

28 November 2021

Dear Fellow Shareholder,

Since my last update of 3 August 2021, I am pleased to advise that we have made considerable progress on several fronts. We will expand on this at our Annual General Meeting to be held on Tuesday, 30 November 2021 at 10am in the offices of Carbon Group (our Accountants), 24 Hasler Road, Osborne Park.

If you have not already done so, please complete your vote and return to our Company Secretary.

In summary:

1. Listing on ASX

Last week we signed a Lead Manager and Corporate Advisor Mandate with GTT Ventures to assist Botala Energy list on the ASX. This will include an invitation to the approximately 5,600 shareholders of PH2 to participate in a priority listing.

With the assistance of Shaun Hardcastle of HWL Ebsworth Lawyers, we are well advanced with the preparation of our Initial Public Offer, for a likely listing in March/April 2022.

The aim is to raise \$7 million at 20 cents per share.

2. Increase of our interest in the Serowe project by 21% to 70%.

We have a binding agreement with PH2 to increase our 49% interest in the Serowe Project to 70% by giving PH2 a 19.9% interest in Botala on listing. To retain our 49% interest, we must continue to meet our farmin commitment of spending \$6.1 million on the project. We anticipate having spent this by latest mid-2023.

3. Financial position

To date we have raised just over \$3 million for a total of approximately 78 million shares. This excludes \$600,000 from GTT Ventures at 12 cents which is due in mid-January 2022.

Our investment of \$475,000 in 7.5 million Pure Hydrogen Corp (ASX: PH2) shares is currently valued at about \$4 million. The shares are out of escrow, and we anticipate selling them progressively to fund operations.

We have over \$1 million in the bank (excludes the \$600,000 mentioned above), which is sufficient to fund our activities, until listing. By then we expect to receive about \$7 million (less listing expenses) and will probably have sold our PH2 shares, hopefully for more than \$4 million.

4. Resource upgrade

Results of the two wells we drilled earlier this year have been appraised and resulted in a significant upgrade of our Coal Bed Methane (CBM) resources. Our independently certified 2C contingent resource increased by 136 billion cubic feet (bcf) from about 24 to 160 bcf; this is for CBM in the immediate surrounds of our 3 most recent wells. In addition, the prospective resource within our total tenement holding increased from 6.3 to 10.1 trillion cubic feet.

5. Drilling

In mid-November we commenced drilling a further two wells that should be completed in early December, in time for our Project Manager/Geologist, Tim Hoops, to return to Denver, US, for a well-earned Christmas break. This may need to be amended due to covid related travel restrictions.

We have commissioned various engineering studies to obtain a better understanding of water properties within our best well. This information is required to design a programme to stimulate commercial gas flows early next year, with production testing most likely commencing shortly after listing.

During the listing process we will cease exploration drilling to not materially affect results discussed in our IPO and thereby avoid delays.

6. Lupane Industrial Park complete with a 100 MW solar farm

We negotiated with the Ngwato Trust the acquisition of 1,520 ha near our Serowe CBM project area for development of an Industrial Park, complete with a 100 MW solar farm with a batteries system and gas generators to provide reliable electricity when the sun is not shining.

We have initiated discussions with potential solar partners to provide technical skills, solar panels and funding.

7. Hydrogen

We have a Memorandum of Understanding with PH2 to develop hydrogen production and distribution in southern and central Africa based on PH2's network and programme for Australia. PH2 have recently announced a contract to supply AKM Earth (ASX: AKM) with seven Hydrogen Fuel Cell Trucks and hydrogen for their operations in Brisbane, Gold Coast and Sunshine Coast.

We are seeking to secure similar contracts in Botswana, using hydrogen we propose to produce by pyrolysis of our CBM. This process strips out all gaseous carbon as solid carbon black. Together with PH2 we are targeting value-add processes to convert this carbon black to high value products of graphene, graphite and nanotubes.

We are likely to place a small, portable pyrolysis plant near one of our CBM production wells and aim to establish a carbon value-add operation on our Lupane Industrial Park, thereby creating a new-age industry in Botswana.

8. Gas Sales Agreement

We are part of IK Holdings' tender to supply the Orapa power station with CBM and have been advised that we are short listed and will be advised in the near future. We aim to supply commercial volumes of CBM in late 2023.

9. Environmental Approval

Loci Environmental, an experienced Botswana environmental consulting company, has been commissioned to undertake the environmental studies and documentation required to secure all environmental and social approvals to develop our CBM field, the Lupane Industrial Park (complete with a 100MW solar farm, hydrogen production and other industries that may be attracted) and pipeline routes and roads from our CBM field to the Lupane Industrial Park.

We anticipate securing necessary approvals by late 2022.

Please contact me, Kris Martinick (MD and CEO - 0421 322 737) or Craig Basson (Company Secretary and CFO - 0414 912 540) if you have questions or require further information.

Kindest regards
Wolf



Dr Wolf Martinick
Executive Chairman, BotsGas Pty Ltd

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