

Answering Southern Africa's call for gas.

Half Year Report 2026

For the half year ended 31 December 2025

For personal use only



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

BOTALA
ENERGY

Contents

Corporate Directory	2	Condensed consolidated statement of financial position	12
CEO Letter	3	Condensed consolidated statement of changes in equity	13
Directors' Report	5	Condensed consolidated statement of cash flows	14
Review of Operations	4	Notes to the condensed consolidated financial statements	15
Corporate	9	Directors' declaration	28
Auditor's independence declaration	10	Independent auditor's review report	29
Condensed consolidated statement of comprehensive income	11		

Corporate Directory

Directors

Dr Wolf Gerhard Martinick
Executive Director and Chairman

Mr Craig Basson
Executive Director and Chief Financial Officer

Mr Peter Desmond Grant
BSc (Hons) Geology
Non-Executive Director

Chief Executive Officer
Mr Kris Francis Martinick

Company Secretary
Mr Craig Basson

Registered Office
24 Hasler Road
Osborne Park WA 6017
0431 527 885
info@botalaenergy.com.au

Website
www.botalaenergy.com

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

Auditor

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Legal Advisors

Australia

Hamilton Locke Pty Ltd
Level 27, 152-158 St Georges Tce
Perth WA 6000

Botswana

Otlaadisa Law
Unit 2C, 36 Square, 30 Plot, 73872
Phakalane,
Gaborone, South-East
District Botswana

Bankers

National Australia Bank Limited
Transactional Banking
Level 12, 100 St Georges Terrace,
Perth WA 6000

Accountants

Carbon Group
24 Hasler Road
Osborne Park WA 6017

Securities Exchange Listing
ASX Code: BTE

Australian Business Number
41 626 751 620

Letter from the CEO

Dear Shareholders

During the period, we continued to advance the Serowe Coal Bed Methane Project through a disciplined and staged pathway toward commercial LNG production. Our strategy remains clear: establish sustainable commercial gas flow from Project Pitse, complete the Bankable Feasibility Study and position Serowe as a scalable domestic energy solution for Botswana and the broader Southern African region.

We achieved significant operational progress across the Pitse Pilot. Support wells were successfully equipped and dewatered, providing the reservoir pressure drawdown capability required for multi well interference testing and long-term production planning.

Wells 3.1, 3.4 and 3.5A provide valuable data that enhances the understanding of reservoir behaviour and connectivity. Importantly, preparatory work for the central production well, Pitse 3.5B, was completed, placing us in a strong position to transition from pilot scale testing toward targeted commercial flow rates in the first half of 2026.

This structured and phased approach continues to stabilise reservoir conditions, reduce execution risk and improve the quality of data feeding into the BFS. Each well brought online strengthens our confidence in the scalability of the development model and demonstrates that the Pitse wells can be developed cost effectively, preserving capital while building momentum toward LNG production.

Our engagement with the Minerals Development Company Botswana (MDCB) has continued to advance meaningfully as they exercise the Botswana government back-in rights to the project. This proposal reflects strong government alignment and reinforces the strategic importance of developing domestic gas supply for Botswana. The term sheet signed during the period increased MDCB's proposed investment to approximately A\$4 million. The structure of this investment supports upcoming drilling and feasibility activities without dilution at the listed company level, strengthening the long-term foundation of our business.

Botala also completed equity funding to support field activities and feasibility progression. While we remain disciplined with capital deployment, these funds ensure continuity of operations and allow us to advance critical milestones with confidence.

Looking ahead, the March quarter will focus on drilling and stimulating the key commercial pilot well Serowe-3.5B to establish sustainable commercial flow rates. Achieving this milestone will be central to recertifying resources, refining development planning and completing the BFS. In parallel, we will continue integrating field data into our reservoir models and advancing LNG commercialisation planning.



Botala enters the second half of the financial year with clear operational priorities, strengthened government alignment and growing technical confidence. The combination of disciplined field execution, structured feasibility work and strategic partnership support positions us well to deliver long term value for shareholders while contributing to Southern Africa's energy security.

Thank you for your continued support as we move through this important stage of development.

Kris Martinick
Chief Executive Officer
Botala Energy

For personal use only

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 half-year ended 31 December 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

The principal activities of Botala during the period were focused on coal-bed methane (CBM) exploration. 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.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial period.

Review of operations

The loss for the Group after providing for income tax amounted to \$1,420,985 (31 December 2024: \$1,405,320).

A review of Botala's operations during the financial period, and the results of those operations, is as follows:

During the half year ended 31 December 2025, Botala Energy advanced its Serowe Coal Bed Methane (CBM) Project in Botswana through a combination of on-ground pilot activities, feasibility work and project-level funding progress, with a clear focus on progressing the Pitse Pilot as the Phase 1 proof-of-concept programme that underpins the Company's staged CBM to LNG development strategy.

Serowe CBM Project and Project Pitse pilot

Work across the period was centred on building a multi-well data set to support reservoir understanding and the Bankable Feasibility Study (BFS), including pressure behaviour, dewatering response, equipment operability, reservoir connectivity, and production behaviour under dewatering conditions.

Operationally, Botala continued progressing the Pitse Pilot well set, completing wells Serowe-3.4 and Serowe-3.5A to support pilot-wide pressure drawdown. In December, Botala perforated and equipped well Serowe-3.5A with a downhole pump designed to initiate controlled reservoir pressure drawdown, a key input to the multi-well interference testing program required for the BFS.

Botala also outlined an early 2026 program which includes perforation of well and stimulation of wells Serowe-3.2 and Serowe-3.3 and drilling plus stimulation of the central production well Serowe-3.5B to provide core production data for the BFS, alongside continued integration of field results into reservoir models and LNG feasibility workstreams.



Figure 1. Serowe CBM Project location

Feasibility pathway and staged LNG development

Botala continued advancing its BFS and a four-phase development pathway targeting an LNG production benchmark of 3.5 PJ per year supported by an estimated 108 wells, with early phases designed to progressively de-risk scale-up through pilot and cluster development.

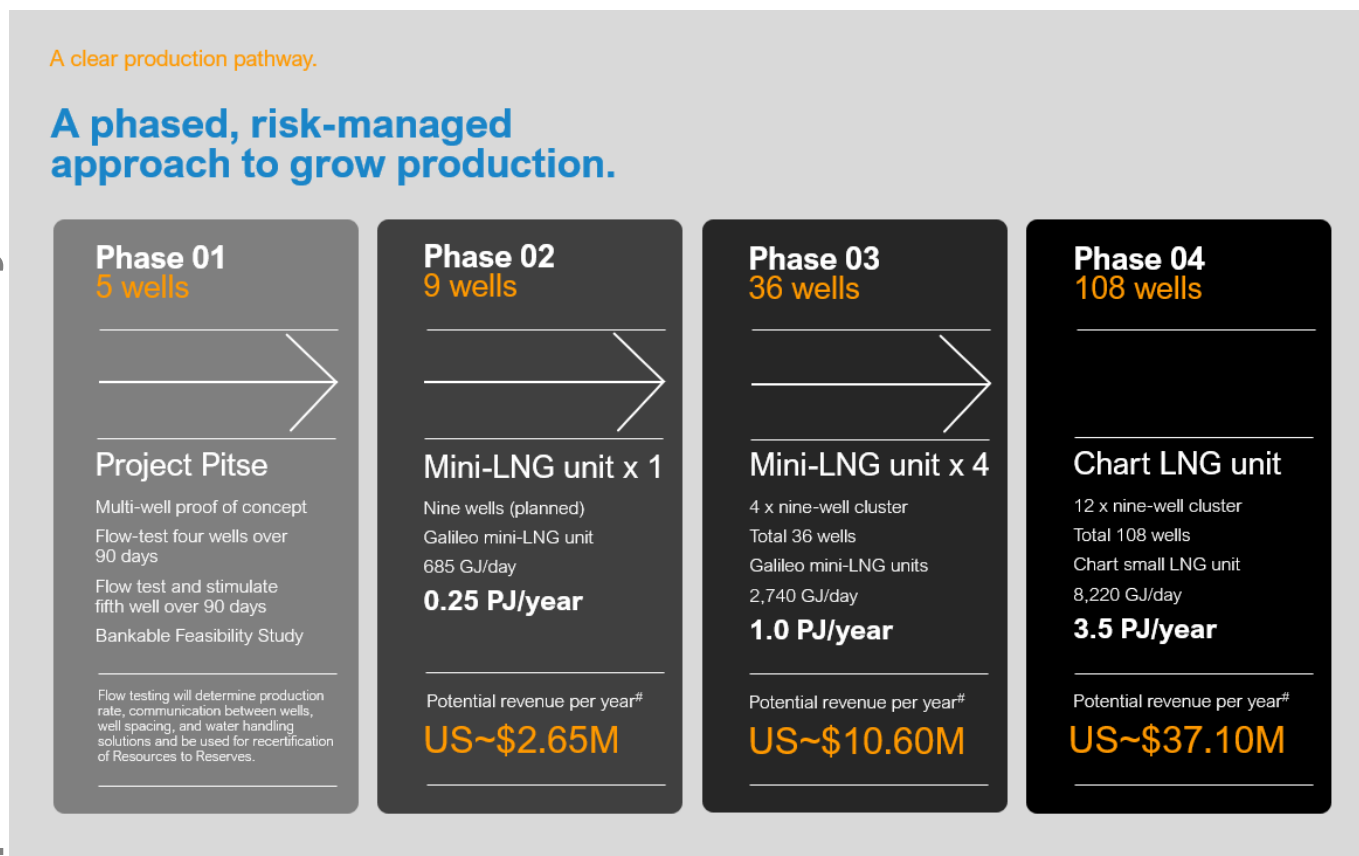


Figure 2. Botala Energy has a phased, risk managed approach to grow gas production at its Serowe CBM Project in Botswana to serve Southern Africa’s emerging industrial gas supply crisis¹.

Government and strategic engagement in Botswana

A major corporate and project milestone was the continued engagement with the Minerals Development Company of Botswana (MDCB), the Botswana Government’s investment arm. Botala had previously extended the Botswana Government’s back-in right to acquire 15% equity in the Serowe gas project for reimbursement of costs spent to date, to facilitate due diligence completion.

In October 2025, MDCB confirmed its intention to acquire 15% equity in the Serowe CBM Project, subject to relevant approvals, and Botala noted receipt of an initial term sheet confirming investment at the project or asset level.

In December 2025, Botala advised MDCB had increased its proposed investment, signing a non-binding term sheet for project-level funding comprising (i) BWP30,000,000 in exchange for 15% equity in the

¹ Sale price per gigajoule = US\$10.60. 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.

project via Botata Gas (Pty) Ltd and (ii) BWP5,000,000 for a 1% royalty of the “Received Price” (ex-works) paid annually over a 20-year term from commercial production, with completion expected in early 2026.

Subsequent to the reporting period

Subsequent to 31 December 2025, Botata released an operational and corporate update noting the principal Pitse Pilot central production well Serowe-3.5B is scheduled to be spudded in March and immediately flow tested, alongside an update that the Company had received firm commitments to raise A\$3 million by way of share placement on the ASX and that MDCB’s indicative funding remained on track to support the pathway through BFS and toward Final Investment Decision.

For personal use only

Corporate

Cash Position

As at 31 December 2025, the Company held A\$333,503 cash at bank.

Tenement Directory at 31 December 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	-	918.97	Mining Licence
357/2018	31/12/2027	892.23	Current
400/2018	-	192.79	Mining Licence
055/2021	31/03/2026	267.14	Current

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

Gas Production

There was no gas production for the half year.

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.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Wolf Gerhard Martinick
Executive Chairman

12 March 2026

For personal use only

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Botala Energy Ltd for the half-year ended 31 December 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 review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
12 March 2026



L Di Giallonardo
Partner

hlb.com.au

HLB Mann Judd ABN 22 193 232 714

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

Botala Energy Ltd
Contents
31 December 2025

Condensed consolidated statement of profit or loss and other comprehensive income	11
Condensed consolidated statement of financial position	12
Condensed consolidated statement of changes in equity	13
Condensed consolidated statement of cash flows	14
Notes to the condensed consolidated financial statements	15
Directors' declaration	28
Independent auditor's review report	29

General information

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

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

Registered office

24 Hasler Road, Osborne Park WA 6017

Principal place of business

Level 1, 1292 Hay Street, West Perth WA 6005

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 12 March 2026.

Botala Energy Ltd
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

		Consolidated	
	Note	31 December 2025	31 December 2024
		\$	\$
Other income			
Interest received		6,691	6,946
Gain on financial assets at fair value through profit or loss		-	1,081
Other income		<u>18,246</u>	<u>2,580</u>
		24,937	10,607
Expenses			
Share-based payments	18	(376,818)	(419,232)
Employee benefits expense		(320,532)	(308,488)
Finance costs		(44,918)	(40,699)
Consultancy costs		(126,032)	(165,501)
Marketing costs		(7,760)	(7,861)
Depreciation and amortisation		(143,177)	(52,563)
Administration costs		<u>(426,685)</u>	<u>(421,583)</u>
Loss before income tax		(1,420,985)	(1,405,320)
Income tax expense	4	<u>-</u>	<u>-</u>
Loss after income tax for the half-year attributable to the owners of Botala Energy Ltd		(1,420,985)	(1,405,320)
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange differences arising on translation of foreign operations		<u>(12,992)</u>	<u>578,948</u>
Other comprehensive (loss)/income for the half-year, net of tax		<u>(12,992)</u>	<u>578,948</u>
Total comprehensive loss for the half-year attributable to the owners of Botala Energy Ltd		<u><u>(1,433,977)</u></u>	<u><u>(826,372)</u></u>
Loss for the period is attributable to:			
Owners of Botala Energy Ltd		(1,402,750)	(1,381,596)
Non-controlling interests		<u>(18,235)</u>	<u>(23,724)</u>
		<u>(1,420,985)</u>	<u>(1,405,320)</u>
Total comprehensive loss for the period is attributable to:			
Owners of Botala Energy Ltd		(1,415,513)	(801,574)
Non-controlling interests		<u>(18,464)</u>	<u>(24,798)</u>
		<u>(1,433,977)</u>	<u>(826,372)</u>
		Cents	Cents
Basic loss per share		(0.52)	(0.66)
Diluted loss per share		(0.52)	(0.66)

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

Botala Energy Ltd
Condensed consolidated statement of financial position
As at 31 December 2025

		Consolidated	
	Note	31 December 2025 \$	30 June 2025 \$
Assets			
Current assets			
Cash and cash equivalents		333,503	471,672
Trade and other receivables	5	691,050	731,693
Other assets		34,229	50,919
Total current assets		<u>1,058,782</u>	<u>1,254,284</u>
Non-current assets			
Exploration and evaluation expenditure	6	18,401,314	17,330,035
Inventories	7	379,155	342,157
Property, plant & equipment	8	1,664,614	1,770,554
Right-of-use assets	9	597,288	544,597
Total non-current assets		<u>21,042,371</u>	<u>19,987,343</u>
Total assets		<u>22,101,153</u>	<u>21,241,627</u>
Liabilities			
Current liabilities			
Trade and other payables	10	941,099	1,412,189
Lease liabilities	11	20,827	-
Total current liabilities		<u>961,926</u>	<u>1,412,189</u>
Non-current liabilities			
Trade and other payables		46,449	46,658
Lease liabilities	11	714,923	662,766
Financial liabilities	12	750,000	750,000
Total non-current liabilities		<u>1,511,372</u>	<u>1,459,424</u>
Total liabilities		<u>2,473,298</u>	<u>2,871,613</u>
Net assets		<u>19,627,855</u>	<u>18,370,014</u>
Equity			
Issued capital	13	24,815,397	22,689,812
Reserves	14	1,995,494	1,442,024
Accumulated losses		(7,032,381)	(5,629,631)
Equity attributable to owners Botala Energy Ltd		<u>19,778,510</u>	<u>18,502,205</u>
Non-controlling interest		(150,655)	(132,191)
Total equity		<u>19,627,855</u>	<u>18,370,014</u>

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

Botala Energy Ltd
Condensed consolidated statement of changes in equity
For the half-year ended 31 December 2025

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 half-year	-	-	(1,381,596)	(1,381,596)	(23,724)	(1,405,320)
Other comprehensive income for the half-year, net of tax	-	580,022	-	580,022	(1,074)	578,948
Total comprehensive loss for the half-year	-	580,022	(1,381,596)	(801,574)	(24,798)	(826,372)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (Note 13)	2,860,080	-	-	2,860,080	-	2,860,080
Share-based payments – directors and key management personnel (Note 18)	-	149,252	-	149,252	-	149,252
Share-based payments – employees and consultants (Note 18)	-	269,980	-	269,980	-	269,980
Conversion of performance rights	195,600	(195,600)	-	-	-	-
Balance at 31 December 2024	<u>21,532,411</u>	<u>1,697,877</u>	<u>(4,166,593)</u>	<u>19,063,695</u>	<u>(89,511)</u>	<u>18,974,184</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total \$	Non- controlling interest \$	Total equity \$
Balance at 1 July 2025	22,689,812	1,442,024	(5,629,631)	18,502,205	(132,191)	18,370,014
Loss after income tax expense for the half-year	-	-	(1,402,750)	(1,402,750)	(18,235)	(1,420,985)
Other comprehensive loss for the half-year, net of tax	-	(12,763)	-	(12,763)	(229)	(12,992)
Total comprehensive loss for the half-year	-	(12,763)	(1,402,750)	(1,415,513)	(18,464)	(1,433,977)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (Note 13)	2,125,585	-	-	2,125,585	-	2,125,585
Share-based payments – directors and key management personnel (Note 18)	-	224,441	-	224,441	-	224,441
Share-based payments – employees and consultants (Note 18)	-	152,377	-	152,377	-	152,377
Share-based payments – brokers (Note 18)	-	189,415	-	189,415	-	189,415
Balance at 31 December 2025	<u>24,815,397</u>	<u>1,995,494</u>	<u>(7,032,381)</u>	<u>19,778,510</u>	<u>(150,655)</u>	<u>19,627,855</u>

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

Botala Energy Ltd
Condensed consolidated statement of cash flows
For the half-year ended 31 December 2025

	31 December 2025 \$	31 December 2024 \$
Cash flows from operating activities		
Payments to suppliers (inclusive of GST)	(631,213)	(427,638)
Interest received	<u>2,433</u>	<u>6,946</u>
Net cash used in operating activities	<u>(628,780)</u>	<u>(420,692)</u>
Cash flows from investing activities		
Payments for exploration and evaluation	(1,534,919)	(1,025,233)
Net payment of deposits	-	(41,113)
Payments for investments at financial assets at fair value through profit or loss	-	(2,030)
Payments for property, plant and equipment	<u>-</u>	<u>(406,091)</u>
Net cash used in investing activities	<u>(1,534,919)</u>	<u>(1,474,467)</u>
Cash flows from financing activities		
Proceeds from issue of shares	1,550,000	2,900,600
Placement advance from directors	500,000	-
Share issue transaction costs	<u>(27,000)</u>	<u>(52,250)</u>
Net cash generated from financing activities	<u>2,023,000</u>	<u>2,848,350</u>
Net (decrease)/increase in cash and cash equivalents	(140,699)	953,191
Cash and cash equivalents at the beginning of the financial half-year	471,672	443,394
Effects of exchange rate changes on cash and cash equivalents	<u>2,530</u>	<u>1,642</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>333,503</u></u>	<u><u>1,398,227</u></u>

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

Note 1. Material accounting policies

These general purpose condensed financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The condensed financial statements have been prepared on a historical cost basis. Cost is based on fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts presented are in Australian dollars. For the purpose of preparing the condensed financial statements, the half-year has been treated as a discrete reporting period.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of 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.

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 of \$1,420,985 with net cash used in operating activities of \$628,780 and investing activities of \$1,534,919 for the period, the Directors are of the opinion that the Group is a going concern. The Group has net current assets of \$96,856 net asset surplus of \$19,627,855.

Given the potential funding options and cash management initiatives noted below, the Directors believe the going concern basis is appropriate:

- 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 during the period and subsequent to period end where on 4 February 2026 the Company raised \$3,000,000. 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.

After consideration of the above factors together with a review of the Group's financial position and forecast cash flows, the Directors reasonably expect the Group will be able to generate sufficient future cashflows to ensure the Group is able to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements. However, should results be materially worse than expected and/or the Group is unable to generate any additional funding required, there would exist a material uncertainty which could cast significant doubt as to whether the Group would in such circumstances be able to continue as a going concern and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

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 Group 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 either the Binomial or 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.

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as Level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group 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.

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.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Botala Energy Ltd
Notes to the condensed consolidated financial statements
31 December 2025

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment: 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

Australia
Botswana

Consolidated	
31 December	30 June
2025	2025
\$	\$
63,712	1,500
20,978,659	19,985,843
<u>21,042,371</u>	<u>19,987,343</u>

Note 4. Income tax expense

Numerical reconciliation of income tax expense and tax at the statutory rate

Loss before income tax expense

Tax at the statutory tax rate of 30%

Permanent differences

Movement in unrecognised deferred tax assets

Income tax expense

Consolidated	
31 December	31 December
2025	2024
\$	\$
(1,420,985)	(1,405,320)
(426,295)	(421,596)
113,045	-
313,250	421,596
<u>-</u>	<u>-</u>

Note 5. Current assets - trade and other receivables

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
Goods and services tax receivable	17,319	20,166
Other receivables	36,267	146,763
Deposits	146,332	107,655
Other receivables – BPC Tender ¹	376,184	350,000
Other receivables – Legal reimbursement ²	114,948	107,109
	<u>691,050</u>	<u>731,693</u>

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 31 December 2025, the Group has recognised an other receivable of \$114,948 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 in the foreseeable future. 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.

Note 6. Exploration and evaluation expenditure

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
Exploration and evaluation phase	<u>18,401,314</u>	<u>17,330,035</u>

Reconciliation

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

	6 months to 31 December 2025	12 months to 30 June 2025
	\$	\$
Opening carrying amount	17,330,035	15,486,739
Additions	1,134,424	1,588,999
Exchange differences	(63,145)	254,297
Closing carrying amount	<u>18,401,314</u>	<u>17,330,035</u>

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

Note 7. Inventories

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
Inventories ¹	379,155	342,157
	<u>379,155</u>	<u>342,157</u>

¹ 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 8. Property, plant and equipment

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
<i>Non-current assets</i>		
Computer equipment - at cost	20,489	20,564
Less: Accumulated depreciation	(15,387)	(12,372)
	<u>5,102</u>	<u>8,192</u>
Assets under construction	<u>89,342</u>	<u>89,449</u>
Land	<u>22,941</u>	<u>23,044</u>
Plant & Equipment	1,728,552	1,709,127
Less: Accumulated Depreciation	(236,391)	(134,113)
	<u>1,492,161</u>	<u>1,575,014</u>
Motor Vehicles	198,218	199,107
Less: Accumulated Depreciation	(147,992)	(131,309)
	<u>50,226</u>	<u>67,798</u>
Furniture & Fittings	29,517	29,650
Less: Accumulated Depreciation	(24,675)	(22,593)
	<u>4,842</u>	<u>7,057</u>
Total property, plant & equipment	<u>1,664,614</u>	<u>1,770,554</u>

Reconciliations

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

Botala Energy Ltd
Notes to the condensed consolidated financial statements
31 December 2025

Consolidated

	Motor Vehicles \$	Furniture & Fixtures \$	Computer Equipment \$	Land \$	Plant & Equipment \$	Assets under construction ¹ \$	Total \$
Balance at 1 July 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
Additions	-	-	-	-	26,716	-	26,716
Depreciation expense	(17,684)	(2,157)	(2,402)	-	(109,611)	-	(131,855)
Exchange differences	112	(58)	(688)	(103)	42	(107)	(801)
Balance at 31 December 2025	50,226	4,842	5,102	22,941	1,492,161	89,342	1,664,614

¹ Assets under construction relate to establishment costs related to the Leupane Energy and Industrial Park & Serowe Energy Hub. As at 31 December 2025, these assets were not yet ready for their intended use and as such no depreciation expense has been recognised for the financial period ended 31 December 2025.

Note 9. Non-current assets – Right-of-use assets

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
<i>Non-current assets</i>		
Land - right-of-use	647,309	583,374
Less: Accumulated depreciation	(50,021)	(38,777)
	<u>597,288</u>	<u>544,597</u>

During the period ended 31 December 2025 the Company entered into a new 3-year office lease in Perth Western Australia.

The Group leases land for the proposed site of 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 10. Current liabilities - trade and other payables

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
Trade payables	392,782	549,474
Other payables	48,317	112,715
Application funds – shares to be issued	500,000	750,000
	<u>941,099</u>	<u>1,412,189</u>

Note 11. Lease liabilities

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
<i>Current liabilities</i>		
Lease liability – Perth Office	20,827	-
<i>Non-current liabilities</i>		
Lease liability - Leupane Energy and Industrial Park	478,904	473,395
Lease liability - Serowe Energy Hub	189,916	189,371
Lease Liability – Perth Office	46,103	-
	<u>714,923</u>	<u>662,766</u>

The following are the amounts recognised in profit or loss:

	Consolidated	
	31 December 2025	31 December 2024
	\$	\$
Depreciation expense of right-of-use assets	11,322	7,664
Interest expense on lease liabilities	39,407	38,087
	<u>50,729</u>	<u>45,751</u>

Note 12. Financial liabilities

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
Financial liabilities – deferred consideration ¹	750,000	750,000
	<u>750,000</u>	<u>750,000</u>

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 31 December 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.

Note 13. Equity - issued capital

	Consolidated			
	31 December 2025	30 June 2025	31 December 2025	30 June 2025
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>300,810,246</u>	<u>261,172,958</u>	<u>24,815,397</u>	<u>22,689,812</u>

Botala Energy Ltd
Notes to the condensed consolidated financial statements
31 December 2025

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
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
Issue of Ordinary Shares	25 August 2025	18,050,847	\$0.059	1,065,000
Issue of Ordinary Shares	25 August 2025	400,000	\$0.060	24,000
Issue of Ordinary Shares – Directors and CEO	18 December 2025	20,338,983	\$0.059	1,200,000
Issue of Ordinary Shares	18 December 2025	847,458	\$0.059	50,000
Share issues costs		-		(213,415)
Balance		<u>300,810,246</u>		<u>24,815,397</u>

Accounting value of the Tranche 2 Sharpay acquisition shares was recognised during the prior financial year ended 30 June 2024, whilst the shares were issued on 16 September 2024.

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.

On a show of hands 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.

Share buy-back

There is no current on-market share buy-back.

Botala Energy Ltd
Notes to the condensed consolidated financial statements
31 December 2025

Note 14. Equity - reserves

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
Foreign currency translation reserve	294,059	306,822
Options reserve	1,701,435	1,135,202
	<u>1,995,494</u>	<u>1,442,024</u>

Foreign currency translation reserve

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

Options reserve

The reserve is used to recognise the value of equity benefits provided to employees and 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 and further information can be found in Note 18.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

	Options reserve	Foreign currency translation reserve	Total
Consolidated	\$	\$	\$
Balance at 1 July 2025	1,135,202	306,822	1,442,024
Share based payments – Director/CEO options	224,441	-	224,441
Share based payments – employee/consultant options	152,377	-	152,377
Share based payments – brokers	189,415	-	189,415
Foreign currency translation	-	(12,763)	(12,763)
Balance at 31 December 2025	<u>1,701,435</u>	<u>294,059</u>	<u>1,995,494</u>

Note 15. Equity - dividends

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

Note 16. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including price risk). The Group'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 Group.

Note 16. Financial instruments (continued)

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.

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.

Fair value of financial instruments

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

Note 17. Related party transactions

Parent entity

Botala Energy Ltd is the parent entity.

Key management personnel

There were no changes to key management personnel remuneration terms since 30 June 2025. Refer to Note 18 for disclosures relating to options issued to key management personnel.

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 dates.

Terms and conditions

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

Note 18. Share-based payments

	Consolidated	
	31 December 2025	31 December 2024
	\$	\$
Share-based payment expense	<u>376,818</u>	<u>419,232</u>
Share-based payments – Director/CEO Options (i)	224,441	149,252
Share-based payments – Employee/Consultant Options (ii)	140,708	269,980
Share-based payments – Consultant Options (iii)	11,669	-
Total share-based payments expense recognised through profit and loss	<u>376,818</u>	<u>419,232</u>
Share-based payments – Brokers (iv)	189,415	-
Total share-based payments expense recognised through equity	<u>189,415</u>	<u>-</u>

The details of the share-based payments provided for the half-year period to 31 December 2025 are:

- (i) During the financial period, the Company issued 7,700,000 options to directors and executives. The grant date of the options was 26 November 2025 being the date of shareholder approval and each option has a fair value of \$0.029. As there are no attached service conditions, a total charge of \$224,441 has been expensed through profit and loss on the date of grant.

Share based payments – Director/CEO Options

	KMP Options
Number Issued	7,700,000
Exercise Price	\$0.10
Expiry Date	22/12/2028
Grant Date	26/11/2025
Grant Date Share Price	\$0.061
Volatility (%)	90%
Risk Free Rate (%)	3.57%
Underlying Fair Value on Grant Date	\$0.029
Total Fair Value (\$) – Life of Options	\$224,441
Total Fair Value (\$) – expensed to 31 Dec 2025	\$224,441

- (ii) During the financial period, the Company issued 5,200,000 options to employees and consultants. The grant date of the options was 22 December 2025 being the date of agreement between the parties and each option has a fair value of \$0.027. As there are no attached service conditions, a total charge of \$140,708 has been expensed through profit and loss on the date of grant.

Share based payments – Employee/Consultant Options

	Employee/Consultant Options
Number Issued	5,200,000
Exercise Price	\$0.10
Expiry Date	22/12/2028
Grant Date	22/12/2025
Grant Date Share Price	\$0.058
Volatility (%)	90%
Risk Free Rate (%)	3.57%
Underlying Fair Value on Grant Date	\$0.027
Total Fair Value (\$) – Life of Options	\$140,708
Total Fair Value (\$) – expensed to 31 Dec 2025	\$140,708

- (iii) During the financial period, the Company issued 500,000 options to a consultant. The grant date of the options was 7 July 2025 being the date of agreement between the parties and each option has a fair value of \$0.023. As there are no attached service conditions, a total charge of \$11,669 has been expensed through profit and loss on the date of grant.

Share based payments – Consultant Options

	Consultant Options
Number Issued	500,000
Exercise Price	\$0.10
Expiry Date	7/01/2027
Grant Date	7/07/2025
Grant Date Share Price	\$0.057
Volatility (%)	90%
Risk Free Rate (%)	3.57%
Underlying Fair Value on Grant Date	\$0.023
Total Fair Value (\$) – Life of Options	\$11,669
Total Fair Value (\$) – expensed to 31 Dec 2025	\$11,669

- (iv) During the financial period, the Company issued 7,000,000 options to brokers for capital raising services rendered. The grant date of the options was 22 December 2025 being the date of agreement between the parties and each option has a fair value of \$0.027. As there are no attached service conditions, a total charge of \$189,415 has been recorded through equity as a capital raising cost on the date of grant.

Share based payments – Brokers

	Broker Options
Number Issued	7,000,000
Exercise Price	\$0.10
Expiry Date	22/12/2028
Grant Date	22/12/2025
Grant Date Share Price	\$0.058
Volatility (%)	90%
Risk Free Rate (%)	3.57%
Underlying Fair Value on Grant Date	\$0.027
Total Fair Value (\$) – Life of Options	\$189,415
Total Fair Value (\$) – expensed to 31 Dec 2025	\$189,415

Note 19. Events after the reporting period

The following matters were announced to the market subsequent to the end of the period:

- 4 February 2026 - The Company announced that it had obtained firm commitments to raise A\$3m by way of share placement. To the date of this report the Company has received \$1.7m with the remainder relating to board participation which is subject to shareholder approval.
- 23 February 2026 – the Company announced the results of stimulation of Pitse Pilot Well S3.3.

No other matter or circumstance has arisen since 31 December 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.

Botala Energy Ltd
Directors' declaration
31 December 2025

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Wolf Gerhard Martinick
Executive Chairman

12 March 2026

For personal use only

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Botala Energy Ltd

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Botala Energy Ltd ("the Company") and its controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes, and the directors' declaration, for the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Botala Energy Ltd does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibility is further described in the *Auditor's Responsibility for the Review of the Financial Report* section of our report. We are independent of the Company 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 audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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 conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

hlb.com.au

HLB Mann Judd ABN 22 193 232 714

A Western Australian Partnership

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

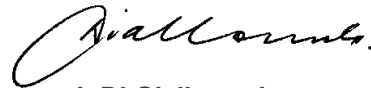
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
12 March 2026



L Di Giallonardo
Partner