The earnings of the Group for the five years to 30 June 2025 are summarised below:

	2025 $	2024 $	2023 $	2022 $	2021 $
(Loss) after income tax	(2,910,281)	(2,074,817)	(1,365,936)	(1,097,771)	(96,501)
LTI achieved	-	-	-	46%	-

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022	2021
Share price at financial year end ($)	0.06	0.09	0.10	0.20	-
Basic loss per share (cents per share)	(1.25)	(1.32)	(1.00)	(1.42)	(0.19)
Diluted loss per share (cents per share)	(1.25)	(1.32)	(1.00)	(1.42)	(0.19)

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
22 November 2023	31 December 2025	$0.135	3,694,444
22 November 2023	31 December 2025	$0.15	14,777,777
28 June 2024	31 December 2025	$0.15	26,757,775
6 December 2024	6 December 2027	$0.10	6,300,000
24 December 2024	24 December 2027	$0.10	9,750,000
			61,279,996

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Botala or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of Botala issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report. There were 18,757,000 options that expired during the financial year ended 30 June 2025 and up to the date of this report.

Shares under performance rights
There were no unissued ordinary shares of Botala Energy Ltd under performance rights outstanding at the date of this report.

Shares issued on the exercise of performance rights
There were 5,750,000 ordinary shares of Botala Energy Ltd issued on the exercise of performance rights during the year ended 30 June 2025 and up to the date of this report (30 June 2024: nil).

Indemnity and insurance of officers
Insurance and indemnity arrangements established in the previous year concerning Officers Botala were retained during the year ended 30 June 2025. Botala has paid insurance premiums in respect of Directors’ and Officers’ liability and legal expenses’ insurance contracts, for current and former Directors and Officers, including Executive Officers, Directors and secretaries of Botala. The terms of the insurance policy contract do not allow disclosure of the premium. The insurance premiums relate to:

(i) costs and expenses incurred by the relevant Officers in defending proceedings, whether civil or criminal and whatever their outcome; and
(ii) other liabilities that may arise from their position, except for conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Indemnity and insurance of auditor
Botala has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Botala or any related entity against a liability incurred by the auditor.

During the financial year, the Botala has not paid a premium in respect of a contract to insure the auditor of the Botala or any related entity.

Proceedings on behalf of Botala
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Botala, or to intervene in any proceedings to which the Botala is a party for the purpose of taking responsibility on behalf of the Botala for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 23 to the financial statements.

Officers of Botala who are former partners of the auditor
There are no officers of Botala who are former partners of HLB Mann Judd.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor
The auditor continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Kris Francis Martinick	Craig Basson
Chief Executive Officer	Director and Chief Financial Officer

29 September 2025

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Botala Energy Ltd for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
29 September 2025

L Di Giallonardo
Partner

hlb.com.au

HLB Mann Judd ABN 22 193 232 714
A Western Australian Partnership
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T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

Financial Report

General information

The financial statements cover Botala as a Group consisting of Botala and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Botala's functional and presentation currency.

Botala is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
24 Hasler Road, Osborne Park WA 6017	Unit 2, 22 Mounts Bay Road, Crawley WA 6009

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 September 2025. The Directors have the power to amend and reissue the financial statements.

Botala Energy Ltd
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	Consolidated 2025 $	Consolidated 2024 $
Other income			
Interest received		11,935	26,195
Net gain on sale of financial assets at FVTPL		2,607	-
Other income		12,566	-
Expenses			
Share based payments	4	(961,634)	(81,469)
Share of losses of joint ventures accounted for using the equity method	10	-	(460,365)
Employment costs		(400,541)	(375,900)
Finance costs		(86,561)	(75,909)
Consultancy costs		(534,930)	(367,701)
Marketing costs		(67,909)	(55,311)
Depreciation		(113,934)	(37,202)
Administration costs		(771,880)	(647,155)
(Loss) before income tax expense		(2,910,281)	(2,074,817)
Income tax expense	5	-	-
(Loss) for the year		(2,910,281)	(2,074,817)
Other comprehensive loss			
Items that may be reclassified to profit or loss			
Exchanged differences arising on translation of foreign operations		322,337	(18,708)
Other comprehensive income/(loss) for the year, net of tax		322,337	(18,708)
Total comprehensive loss for the year		(2,587,944)	(2,093,525)
Loss for the year is attributable to:			
Owners of Botala Energy Ltd		(2,844,634)	(2,011,167)
Non-controlling interests		(65,647)	(63,650)
		(2,910,281)	(2,074,817)
Total comprehensive loss for the year is attributable to:			
Owners of Botala Energy Ltd		(2,520,466)	(2,028,812)
Non-controlling interests		(67,478)	(64,713)
		(2,587,944)	(2,093,525)
		Cents	**Cents**
Basic loss per share	29	(1.25)	(1.32)
Diluted loss per share	29	(1.25)	(1.32)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Botala Energy Ltd
Consolidated statement of financial position
As at 30 June 2025

	Note	Consolidated 2025 $	Consolidated 2024 $
Cash and cash equivalents	6	471,672	443,394
Trade and other receivables	7	731,693	419,836
Prepayments	8	50,919	58,969
Total current assets		1,254,284	922,199
Non-current assets			
Inventories	9	342,157	399,866
Exploration and evaluation assets	11	17,330,035	15,486,739
Property, plant and equipment	12	1,770,554	709,758
Right-of-use assets	13	544,597	545,092
Total non-current assets		19,987,343	17,141,455
Total assets		21,241,627	18,063,654
Liabilities			
Current liabilities			
Trade and other payables	14	1,412,189	172,910
Total current liabilities		1,412,189	172,910
Non-current liabilities			
Trade and other payables	14	46,658	-
Financial liabilities	15	750,000	750,000
Lease liabilities	16	662,766	619,500
Total non-current liabilities		1,459,424	1,369,500
Total liabilities		2,871,613	1,542,410
Net assets		18,370,014	16,521,244
Equity			
Issued capital	17	22,689,812	18,476,731
Reserves	18	1,442,024	894,223
Accumulated losses	19	(5,629,631)	(2,784,997)
Equity attributable to the owners of Botala Energy Ltd		18,502,205	16,585,957
Non-controlling interests		(132,191)	(64,713)
Total equity		18,370,014	16,521,244

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Botala Energy Ltd
Consolidated statement of changes in equity
For the year ended 30 June 2025

Consolidated	Issued capital $	Reserves $	(Accumulated losses) $	Total $	Non-controlling interest $	Total equity $
Balance at 1 July 2023	13,372,240	677,759	(773,830)	13,276,169	-	13,276,169
Loss after income tax expense for the year	-	-	(2,011,167)	(2,011,167)	(63,650)	(2,074,817)
Other comprehensive loss for the year, net of tax	-	(17,646)	-	(17,646)	(1,063)	(18,708)
Total comprehensive loss for the year	-	(17,646)	(2,011,167)	(2,028,812)	(64,713)	(2,093,525)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (Note 17)	3,488,991	-	-	3,488,991	-	3,488,991
Options issued (Note 4)	-	132,991	-	132,991	-	132,991
Share-based payments – acquisition of PP&E (Note 12)	400,000	-	-	400,000	-	400,000
Share-based payments – acquisition of Sharpay Enterprises (Pty) Ltd (Note 27)	1,185,500	-	-	1,185,500	-	1,185,500
Share-based payments – employees (Note 4)	30,000	51,469	-	81,469	-	81,469
Derecognition of FCTR investment in joint venture	-	49,649	-	49,649	-	49,649
Balance at 30 June 2024	18,476,731	894,223	(2,784,997)	16,585,957	(64,713)	16,521,244

Consolidated	Issued capital $	Reserves $	(Accumulated losses) $	Total $	Non-controlling interest $	Total equity $
Balance at 1 July 2024	18,476,731	894,223	(2,784,997)	16,585,957	(64,713)	16,521,244
Loss after income tax expense for the year	-	-	(2,844,634)	(2,844,634)	(65,647)	(2,910,281)
Other comprehensive loss for the year, net of tax	-	324,168	-	324,168	(1,831)	322,337
Total comprehensive loss for the year	-	324,168	(2,844,634)	(2,520,466)	(67,478)	(2,587,944)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (Note 17)	3,475,081	-	-	3,475,081	-	3,475,081
Share-based payments (Note 4)	-	389,252	-	389,252	-	389,252
Share-based payments - Employees		572,382		572,382		572,382
Conversion of performance rights	738,000	(738,000)	-	-	-	-
Balance at 30 June 2025	22,689,812	1,442,024	(5,629,631)	18,502,205	(132,191)	18,370,014

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Botala Energy Ltd
Consolidated statement of cash flows
For the year ended 30 June 2025

	Note	Consolidated 2025 $	Consolidated 2024 $
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(1,189,088)	(2,238,889)
Interest received		11,935	25,632
Net cash (used in) operating activities	28	(1,177,153)	(2,213,257)
Cash flows from investing activities			
Payment for investment in joint venture		-	(2,270,377)
Payments for exploration and evaluation		(1,843,296)	(592,380)
Cash acquired on control of Sharpay Enterprises (Pty) Ltd		-	26,332
Payments for property, plant and equipment		(927,641)	(21,923)
Payment for investments at FVTPL		(2,030)	-
Proceeds from sale of investments at FVTPL		4,637	-
Deposits paid		(91,113)	-
Deposits refunded		50,000	-
Payments for solar energy projects		(216,457)	-
Net cash (used in) investing activities		(3,025,900)	(2,858,348)
Cash flows from financing activities			
Proceeds from issue of shares and options		3,570,572	3,738,200
Share issue transaction costs		(89,241)	(90,003)
Placement advance from directors	14	750,000	-
Net cash received from financing activities		4,231,331	3,648,197
Net increase / (decrease) in cash held		28,278	(1,423,408)
Cash and cash equivalents at the beginning of the financial year		443,394	1,866,802
Cash and cash equivalents at the end of the financial year	6	471,672	443,394

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The Group has not yet assessed the impact of these new or amended Accounting Standards or Interpretations.

Going concern
The consolidated financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the normal course of business and at the amounts stated in the financial statements.

Notwithstanding the fact that the Group incurred a loss after tax of $2,910,281 (2024: $2,074,817) and net cash outflows in operating activities of $1,177,153 for the year, the Directors are of the opinion that the Group is a going concern. The Group had working capital deficit of $157,905 and a net asset surplus of $18,370,014 at balance date and a net cash inflow of $28,278 (2024: $1,423,408 outflow) for the financial year.

Based on the budgeted plans for the Group, the Group will need the following potential funding options and cash management initiatives noted below:

- The Group will continue to exercise appropriate cash management and monitoring of operating cashflows according to exploration success. Future exploration expenditure is generally discretionary in nature and exploration activities may be slowed or suspended as part of the Group’s cash management strategy.
- The Group has demonstrated its ability to raise capital via equity placements to shareholders. Given the strong support of substantial shareholders and the prospectivity of the Group’s current projects the Directors are confident that any future capital raisings will be successful. The Group successfully raised $1.5m via placement and in August 2025.

Should the Group be unable to raise sufficient debt or capital within the next 12 months, there exists a material uncertainty that may cast significant doubt on whether the Group will be able to continue as a going concern and whether it will be required to realise assets and extinguish liabilities other than in the ordinary course of business and at the amounts stated in the financial statements.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Botala Energy Ltd ('Company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Botala Energy Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Note 1. Material accounting policy information (continued)

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Botala Energy Ltd's functional and presentation currency. The functional currency of the subsidiaries incorporated in Botswana is the Pula (BWP).

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Note 1. Material accounting policy information (continued)

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Inventories
Inventories include consumable supplies and maintenance spares expected to be utilised as part of the Group's ongoing exploration activities. Inventories are valued at the lower of cost and net realisable value. Inventories determined to be obsolete or damaged are written down to net realisable value, being the estimated selling price less selling costs.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the period in which the decision is made.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Note 1. Material accounting policy information (continued)

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 1. Material accounting policy information (continued)

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings/loss per share

Basic earnings/loss per share
Basic earnings per share is calculated by dividing the profit/loss attributable to the owners of Botala Energy Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings/loss per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings/loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant exploration interest. Factors that could impact the future commercial production at the wells include the level of reserves and resources, future technology changes, which could impact the cost of extraction, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Asset Acquisition not Constituting a Business
When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.
Management have determined the acquisition of the remaining 30% of Sharpay Enterprises (Pty) Ltd to be an asset acquisition using the concentration test available under AASB 3 Business Combinations, whereby the fair value of the assets is concentrated in the exploration assets acquired.
The Company assesses impairment of non-financial assets other than indefinite life intangible assets at each reporting date by evaluating conditions specific to the entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Fair value of assets acquired
Fair value of the exploration assets acquired has been determined based on the purchase price of the acquisition of the assets of vendor. Management deem the purchase price to be a true representation of the assets purchased on acquisition date. The share-based payment has been valued using the market price on the date of acquisition rather than the fair value of the net assets acquired as it was deemed that the fair value of the intangible assets could not be reliably measured.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Contingent consideration for acquisitions
Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. This consideration is determined based upon agreed reserves certifications of the Company's exploration interests. Consideration payable to vendors in relation to acquisitions is recognised at fair value based on whether the estimated milestones will meet the required thresholds for consideration to be paid. Contingent consideration settled in cash at a future date is regarded as debt, and has been classified as a financial liability whereby proof of concept is adequately documented, and the contingencies have a high probability of realisation. This has been included in the cost of the asset on acquisition. Significant judgement is involved in assessing the contingency realisation.

Note 3. Operating segments

Identification of reportable operating segments
The Group is organised into one operating segments: exploration. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The information reported to the CODM is on a monthly basis.

Geographical information

	Geographical non-current assets	
	2025	2024
	$	$
Australia	1,500	2,096
Botswana	19,985,843	17,139,359
	19,987,343	17,141,455

Note 4. Share based payments

	Consolidated	
	2025	2024
	$	$
Share based payments expense through profit & loss	961,634	81,469

Note 4. Share based payments (continued)

	Consolidated 2025 $	Consolidated 2024 $
Share based payments - Performance rights (i)	542,400	51,469
Share based payments - Employee shares (ii)	-	30,000
Share based payments - Employee/consultant options (vi)	269,982	-
Share based payments – Director/KMP options (vii)	149,252	-
Total share-based payments expensed recognised through profit and loss	961,634	81,469
Share based payments - Options to lead managers of capital raising (iii)	-	132,991
Total share-based payments recognised through equity	-	132,991
Share-based payments - shares issued for acquisition of property, plant and equipment (iv) (Note 12 & 17)	-	400,000
Share-based payments – Tranche 1 shares issued for acquisition of interest in Sharpay Enterprises (Pty) Ltd (Note 17 & 27)	-	480,000
Share-based payments – Tranche 2 shares issued for acquisition of interest in Sharpay Enterprises (Pty) Ltd (Note 17 & 27)	-	705,500
Total share-based payments capitalised as acquisition costs	-	1,585,500

(i) Share-based payments – performance rights

Performance Rights were issued in prior years as an incentive to encourage future performance and the retention of consultants. During the year, all milestones attached to the rights had been met, with the total value of the rights having been brought to account.

Tranche	Number of Performance Rights	Milestone
A	1,000,000	Completion of a Commercial Gas Sales Agreement.
B	3,000,000	Listing Botala Energy Ltd on the ASX or similar securities exchange. For the avoidance of doubt, the Tranche B Performance Rights will vest and convert to Shares as a condition of Admission.
C	1,000,000	Discovery of an independently certified 400bcf 2C Resource in the Serowe CBM Project.
D	1,000,000	Successful commercial pilot well in the Serowe CBM Project.
E	1,100,000	Completion of a Commercial Gas Sales Agreement
F	1,100,000	Completion of a Commercial Electricity Sales Agreement
G	550,000	Employed or Consulting to Botala Energy Ltd on 31 December 2023

Note 4. Share based payments (continued)

Tranche	Milestone	More Likely or Less Likely
A	Completion of a Commercial Gas Sales Agreement	This was achieved during the financial year.
B	Listing Botala Energy Ltd on the ASX or similar securities exchange. For the avoidance of doubt, the Tranche B Performance Rights will vest and convert to Shares as a condition of Admission.	This milestone has been met as conditional acceptance from the ASX had been received on 30 June 2022.
C	Discovery of an independently certified 400bcf 2C Resource in the Serowe CBM Project	More Likely, as a 317bcf 2C Resource was independently assessed by Sproule in Q3.
D	Successful Commercial Pilot Well in the Serowe CBM Project	This was achieved during the financial year.
E	Completion of a Commercial Gas Sales Agreement	This was achieved during the financial year.
F	Completion of a Commercial Electricity Sales Agreement	This was achieved during the financial year.
G	Employed or Consulting to Botala Energy Ltd on 31 December 2023	More Likely, as the consultants have all been consulting to BTE for over a year

The total expense recognised arising from the Tranches A,D,E & F performance rights for the year ended 30 June 2025 is $542,400 (2024: $51,469 from Tranche G performance rights). During the 30 June 2025 financial year, management reassessed the likelihood of the performance conditions of Tranches A,D,E & F and determined that achievement had become probable. Accordingly, the share-based payment expense of $542,400 relating to valuation on grant date has been recognised in profit or loss, with a corresponding increase in the share-based payment reserve within equity which was transferred to share capital upon conversion to ordinary shares.

	Consolidated	
	2025	**2024**
	$	**$**
Share based payments - Performance rights	542,400	51,469

(ii) Share-based payments – employee shares

During the prior financial year, the Company issued 333,333 shares to an employee for a service period rendered in conjunction with the employment contract. The grant date was deemed to be 2 April 2024 and the underlying share price used in valuing the shares was $0.09, resulting in a total share-based payment expense associated with employee shares of $30,000 being recognised during the prior financial year.

(iii) Share-based payments – Options for lead managers

During the prior financial year, the Company issued 3,694,444 options to lead managers for capital raising services rendered. The grant date of the options was 22 November 2023 being the date of shareholder approval and each option has a fair value of $0.036. A total charge of $132,991 has been expensed through equity as the lead manager services were directly attributable to the capital raising in November 2023. Refer below table for further details.

Number Issued	3,694,444
Exercise Price	$0.135
Expiry Date	31/12/2025
Grant Date	22/11/2023
Volatility (%)	89.60%
Risk Free Rate (%)	3.67%
Underlying Fair Value on Grant Date	$0.04
Total Fair Value ($) – Life of Options	$132,991
Total Fair Value ($) – expensed to 30 June 2025	$132,991

(iv) Share based payments - Shares for acquisition of PP&E

On 27 November 2023, the Company issued 4,444,444 ordinary shares, valued at $0.09 per share (total $400,000), pursuant to the terms of the purchase agreement for equipment to be used for flow testing and monitoring. Refer to Note 12 for further details.

(v) Share based payments - Shares for acquisition of interest in Sharpay Enterprises (Pty) Ltd

On 3 April 2024, the Company entered into a binding share sale agreement with Pure Hydrogen Corporation Limited for the acquisition of the remaining 30% interest in Sharpay Enterprises (Pty) Ltd for consideration of 14,500,000 ordinary shares and contingent consideration of A$750,000 cash. As at 30 June 2024, there were 8,500,000 Tranche 2 deferred consideration shares yet to be issued to the vendor, however as shareholder approval to issue the shares was obtained on 28 June 2024 and as there is no option for this to be settled in cash, these shares to be issued have been classified as equity at financial year-end ended 30 June 2024. The shares were ultimately issued on 16 September 2024 and 20 March 2025 (refer Note 17).

(vi) Share based payments – Employee/consultant options

During the financial year, the Company issued 9,250,000 options to directors and executives. The grant date of the options was 5 December 2024 being the date of shareholder approval and each option has a fair value of $0.024. As there are no attached service conditions, a total charge of $269,982 has been expensed through profit and loss on the date of grant.

Share based payments – Director/CEO Options	
Number Issued	9.250.000
Exercise Price	$0.10
Expiry Date	5/12/2027
Grant Date	5/12/2024
Volatility (%)	90%
Risk Free Rate (%)	3.67%
Underlying Fair Value on Grant Date	$0.029
Total Fair Value ($) – Life of Options	$269,982
Total Fair Value ($) – expensed to 30 June 2025	$269,982

(vii) Share based payments – Director/CEO options

During the financial year, the Company issued 6,300,000 options to directors and executives. The grant date of the options was 5 December 2024 being the date of shareholder approval and each option has a fair value of $0.024. As there are no attached service conditions, a total charge of $149,252 has been expensed through profit and loss on the date of grant.

Share based payments – Director/CEO Options	
Number Issued	6,300,000
Exercise Price	$0.10
Expiry Date	5/12/2027
Grant Date	5/12/2024
Volatility (%)	90%
Risk Free Rate (%)	3.67%
Underlying Fair Value on Grant Date	$0.024
Total Fair Value ($) – Life of Options	$149,252
Total Fair Value ($) – expensed to 30 June 2025	$149,252

Note 5. Income tax expense

	Consolidated 2025 $	Consolidated 2024 $
Income tax expense		
Deferred tax - origination and reversal of temporary differences	-	-
Aggregate income tax expense	-	-
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
(Loss) before income tax expense	(2,910,281)	(2,074,817)
Tax at the statutory tax rate of 30%	(873,084)	(622,445)
Deferred tax not recognised	584,594	597,825
Permanent difference	288,490	24,620
Income tax expense	-	-

	Consolidated 2025 $	Consolidated 2024 $
Amounts credited directly to equity		
Deferred tax liabilities	-	-
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	5,407,267	2,496,986
Potential tax benefit @ 30%	1,622,180	749,096

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the similar business test is passed.

Note 6. Cash and cash equivalents

	Consolidated 2025 $	Consolidated 2024 $
Current assets		
Cash at bank	471,672	443,394
	471,672	443,394

Note 7. Trade and other receivables

	Consolidated	
	2025	2024
	$	$
Current assets		
Goods and services tax receivable	20,166	9,999
Deposits	146,763	53,385
Other receivables	107,655	54,168
Other receivables – Botswana Power Corporation Tender[1]	350,000	302,284
Other receivables – Legal Reimbursement[2]	107,109	-
	731,693	419,836

[1] These costs represent directly attributable expenditures incurred in preparing and finalising tender documentation for the Botswana Power Corporation ("BPC"). These costs are expected to be fully recouped. The receivable has been classified as current based on the expected timing of recovery. Management has assessed that the capitalised costs are recoverable in full.

[2] As at 30 June 2025, the Group has recognised an other receivable of $107,109 in respect of capitalised legal costs incurred in relation to ongoing legal costs associated with the development of the Group's solar energy projects. Under the terms of a contractual arrangement, these costs are recoverable, and management expects full reimbursement within the next 12 months. The receivable has been classified as a current financial asset in accordance with IFRS 9 Financial Instruments, measured at amortised cost on initial recognition, as it represents a contractual right to receive cash. Management has assessed the recoverability of the balance by reference to the contractual agreement and the financial position of the other parties. Based on this assessment, no impairment loss has been recognised under the expected credit loss (ECL) model. Accordingly, the carrying amount of the receivable is considered to approximate its fair value, and no significant credit risk is expected.

Allowance for expected credit losses
The Group has recognised a loss of $nil (2024: $nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2025. All debtors at 30 June 2025 were within terms and therefore no allowance for expected credit loss has been recognised.

Note 8. Prepayments

	Consolidated	
	2025	2024
	$	$
Current assets		
Prepayments	50,919	58,969

Prepayments relate to expenditure which has been incurred but the economic benefits have not been utilised. The predominant amount relates to insurance expenditure covering future periods.

Note 9. Inventories

	Consolidated	
	2025	2024
	$	$
Non-current assets		
Inventories - consumables	342,157	399,866

Inventories include consumable supplies and maintenance spares expected to be utilised as part of the Group's ongoing exploration activities. Inventories are valued at the lower of cost and net realisable value. Inventories determined to be obsolete or damaged are written down to net realisable value, being the estimated selling price less selling costs.

Note 10. Investment in joint venture

	Consolidated	
	2025	**2024**
	$	**$**
Non-current assets		
Investment in equity accounted joint venture	-	-

Reconciliation
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

	2025 $	2024 $
Opening carrying amount	-	11,622,225
Loss after income tax	-	(460,365)
Additions	-	2,208,590
Movement through other comprehensive income	-	46,767
Derecognition of investment in joint venture (Note 27)	-	(13,417,218)
Closing carrying amount	-	-

The Company entered into a contract with Strata-X Australia Pty Ltd to farm-in to 49% of the Retention Licences and Tenements held by Strata-X's wholly owned subsidiary Sharpay Enterprises (Pty) Ltd ('Sharpay') in December 2020.

Strata-X Australia Pty Ltd is a wholly owned subsidiary of Pure Hydrogen Corporation Ltd (ASX: PH2).

When listing on the ASX in July 2022, the Company agreed to acquire a further 21% of Strata-X's participating interest in Sharpay Enterprises (Pty) Ltd. The consideration price was 27,236,557 ordinary shares issued to PH2 which amounted to $5,447,311. As a result of the heads of agreement between the Company and Strata-X Australia Pty Ltd there was deemed to be joint control in place notwithstanding the legal interest.

On 4 April 2024, the consolidated entity announced the completion of the acquisition of 100% of Sharpay; prior to this the Company had a legal and beneficial interest of 70% of Sharpay.

The investment in the Sharpay JV historically accounted for using the equity accounting method. In accounting for the acquisition of the remaining interest, management has used a cost accumulation approach. Accordingly, the investment in the equity accounted joint venture balance as at 4 April 2024 was combined with the fair value of consideration paid to the PH2 in order to determine the total cost of the asset acquisition.

Note 11. Exploration and evaluation assets

	Consolidated 2025 $	Consolidated 2024 $
Exploration and evaluation phase – at cost	17,330,035	15,486,739

Reconciliation
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

	Consolidated 2025 $	Consolidated 2024 $
Opening carrying amount	15,486,739	-
Additions through acquisition of Sharpay Enterprises (Pty) Ltd (Note 27)	-	14,726,179
Additions	1,588,999	592,380
Exchange differences	254,297	168,180
	17,330,035	15,486,739

The ultimate recoupment of the value of exploration and evaluation assets is dependant on the successful development and commercial exploitation, or alternatively, sale of the underlying exploration properties.

Note 12. Property, plant and equipment

	Consolidated 2025 $	Consolidated 2024 $
Non-current assets		
Computer equipment - at cost	20,564	11,174
Less: Accumulated depreciation	(12,372)	(2,036)
	8,192	9,138
Assets under construction	89,449	105,234
Land	23,044	-
Plant & Equipment	1,709,127	485,097
Less: Accumulated Depreciation	(134,113)	(8,639)
	1,575,014	476,458
Motor Vehicles	199,107	119,117
Less: Accumulated Depreciation	(131,309)	(9,817)
	67,798	109,300
Furniture & Fittings	29,650	11,429
Less: Accumulated Depreciation	(22,593)	(1,801)
	7,057	9,628
Total property, plant & equipment	1,770,554	709,758

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Motor Vehicles $	Furniture & Fixtures $	Computer Equipment $	Land $	Plant & Equipment[1] $	Assets under construction[2] $	Total $
Balance at 30 June 2023	-	-	3,160	-	-	82,561	85,721
Additions	-	-	-	-	400,000	21,923	421,923
Additions – Acquisition of Sharpay Enterprises (Pty) Ltd (Note 27)	120,105	11,526	8,079	-	86,169	-	225,879
Depreciation expense	(9,817)	(1,801)	(2,036)	-	(8,639)	-	(22,293)
Exchange differences	(988)	(97)	(65)	-	(1,072)	750	(1,472)
Balance at 30 June 2024	109,300	9,628	9,138	-	476,458	105,234	709,758
Additions	-	5,396	5,073	23,037	1,124,011	-	1,157,517
Depreciation expense	(41,118)	(10,914)	(5,140)	-	(35,955)	-	(93,127)
Exchange differences	(384)	2,947	(879)	7	10,500	(2,398)	9,793
Disposals/Transfers	-	-	-	-	-	(13,387)	(13,387)
Balance at 30 June 2025	67,798	7,057	8,192	23,044	1,575,014	89,449	1,770,554

[1]Equipment purchased during the prior financial year relates to flow testing and monitoring equipment acquired by way of 4,444,444 shares with a deemed fair value of $400,000. As at 30 June 2025, the equipment was not yet ready for its intended use and as such no depreciation expense has been recognised for the financial year ended 30 June 2025. Plant & equipment additions during the current financial year of $1,124,011 related to drilling and well equipment acquired. As at 30 June 2025, the drilling equipment was not yet ready for its intended use and as such no depreciation expense has been recognised for the half-year period.

[2]Assets under construction relate to establishment costs related to the Leupane Energy and Industrial Park & Serowe Energy Hub. As at 30 June 2025, these assets were not yet ready for their intended use and as such no depreciation expense has been recognised for the financial year ended 30 June 2025.

Note 13. Right-of-use assets

	Consolidated	
	2025	**2024**
	$	**$**
Non-current assets		
Land - right-of-use	583,374	567,735
Less: Accumulated depreciation	(38,777)	(22,643)
	544,597	545,092

The Group leases land for the proposed site at the Leupane Energy and Industrial Park and the Serowe Energy Hub under agreements of between 35 to 44 years with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The implicit interest rate used is 12%.

Note 14. Trade and other payables

	Consolidated	
	2025	**2024**
	$	**$**
Current liabilities		
Trade payables	549,474	152,436
Other payables & accruals	112,715	20,474
Application funds – shares to be issued	750,000	-
	1,412,189	172,910
Non-current liabilities		
Other payables – AAAS Energy BV Loan	46,658	-
	46,658	-

Refer to Note 21 for further information on financial instruments.

Note 15. Financial liabilities

	Consolidated	
	2025	**2024**
	$	**$**
Financial liabilities – deferred consideration[1]	750,000	750,000
	750,000	750,000

[1]On 3 April 2024, the Company entered into a binding share sale agreement with Pure Hydrogen Corporation Limited for the acquisition of the remaining 30% interest in Sharpay Enterprises (Pty) Ltd ('Sharpay') for consideration of 14,500,000 ordinary shares and deferred consideration of A$750,000 cash. The A$750,000 cash milestone payment will be paid to the vendor upon agreed reserves certification of 50PJ or 50bcf of 2P on the Serowe CBM Project. As at 30 June 2025, the Company has assessed a 100% probability of meeting the milestones for the payment of this consideration in future and this amount has been recognised as a financial liability.

Refer to Note 21 for further information on financial instruments.

Note 16. Lease liabilities

	Consolidated	
	2025	**2024**
	$	**$**
Non-current liabilities		
Lease liability - Leupane Energy and Industrial Park	473,395	444,188
Lease liability - Serowe Energy Hub	189,371	175,312
	662,766	619,500

Lease liabilities are classified as non-current due to the length of the lease being between 35 to 44 years and the impact of the time value of money.

The following are the amounts recognised in profit or loss:

	Consolidated	
	2025	**2024**
	$	**$**
Depreciation expense of right-of-use assets	15,506	15,077
Interest expense on lease liabilities	72,852	71,182
Expense relating to short-term leases	13,212	8,400
	101,570	94,659

The maturity analysis of lease liabilities is disclosed in Note 21.

Note 17. Issued capital

	Consolidated			
	2025 Shares	**2024 Shares**	**2025 $**	**2024 $**
Ordinary shares - fully paid	261,172,958	188,502,923	22,689,812	18,476,731

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2023	136,189,594		13,372,240
Issue of Ordinary Shares	29 September 2023	8,944,444	$0.09	805,000
Issue of Ordinary Shares	27 November 2023	5,833,333	$0.09	525,000
Issue of Ordinary Shares for Equipment (refer Note 13)	27 November 2023	4,444,444	$0.09	400,000
Issue of Ordinary Shares	29 December 2023	9,813,331	$0.09	883,200
Issue of Ordinary Shares	16 April 2024	8,333,333	$0.09	750,000
Issue of Ordinary Shares to Employees (refer Note 4)	17 April 2024	333,333	$0.09	30,000
Issue of Ordinary Shares for Acquisition of 30% Sharpay - Tranche 1	17 April 2024	6,000,000	$0.08	480,000
Issue of Ordinary Shares for Acquisition of 30% Sharpay - Tranche 2[1]	28 June 2024	-	$0.08	705,500
Issue of Ordinary Shares - Directors	28 June 2024	8,611,111	$0.09	775,000
Share issue costs		-		(249,209)
Balance	30 June 2024	188,502,923		18,476,731
Issue of Ordinary Shares	12 August 2024	1,700,000	$0.075	127,500
Issue of Ordinary Shares	13 September 2024	2,666,673	$0.075	200,000
Issue of Ordinary Shares for Acquisition of 30% Sharpay - Tranche 2[1]	16 September 2024	6,500,000	-	-
Issue of Ordinary Shares	16 September 2024	27,778,080	$0.056	1,555,572
Issue of Ordinary Shares - Directors	2 December 2024	5,625,000	$0.056	315,000
Issue of Ordinary Shares - Directors	2 December 2024	9,633,333	$0.075	722,500
Conversion of Performance Rights	5 December 2024	5,750,000	-	738,000
Issue of Ordinary Shares for Acquisition of 30% Sharpay - Tranche 2[1]	20 March 2025	2,000,000	-	-
Issue of Ordinary Shares	28 April 2025	8,220,339	$0.059	485,000
Issue of Ordinary Shares	20 June 2025	2,796,610	$0.059	165,000
Share issues costs		-		(95,491)
Balance	30 June 2025	261,172,958		22,689,812

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Note 17. Issued capital (continued)

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

Note 18. Reserves

	Consolidated	
	2025	**2024**
	$	**$**
Foreign currency reserve	306,822	(17,345)
Share-based payments reserve	-	195,600
Options reserve	1,135,202	715,968
	1,442,024	894,223

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve
The reserve is used to recognise the value of performance right equity benefits provided to directors and employees as part of their remuneration. The performance rights have been valued using the Monte-Carlo Simulation method.

Options reserve
The reserve is used to recognise the value of equity benefits provided to the initial concept developers of the Botswana exploration assets to directors as part of their remuneration, and other parties as part of their compensation for services. The options have been valued using the Black-Scholes method.

Movements in all reserves are explained further in the consolidated statement of changes in equity.

Note 19. Accumulated losses

	Consolidated 2025 $	Consolidated 2024 $
Accumulated losses at the beginning of the financial year	(2,784,997)	(773,830)
Loss after income tax expense for the year	(2,844,634)	(2,011,167)
Accumulated losses at the end of the financial year	(5,629,631)	(2,784,997)

Note 20. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 21. Financial instruments

Financial risk management objectives
The Group 's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board monthly.

Market risk

Interest rate risk
The company's main interest rate risk arises from cash in bank as there are no loans outstanding.

Consolidated - 2025	Basis points increase: Basis points change	Basis points increase: Effect on profit before tax	Basis points increase: Effect on equity	Basis points decrease: Basis points change	Basis points decrease: Effect on profit before tax	Basis points decrease: Effect on equity
Cash and cash equivalents	100	4,717	4,717	(100)	(4,717)	(4,717)

Consolidated - 2024	Basis points increase: Basis points change	Basis points increase: Effect on profit before tax	Basis points increase: Effect on equity	Basis points decrease: Basis points change	Basis points decrease: Effect on profit before tax	Basis points decrease: Effect on equity
Cash and cash equivalents	100	4,434	4,434	(100)	(4,434)	(4,434)

Liquidity risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2025	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	1,412,189	-	-	-	1,412,189
Financial liabilities – contingent consideration	-	-	750,000	-	-	750,000
Interest-bearing - variable						
Lease liability	12.00%	50,290	59,093	201,755	3,461,605	3,772,743
Total non-derivatives		1,462,479	809,093	201,755	3,461,605	5,934,932

Consolidated - 2024	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	172,910	-	-	-	172,910
Financial liabilities – contingent consideration	-	-	750,000	-	-	750,000
Interest-bearing - variable						
Lease liability	12.00%	50,290	59,093	201,755	3,461,605	3,772,743
		223,200	809,093	201,755	3,461,605	4,695,653

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 22. Key management personnel disclosures

Directors
The following persons were Directors of Botala Energy Ltd during the financial year:

Wolf Gerhard Martinick	Executive Chairman
Craig Basson	Chief Financial Officer and Company Secretary
Peter Grant	Non-Executive Director

Other key management personnel
The following person also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Kris Francis Martinick	Chief Executive Officer

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2025	**2024**
	$	**$**
Short-term employee benefits	580,000	580,000
Share-based payments	389,252	-
Other^	102,188	112,151
	1,071,440	692,151

^Relates to consulting fees paid for geophysics services.

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the Company:

	Consolidated	
	2025	**2024**
	$	**$**
Audit services -		
Audit or review of the financial statements	67,500	67,910

Note 24. Related party transactions

Parent entity
Botala Energy Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 26.

Joint ventures
There were $nil interests in joint ventures during the year ended 30 June 2025.

Key management personnel
Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the Directors' report.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2025	**2024**
	$	**$**
(Loss) after income tax	(2,076,444)	(1,520,241)
Total comprehensive loss	(2,076,444)	(1,520,241)

Statement of financial position

	Parent	
	2025	**2024**
	$	**$**
Total current assets	620,917	513,024
Total assets	20,333,072	17,342,474
Total current liabilities	1,213,058	875,299
Total liabilities	1,963,058	1,625,299
Net assets	18,370,014	15,717,175
Equity		
Issued capital	22,689,812	17,771,231
Share-based payments reserve	-	195,600
Options reserve	1,135,202	715,968
Foreign currency translation reserves	1,366	1,366
Accumulated losses	(5,043,434)	(2,966,990)
Total equity	18,370,014	15,717,175

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2025.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2025.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 26. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2025 %	Ownership interest 2024 %
Botala Operations Pty Ltd	Australia	100%	100%
BotsGas (Botswana) (Pty) Ltd	Botswana	100%	100%
BotsHydrogen (Pty) Ltd	Botswana	100%	100%
Botala Renewables (Pty) Ltd	Botswana	100%	100%
Leupane Solar Panel Manufacturing (Pty) Ltd	Botswana	100%	100%
Botala Gas (Pty) Ltd	Botswana	100%	0%
Sharpay Enterprises (Pty) Ltd[1]	Botswana	100%	100%
Botala Operations Botswana (Pty) Ltd	Botswana	100%	100%
Grow and Eat (Pty) Ltd	Botswana	100%	100%
Botala Well Services (Pty) Ltd	Botswana	100%	0%

[1]Refer Note 27; this subsidiary was previously accounted for using the equity method of accounting under joint control.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests in accordance with the accounting policy described in note 1:

			Parent		Non-controlling interest	
Name	Principal place of business / Country of incorporation	Principal activities	Ownership interest 2025 %	Ownership interest 2024 %	Ownership interest 2025 %	Ownership interest 2024 %
Botala Energy-Solar (Pty) Ltd	Botswana	Renewable energy	50.00%	50.00%	50.00%	50.00%
Botala Solar Farm (Pty) Ltd	Botswana	Renewable energy	49.00%	49.00%	51.00%	51.00%

[1] Botala Energy Ltd holds 50% of issued shares of Botala Energy – Solar (Pty) Ltd ('Botala Energy Solar'). As Botala Energy Ltd represents 4 out of 6 directors of Botala Energy Solar, and due to various agreements in place with other related entities, Botala Energy Ltd is deemed to have effective control of Botala Energy Solar and has consolidated this entity in the financial report.
[2] Botala Energy Ltd holds 49% of issued shares of Botala Solar Farm (Pty) Ltd ('Botala Solar Farm'). As Botala Energy Ltd represents 3 out of 4 directors of Botala Solar Farm, and due to various agreements in place with other related entities, Botala Energy Ltd is deemed to have effective control of Botala Solar Farm and has consolidated this entity in the financial report.

Note 26. Interests in subsidiaries (continued)

Summarised financial information
Summarised financial information of the subsidiaries with non-controlling interests that are material to the group are set out below:

	Botala Energy-Solar (Pty) Ltd 2025 $	**Botala Solar Farm (Pty) Ltd 2025 $**
Summarised statement of financial position		
Current assets	37,590	200,537
Non-current assets	-	-
Total assets	37,590	200,537
Current liabilities	26,638	748
Non-current liabilities	202,028	304,620
Total liabilities	233,526	305,368
Net (liabilities)	(164,438)	(104,974)
Interest attributable to NCI	(82,219)	(53,537)
Summarised statement of profit or loss and other comprehensive income		
Revenue	-	-
Expenses	(111,708)	(19,202)
Loss before income tax expense	(111,708)	(19,202)
Income tax expense	-	-
Loss after income tax expense	(111,708)	(19,202)
Other comprehensive income	(658)	(2,234)
Total comprehensive income	(112,366)	(21,437)
Statement of cash flows		
Net cash from operating activities	(559)	(64)
Net cash used in investing activities	(374,218)	(43,104)
Net cash used in financing activities	404,950	46,644
Net increase/(decrease) in cash and cash equivalents	30,174	3,476
Other financial information		
Profit attributable to non-controlling interests	(55,854)	(9,763)
Accumulated non-controlling interests at the end of reporting period	(78,748)	(50,549)

Note 27. Asset Acquisition – Sharpay Enterprises (Pty) Ltd

During the prior financial year, on 3 April 2024, the Company entered into a binding share sale agreement with Pure Hydrogen Corporation Limited for the acquisition of the remaining 30% interest in Sharpay Enterprises (Pty) Ltd (‘Sharpay’) for consideration of 14,500,000 ordinary shares and contingent consideration of A$750,000 cash. The acquisition brings the Company’s ownership stake in Sharpay to 100%.

The acquisition of Sharpay did not represent a business combination in accordance with AASB 3 ‘Business Combinations’ on the basis that the activities of Sharpay do not constitute a business. Instead, the acquisition of Sharpay is treated as an acquisition of assets. At the date of acquisition, the assets and liabilities are recognised and measured at their relative fair values.

At the date of acquisition, the fair value of the acquisition was assessed as follows:

	AUD $
Net Identifiable Assets Acquired	
Inventories	410,315
Property, plant & equipment	225,879
Cash and cash equivalents	26,332
Other receivables	46,518
Exploration and evaluation assets	14,726,179
Trade and other payables	(71,231)
Total net assets acquired	**15,363,992**
Acquisition-date relative fair value of the total consideration transferred	
6,000,000 Consideration Shares to Vendor (a)	480,000
8,500,000 Deferred Consideration Shares to Vendor (b)	705,500
Total shares	***1,185,500***
Deferred Consideration Cash to Vendor (c)	750,000
Transaction costs	11,274
Carrying value of investment accounted for using the equity method (Note 11)	13,417,218
Total consideration	**15,363,992**

a) The 6,000,000 consideration ordinary shares were deemed to have a fair value of $0.08 based on the market value at which the Company’s shares traded on the date of completion, being the 3 April 2024.
b) The 8,500,000 deferred consideration ordinary shares were deemed to have a fair value of $0.083 based on the market value at which the Company’s shares traded on 28 June 2024 as the general meeting date, being the date at which shareholder approval was obtained.
c) A $750,000 cash milestone payment will be paid to the vendor upon agreed reserves certification of 50PJ or 50bcf of 2P on the Serowe CBM Project. The Company has assessed a 100% probability of meeting the milestones for the payment of this consideration in future and this amount has been recognised as a financial liability.

Note 28. Reconciliation of (loss) after income tax to net cash (used in) operating activities

	Consolidated 2025 $	Consolidated 2024 $
(Loss) after income tax expense for the year	(2,910,281)	(2,074,817)
Adjustments for:		
Depreciation and amortisation	113,934	37,202
Share of loss - joint venture	-	460,365
Share based payments	961,634	81,469
Foreign exchange differences	274,835	(140,690)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(198,526)	(269,409)
Increase in inventories	(57,710)	-
Decrease / (Increase) in prepayment	8,051	(5,347)
Increase / (decrease) in trade and other payables	630,910	(302,030)
Net cash (used in) operating activities	(1,177,153)	(2,213,257)

There were no non-cash investing and financing activities during the year ended 30 June 2025 (30 June 2024: Acquisition of Sharpay Enterprises (Pty) Ltd – refer to Note 27, includes issue of shares as consideration and deferred consideration financial liability and shares issued to vendor on acquisition of PP&E in the prior year – refer Note 4 and Note 12).

Note 29. Loss per share

	Consolidated 2025 $	Consolidated 2024 $
(Loss) after income tax	(2,910,281)	(2,074,817)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic loss per share	233,168,379	157,018,627
Weighted average number of ordinary shares used in calculating diluted loss per share	233,168,379	157,018,627
	Cents	**Cents**
Basic loss per share	(1.25)	(1.32)
Diluted loss per share	(1.25)	(1.32)

Note 30. Events after the reporting period

The following matters were reported to the market subsequent to the end of the year:

- 7 July 2025 – Second Pitse well Serowe-3.4A was brought online.
- 31 July 2025 – MDCB granted 2-month extension on the 90-day option previously granted in respective of its prospective acquisition of a 15% equity stake in the CBM Gas Project.
- 18 August 2025 – Share placement of A$1.5 million was completed.

No other matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Consolidated entity disclosure statement
As at 30 June 2025
Basis of preparation

The Consolidated Entity Disclosure Statement has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with *AASB 10 Consolidated Financial Statements*.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Botala Energy Ltd	Body corporate	Australia	-	Australia
Botala Operations Pty Ltd	Body corporate	Australia	100	Australia
BotsHydrogen (Pty) Ltd	Body corporate	Botswana	100	Botswana
Botala Renewables (Pty) Ltd	Body corporate	Botswana	100	Botswana
Botala Energy – Solar (Pty) Ltd	Body corporate	Botswana	50	Botswana
Leupane Solar Panel Manufacturing (Pty) Ltd	Body corporate	Botswana	100	Botswana
Botala Solar Farm (Pty) Ltd	Body corporate	Botswana	49	Botswana
Botala Gas (Pty) Ltd	Body corporate	Botswana	100	Botswana
Sharpay Enterprises (Pty) Ltd	Body corporate	Botswana	100	Botswana
Botala Operations Botswana (Pty) Ltd	Body corporate	Botswana	100	Botswana
BotsGas (Botswana) (Pty) Ltd	Body corporate	Botswana	100	Botswana
Grow and Eat (Pty) Ltd	Body corporate	Botswana	100	Botswana
Botala Well Services (Pty) Ltd	Body corporate	Botswana	100	Botswana

At the end of the financial year, no entity within the consolidated entity was a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Kris Francis Martinick	Craig Basson
Chief Executive Officer	Director and Chief Financial Officer

29 September 2025

INDEPENDENT AUDITOR'S REPORT
To the Members of Botala Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Botala Energy Ltd ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation assets Refer to Note 11	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Company capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Group. We planned our work to address the audit risk that the capitalised expenditure may no longer meet the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation asset may exceed its recoverable amount.	Our procedures included but were not limited to the following: • We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We discussed with management the nature of planned ongoing activities; • We substantiated a sample of expenditure by agreeing to supporting documentation; and • We examined the disclosures made in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

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for such internal control as the directors determine is necessary to enable the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
– Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
– Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Botala Energy Ltd for the year ended 30 June 2025 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
29 September 2025

The shareholder information set out below was applicable as at 16 September 2025.

Equity security holders

Distribution of Shareholdings as at 16 September 2025

Range	Total holders	Units	% Units
1 - 1,000	11	2,275	-
1,001 - 5,000	15	53,023	0.02
5,001 - 10,000	157	1,521,790	0.55
10,001 - 100,000	201	7,710,497	2.76
100,001 Over	175	269,936,220	96.67
Total	**559**	**279,223,805**	**100.00**

On-market buy-back

There is no current on-market buy-back

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $ 500.00 parcel at $ 0.065 per unit	7,693	38	133,829

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

1	DR WOLF-GERHARD MARTINICK	64,377,252	23.06
2	PURE HYDROGEN CORPORATION LIMITED	41,736,557	14.95
3	MR KRIS FRANCIS MARTINICK	11,824,971	4.23
4	MR RITCHIE JAY CAMPBELL	11,390,113	4.08
5	MR FANNIE GWIZI	10,875,706	3.89
6	CORPSERV PTY LTD	6,059,857	2.17
7	ROVIRA PTY LTD <ROVIRA FAMILY A/C>	5,500,000	1.97
8	SIXTH ERRA PTY LTD <THE I COLLIE FAMILY A/C>	4,868,173	1.74
9	WELLPRO SERVICES PTY LTD	4,444,444	1.59
10	MR RONALD PREFONTAINE + MRS ANNABEL FRANCES PREFONTAINE <PREFONTAINE SUPER FUND A/C>	3,833,333	1.37
11	GLENDA ELAINE MARTINICK	3,227,080	1.16
12	MARTINICK INVESTMENTS PTY LTD	3,080,000	1.10
13	MRS MELANIE ROSANNE RANSOM + MR REGINALD THOMAS RANSOM <RT RANSOM SUPER FUND A/C>	2,975,760	1.07
14	GLENHURST SUPER FUND PTY LTD	2,666,667	0.96
15	JCM1 PTY LTD <AH AND JK FAMILY A/C>	2,630,000	0.94
16	BERENES NOMINEES PTY LTD <BERENES SUPERFUND NO 3 A/C>	2,613,333	0.94
17	MR CRAIG LOWELL EVENSON	2,542,373	0.91
18	CHRISTIAN PEDERSEN <AFT CRUSTYRA A/C>	2,500,000	0.90
19	STARWAY CORPORATION PTY LTD <GILES SUPER FUND A/C>	2,365,462	0.85
20	VIC BULLO SUPER PTY LTD <THE BULLO SUPER FUND A/C>	2,305,000	0.83
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)		**191,816,081**	**68.70**
Total Remaining Holders Balance		**87,407,724**	**31.30**

Unquoted equity securities
Unlisted securities have no voting rights until conversion as fully paid shares.

The Company has the following unquoted securities:

Class	Number
Options with an exercise price of $0.135 each and expiring on 31 December 2025	3,694,444
Options with an exercise price of $0.15 each and expiring on 31 December 2025	41,535,552
Options with an exercise price of $0.10 each and expiring on 6 December 2027	6,300,000
Options with an exercise price of $0.10 each and expiring on 24 December 2027	9,750,000

Restricted securities

The following table provides the number of Securities subject to ASX restrictions and the restriction period applied to those securities.

Class	Number	Restriction period
Shares	847,458	Restricted to 12 November 2025
Shares	2,000,000	Restricted to 19 March 2026

Substantial holders
Substantial holders in the Company are set out below:

	Number held	Issued %
Dr Wolf Gerhard Martinick	64,377,252	23.06
Pure Hydrogen Corporation Limited	41,736,557	14.95

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
Every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Company Secretary

The name of the Company Secretary is Mr. Craig Basson

Registered Office

The address and telephone details of the registered and administrative office:
24 Hasler Road
Osborne Park, Western Australia, 6017

Telephone: 0417 942 466

Securities Register

The address and telephone number of the office at which a register of securities is kept:

Computershare Investor Services Pty Ltd
Level 17
221 St Georges Terrace
Perth WA 6000

Telephone: +61 (8) 9323 2000
Free line: 1300 850 505
Facsimile: +61 (8) 9323 2033

Securities Exchange

The Company's listed equity securities are quoted on the Australian Securities Exchange and the Botswana Stock Exchange.

Interests in Prospecting Licences

Prospecting licence number	Expiry Date	Interest owned %
016/2018	31/03/2027	100.00
018/2018	31/03/2027	100.00
019/2018	31/03/2027	100.00
356/2018	30/09/2025	100.00
357/2018	30/09/2025	100.00
400/2018	30/09/2025	100.00
055/2021	31/03/2026	100.00

* The interest shown in each of the licences represents the legal interest percentage that Botala Energy Ltd owns.

** Sharpay Enterprises (Pty) Ltd was granted Mining Licence ML0052/2025 in late February 2025. PL356/2018 and PL400/2018 were converted into the Mining Licence. PL357/2018 is in the process of renewal for an anticipated new period of two years with the Botswana Ministry of Minerals and Energy.

Botala Energy Ltd
ASX: BTE | BSE: BTE
ACN 626 751 620