



EMPOWERING
PROGRESS

Botala Energy LTD

ACN: 626 751 620

30 June 2024

Annual Report

ASX Code: BTE

BSE Code: BTE

Dear Fellow Shareholder

Botala Energy Ltd's focus remains on bringing our 100% owned Serowe Gas Project into earliest production and we continue to view gas as essential in the worldwide transition to renewable energy which, in conjunction with solar energy, should contribute to the production of reliable and affordable energy 24/7. To this end we have achieved many of the key milestones required to develop our gas resources.

Our plan is for Botala to demonstrate commercially viable and sustained gas flows by late 2025 and then greatly increase production over three years, substantially funded from cash flow. An independent Feasibility Study for our wellfield development (released to ASX on 20 September 2024) highlights the significant potential of our project. To do this, we will bring into production the 4-well cluster recently drilled within a ~350m radius of our Serowe 3-1 well. The latter was flared three times over the past year to demonstrate instantaneous gas flow from this simple, vertical well without enhancement of the permeability of the coals. Important outcomes will include measuring sustained gas flow from the three coal seams intersected by the well and the potential to enhance gas flow through stimulation.

We are in discussion with potential partners to farm-in into Sharpay Enterprises, Botala's wholly owned subsidiary that owns the Serowe Gas Project, by funding these activities and related studies estimated to cost ~A\$20 million. There is considerable interest from Southern African entities, and we are negotiating with suitable farm-in partners. While these discussions are ongoing there is no guarantee they will result in a binding agreement and investors are cautioned not to place undue reliance on any such agreement materialising.

When we have demonstrated commercial gas flow rates, production development is expected to have a relatively low capital requirement by using quick-to-develop wells.

Botala believes that there is a great opportunity to sell liquefied natural gas (LNG) to industry, especially in South Africa. This is receiving much of our attention as there are numerous potential LNG customers in South Africa, within economic trucking distance of our wellfield. Small to medium-sized LNG plants could be bought off-the-shelf and installed near or on our wellfield which is near to excellent highways and rail for delivering gas to the market.

Milestones announced to the ASX that encourage us to proceed with confidence include:

- a. Increased ownership of our Serowe Gas Project to 100%, to enable farm-out on favourable terms.
- b. Increased our 2C Contingent Gas Resources (best-case estimate) in the vicinity of the wells drilled in our Serowe Project (~5% of project area) by ~42% to 454 billion cubic feet (bcf). Our certified Prospective Resource is 7112 bcf across the entire Project area. The independent certification of Botala's contingent and prospective resources was done by Sproule out of USA and reported to the ASX on 8 July 2024.
- c. Gas desorption tests have indicated that gas content in coals has exceeded expectations.
- d. Analysis showed our gas to consist of ~91 to 94% methane and ~0.5% carbon dioxide (balance is mainly nitrogen).
- e. Flared Serowe 3-1 well three times; it is one of our low-cost vertical wells with unsustained gas flow rates of ~45 mscf/day.
- f. Completed an independent Financial Feasibility study for our wellfield development which confirmed the wellfield's financial robustness and outlined a pathway to commercial production with attractive IRRs and NPVs for low, medium and high gas flows.
 - i. Markets include gas compression (CNG) and liquefaction (LNG) and connecting to the Southern African Power Pool. LNG production appears a particularly attractive commercial option.
 - ii. Suggested a pathway to production by:
 - Demonstrating commercial gas flow and completion of the independent Feasibility Study.
 - Followed by a rapid increase in production over three years, with ~70% of the capital requirement funded by cash flow and debt.
- g. PV panel manufacturing plant.
 - i. Solar Finland Ltd's plant in Thailand confirmed that panel manufacture in Botswana could compete with similar high-quality panels from China subject to sourcing the material supply chain in Southern Africa, Thailand and Korea. This also meets international criteria with respect to forced and child labour.
 - ii. Botala would be the operator and aims to acquire its ~21% ownership through work contribution and debt. For completeness, Botala's agreement with Solar Finland is preliminary in nature and subject to several conditions precedent, some of which are beyond Botala's control. Hence, I caution investors not to place undue reliance upon it.
- h. Secured environmental approval to develop the:
 - i. Serowe Wellfield complete with a pipeline to the Leupane Energy Hub and Industrial Park near Palapye.

- ii. Leupane Energy Hub and Industrial Park, complete with environmental approval to construct and operate:
 - 500MW solar and 200MW gas hybrid plant.
 - LNG and/or CNG gas production and distribution facilities.
 - 100MW/year photovoltaic (PV) panel manufacturing plant in partnership with Solar Finland and Botswana based entities.
 - Industrial Park to attract industry to reliable energy and many other favourable attributes.
 - Mineral Beneficiation Plant for Botswana's emerging copper mining industry. Botala's interest is in providing land, approvals and supplying energy.
- i. Binding Heads of Agreement with AAAS Energy BV of Netherlands for Stage-1 (250MW) of the 500MW Leupane solar plant. AAAS will farm-into 50% of the Project for A\$1 million and is responsible for all initial development funding to completion of a bankable feasibility study by late 2024/early 2025.
- j. Awarded tender by Botswana Power Corporation to establish a 4MW solar project on our Serowe Energy Hub and supply electricity into the local grid. This 4MW solar project includes partnerships with the Serowe community and several Botswana companies with Botala's equity being secured through work contribution and debt.
- k. Advanced negotiations with the Ministry of Mines and Energy to:
 - Establish a 20MW solar/gas hybrid plant in our Serowe Energy Hub.
 - Convert part of our Serowe Gas Project to a Mining Licence to allow commercial production.
- l. Dual listed on the Botswana Stock Exchange to allow Botswana to invest in Botswana's energy sector.

These milestones were achieved without accidents or serious incidents by our team, whom I thank for their dedication and professionalism.

During the last 12 months and subsequently in August/September 2024, we raised ~A\$5.5 million to fund gas exploration and development. This included a Share Purchase Plan to allow all shareholders to participate. Your directors and management demonstrated their support by contributing ~A\$2 million. This brings my personal cash contribution to Botala since inception to ~A\$4.1 million, and clearly demonstrates my commitment to the Serowe Gas Project and our ability to develop its potential.

I look forward to continuing to keep the market updated on Botala's activities over the next 12 months, which will include pursuing a reliable farm-in partner, demonstrating commercially viable gas flows and commencing development of our resources.

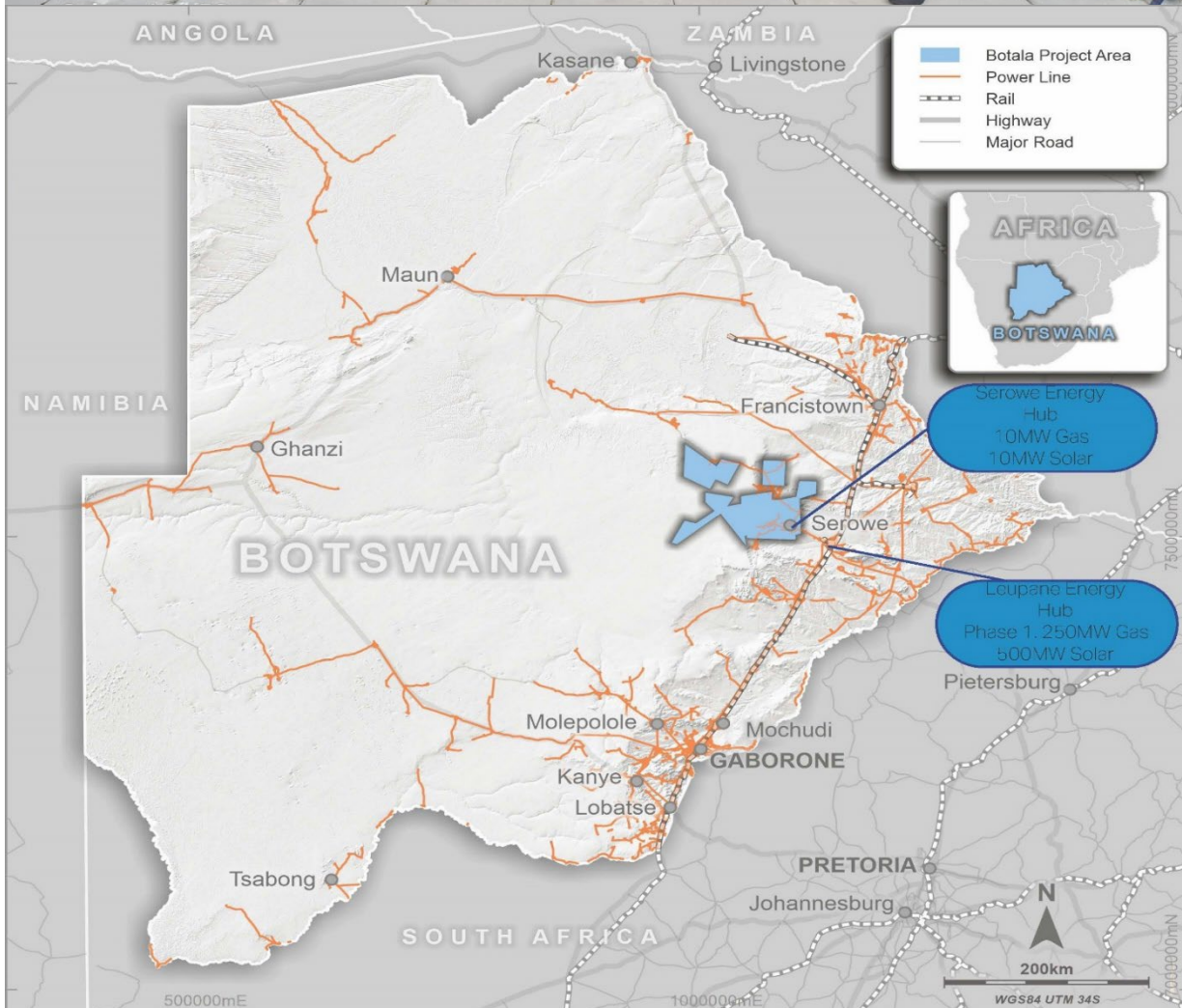
Kindest regards,

Wolf



Dr Wolf Martinick
Executive Chairman,
Botala Energy Ltd





Directors	Dr Wolf Gerhard Martinick PhD, BSc (Agric) Executive Director and Chairman	
	Mr Craig Basson BCom (Hons) FCA, FGIA, GAICD Executive Director and Chief Financial Officer	
	Mr Peter Grant BSc (Hons) Geology Non-Executive Director	
Chief Executive Officer	Mr Kris Francis Martinick BChem Eng (Hons), BSc (Chem), BCom	
Company Secretary	Mr Craig Basson BCom (Hons) FCA, FGIA, GAICD	
Registered Office	24 Hasler Road Osborne Park WA 6017 0431 527 885	
Email:	info@botalaenergy.com.au	
Website:	www.botalaenergy.com	
Share Register	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	
Corporate Governance Statement	The Company's Corporate Governance disclosure is available on the Company's website at: www.botalaenergy.com/site/about/corporate-governance	
Home Exchange	Australian Securities Exchange Ltd Exchange Plaza, 2 The Esplanade Perth, Western Australia 6000 ASX Code: BTE ABN: 41 626 751 620	

Review of Operations

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 2024.

Highlights



Flaring of gas from Serowe 3-1

September 2023 - Gas Successfully Flared

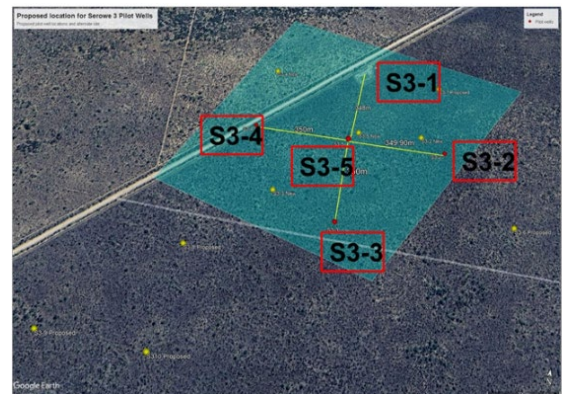
Gas was flared from the Serowe 3-1 well (formerly designated Serowe 3) for 22 minutes, resulting in a pressure change of 22 psi and an instantaneous flow rate of 42 Mscfd. These results exceeded expectations, particularly as no stimulation work had been performed on the well.

The Serowe 3-1 well test was conducted in an "open hole" configuration, allowing access to all three coal seams. Individual seam testing is planned as part of Project Pitse. The performance of the well has significantly bolstered Botala's confidence in the commercial pilot programme. The well has been shut in to allow pressure to continue building for future flow testing.

September 2023 - Commercial Pilot Programme (Project Pitse) Commenced

Project Pitse commenced with a 4-well drilling programme located within an approximately 800-metre radius of the existing Serowe 3-1 well, which had been demonstrating increasing CBM gas flow rates to the surface. The first well in this programme, Serowe 3-2, was spudded on 1 September 2023. Drilling of the remaining wells was completed within three months.

The aim of the drilling campaign was to assess the commercial flow-rate potential in the vicinity of the Serowe 3-1 well, to convert the cluster of five wells into the first commercial production site within Project Pitse. This is part of Botala's broader Serowe CBM Project which spans approximately 420,000 hectares.



Project Pitse wells



Botala team at the listing of BTE on the Botswana Stock Exchange

November 2023 - Botala listed on the Botswana Stock Exchange

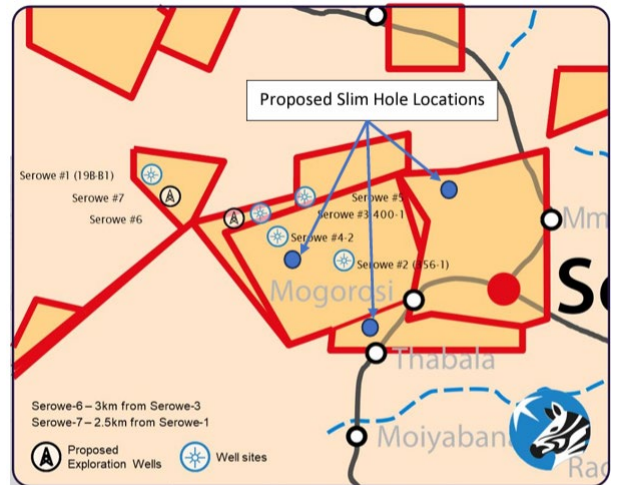
Botala was pleased to announce the dual listing onto the Botswana Stock Exchange (BSE) in November 2023. Shares from Botala Energy Ltd are now tradable on the BSE, with monthly reconciliations undertaken by Botala's Australian Share Registry.

The dual listing ensures that investment in Botala is not limited to Australian investors.

January 2024 - Environmental Approvals for the Serowe CBM Project

In January 2024, Botala announced that environmental approval had been granted for the commercial development of the Serowe Coal Bed Methane (CBM) Project, also known as Project Naledi (Project Pitse is the pilot project within Naledi).

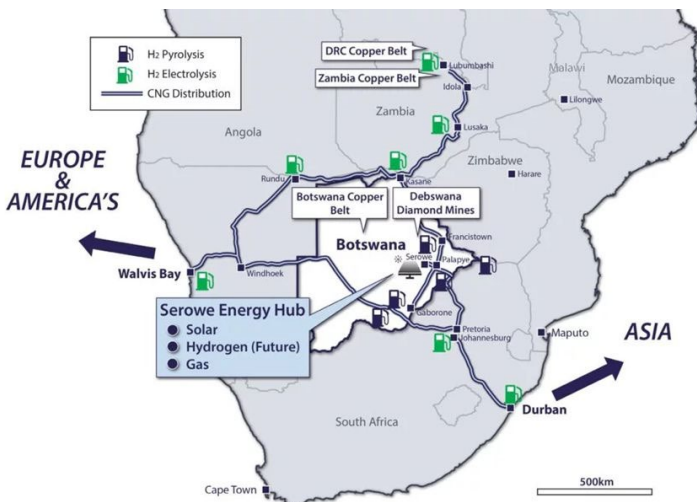
The approval includes the development of approximately 100 km of pipeline connecting the wellfield to the proposed Leupane Energy Hub and Industrial Park, near Palapye. This development is crucial as the project transitions from exploration to active production.



Proposed drilling sites

April 2024 - Botala obtained 100% ownership of the Serowe CBM Project

Botala acquired the remaining 30% interest in the Serowe Coal Bed Methane (CBM) Project from Pure Hydrogen Corporation Limited (ASX: PH2), becoming the sole owner. This strategic acquisition consolidated Botala's asset base in Botswana, enhancing operational control and increasing potential revenue from the project. The consolidation was essential for engaging prospective strategic partners and positioning Botala favourably for the potential farm-out of a portion of the newly acquired stake to a major development company.



Serowe Energy Hub – location to major transport infrastructure within southern Africa

April 2024 – Agreement signed with AAAS for 250MW solar farm at Leupane

Botala signed a binding Heads of Agreement (HOA) with AAAS Energy BV to develop 250MW (Stage-1 of a 500MW solar project) of solar photovoltaic capacity at the Leupane Energy Hub and Industrial Park. Under the HOA, AAAS committed to farming into 50% of the project by contributing A\$1 million towards development costs, including a Bankable Feasibility Study and a Final Investment Decision. They also agreed to assist in securing future funding.

This arrangement enabled Botala to advance significant development opportunities without incurring initial project costs and to leverage AAAS's extensive expertise in solar project development. The project supports Botala's strategic goal of creating scalable renewable energy solutions to meet regional energy demands. By the end of 2024 the Bankable Feasibility Study is expected to determine: the project's cost ownership and funding structures for a Financial Investment Decision to set the stage for a joint development agreement and further capacity expansion. Development work has progressed, with financial modelling, grid connections and regulatory work underway.



Leupane Energy Hub and Industrial Park

Directors

The following persons were Directors of Botala Energy Ltd during the whole of the financial year and up to the date of this report:

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 year were focused on coal-bed methane (CBM) exploration and development of renewable energy.

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

Dividends

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

Review of operations

The loss for the Group after providing for income tax amounted to \$2,074,817 (30 June 2023: \$1,365,936).

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

Fund Raising

Botala completed an A\$805,000 Institutional Placement in September 2023 to advance its drilling and flow-testing programmes. The Botala Board participated in this placement with an investment of A\$525,000 in November 2023.

In addition, Botala secured A\$2,400,000 through an oversubscribed placement in December 2023, receiving strong backing from both new and existing investors, of which A\$1,658,200 was receipted by 31 December 2023. This additional financial injection, with the issue price representing an 8.4% premium to the 10-day VWAP, was earmarked to support the commercial pilot drilling programme and planning of renewable energy projects, including a Solar Panel Manufacturing Plant in Botswana. The Botala Board participated in second placement by contributing A\$775,000.

Botala increases ownership in the Serowe CBM Project to 100%

Strategic acquisition in April 2024 of the remaining 30% interest in Sharpay Enterprises (Pty) Ltd, the owner of the Serowe CBM Project ("Project") from Pure Hydrogen Corporation Limited (ASX:PH2), making Botala the sole owner, and consolidating Botala's asset base in Botswana, enhancing its operational control and potential revenue from the Project. Sole ownership of the Project is important for engagement with prospective strategic partners as Botala advances towards development. Botala agreed to issue 14.5 million shares to Pure Hydrogen in tranches, alongside a milestone payment of A\$750,000 contingent on agreed reserves certifications. Botala expanded its strong relationship with Pure Hydrogen with an MOU signed with Pure Hydrogen to jointly investigate hydrogen projects in Southern Africa.

Drilling

During the year Botala commenced its inaugural Commercial Pilot Programme, Project Pitse. Project Pitse is a 4-Pilot Well programme around the Serowe 3-1 well (formerly Serowe-3). The decision to proceed with drilling four additional wells was based on the continued build-up of gas at Serowe 3-1 which was subsequently flared. The temporary gas flow indicated the coals are at their desorption pressure point and demonstrated good permeability. Serowe 3-1 was successfully flared for 22 minutes measuring a change in pressure of 22psi. The test on this well was "open hole" meaning that the well is open to all three coal seams in the area. Future well testing on Project Pitse is aimed at developing Project Pitse for commercial production.

Botala completed drilling of four planned Pilot Wells. Drilling of the final well was completed after core sampling. The four wells intercepted significant coal sections, with Serowe 3-2, 3-3, 3-4 and 3-5 intercepting 35M, 24M, 35M and 31M respectively of net coal across the targeted three seams. Successful completion of the wells on time and under budget underscores Botala's operational efficiency and the potential of the Serowe CBM Gas Project.

The Serowe Coal Seam (the primary target) intersected in the four wells showed the same characteristics as the Serowe 3-1 well. The logging results extend the area of the coals that will be targeted in the upper seams within Botala's ~420,000ha tenement area.

Project Pitse is Botala's first Commercial Pilot Project; it demonstrated promising results with Serowe 3-1's initial flaring producing an unstabilised peak flow rate of 42 thousand standard cubic feet of CBM per day. This bolsters confidence in achieving the target commercial flow rate from the five-well cluster.

Geophysical surveys

Botala completed geophysical surveys over the exploration well sites. The objective being to identify and avoid small faults, fractures and igneous intrusions not identified on Botala's regional geological database. Logging results provided important information, improved the understanding of geophysical structures and ensured suitable positioning of Botala's well locations.

Coring and Desorption Testing

Testing was undertaken of the cores from the Serowe 3-4 well at Project Pitse. The coring analysis programme forms part of the desorption testing programme over the three coal seams. The programme is designed to test the desorption of methane gas from the coals over three testing periods.

The gas desorption process occurs in three stages: 1. Stage 1 - Q1 (lost gas): Obtained within the first 20 minutes. 2. Stage 2 - Q2 (Desorbable gas): A slow desorption process taking place over a 4-month period. 3. Stage 3 - Q3 (Crushed gas). The total gas content (QT) is calculated as the sum of Q1, Q2, and Q3. Results of the Q1 and Q2 testing of cores from Serowe 3-4 exceeded expected gas content results for the area of above 2.4 cubic centimeters per gram. Final stage testing is currently underway.

EIA progress and stakeholder engagement

Environmental approval from the Department of Environmental Affairs (DEA) via an Environmental Impact Assessment (EIA) was granted in early January 2024 for commercial development of the Serowe CBM Gas Field, complete with on-site compression and liquefaction of CBM into Compressed and Liquefied Natural Gas (CNG and LNG), and a ~100km pipeline to deliver CBM from the gasfield to the proposed Leupane Energy Hub and Industrial Park near the town of Palapye, on Botala's 1520ha sublease from the local community based Ngwato Development Trust.

The EIA for development of Botala's Leupane Energy Hub and Industrial Park was granted after the financial year end on the 20 August 2024. The EIA seeks approval for: the staged development of a 700MW solar/gas hybrid plant, and further LNG facilities; development of an Industrial Park with access to reliable and affordable electricity; a solar panel manufacturing plant; and a mineral beneficiation plant to annually process 450,000 tonnes of copper concentrates. Botala's interest in the mineral beneficiation plant, should it be developed, is to provide land identified in an independent separate prefeasibility study as a suitable site for such a plant, environmental approvals, and gas and electricity for mineral processing.

Botala's EIA for development of its Serowe Energy Hub is in the final stages of appraisal by DEA. This requests approval for: establishment of a standalone 4MW solar farm to supply electricity to Botswana Power Corporations (BPC) substation in Serowe, plus a 10MW solar/10MW CBM gas hybrid power plant that will feed into BPC's local grid; storage and distribution facilities for LNG to be produced from CBM; offices, workshops and storage facilities; and a small market gardening operation to generate additional employment.

Solar energy and renewables

AAAS Energy BV

Binding Heads of Agreement signed with Amsterdam-based AAAS Energy BV (“AAAS”) to develop 200 - 250MW of Solar PV capacity at Botala’s Leupane Energy Hub and Industrial Park. AAAS to farm-in 50% of the Project for A\$1,000,000. AAAS responsible for all initial development capital to take the Project to a Bankable Feasibility Study. Botala has no funding commitment until A\$1,000,000 is spent by AAAS, with additional contributions to be equally shared. Bankable feasibility study outcomes are expected by 31 December 2024.

Solar Finland

During the year Botala further developed its relationship with Solar Finland Ltd (Solar Finland) to jointly investigate providing photovoltaic (PV) panels for future solar developments and complete a business model to establish a PV panel manufacturing plant in Botswana. This aligns with the Botswana’s aspirations to develop new high technology manufacturing industries in Botswana.

Botala and Solar Finland have developed a business case for establishing a PV panel manufacturing plant in Botswana. Botala secured an Economic Zone Licence for this plant on its Leupane Energy Hub and Industrial Park, giving it significant taxation and tariff benefits. The companies have focused on identifying potential partners and customers to rapidly grow the solar and energy business.

Dual Listing on the Botswana Stock Exchange

During the year Botala completed a dual listing on the Botswana Stock Exchange (BSE) by way of introduction to the BSE Foreign Main Board, effective 22 November 2023. This strategic move broadens Botala’s investor base and enhances liquidity. Botala will adhere to the ASX Listing Rules for all announcements on the ASX and BSE. Botala’s shares are tradeable on both the ASX and BSE, with Computershare Investor Services Pty Ltd overseeing reconciliation of share registers between the two exchanges.

Botala appointed Imara Capital Securities (Pty) Ltd as its sponsor and sponsoring broker on the BSE. A waiver from the BSE was received, eliminating the need for a public offer of shares concurrent with the dual listing.

TENEMENT DIRECTORY AT 30 JUNE 2024

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 (KM²)	Comments
016/2018	31/03/2025	648.12	Current
018/2018	31/03/2025	694.35	Current
019/2018	31/03/2025	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 KM² as at 30 June 2024)

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

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

- 8 July 2024 - 42% increase in CBM 2C Contingent Resource to 454bcf in wholly owned CBM Project.
- 18 July 2024 - Botala-led consortium wins 4MW Solar tender from Botswana Power Corporation.

- 5 August 2024 – placement of \$850,000 and commitment to a Share Purchase Plan.
- 7 August 2024 – excellent gas composition and desorption results.
- 20 August 2024 – Leupane Energy Hub and Industrial Park environmental approval.
- 11 September 2024 – receipt of \$200,000 via the Share Purchase Plan.
- 16 September 2024 – issue of 6,500,000 Botala shares as partial settlement of the Tranche 2 deferred consideration shares issued to PH2.
- 20 September 2024 – feasibility and concept studies for wellfield development completed

No other matter or circumstance has arisen since 30 June 2024 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.

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 2023 to 30 June 2024 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.

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.

Information on Directors



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 – Energy Development, 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: 51,938,662 Shares, 19,488,888 Options and 1,000,000 Performance Rights

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: 6,635,333 Shares, 2,175,000 Options and 1,000,000 Performance Rights

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: 2,033,334 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 17 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 2024, 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	11	14	1	2	1	2
Mr Craig Basson	14	14	2	2	2	2
Mr Peter Desmond Grant	14	14	2	2	2	2

Ten circular resolutions were resolved 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 2024	Fees [*] \$	Non-monetary benefits ^{**} \$	Incentives [^] \$	Other ^{^^} \$	Total \$	Performance related %
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	-

Name 2023	Fees [*] \$	Non-monetary benefits ^{**} \$	Incentives [^] \$	Other ^{^^} \$	Total \$	Performance related %
Directors						
Wolf Martinick	120,000	-	50,000	-	170,000	29%
Craig Basson	180,000	-	50,000	-	230,000	22%
Peter Grant	40,000	-	-	29,438	69,438	-
Executive Officer						
Kris Martinick	240,000	-	50,000	-	290,000	17%
2023 Total	580,000	-	150,000	29,438	759,438	

* 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.

[^] Incentives relate to commissions from Capital Raising efforts performed by the Directors and Key Management Personnel.

^{^^} 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 FY 2024 including acquisitions and shares issued during the period.

Table 2

Name	Balance at start of the year or appointment	Placement Acquisitions	Other changes during the period [^]	Balance at the end of the year	Nominally Held
2024					
Directors					
Wolf Martinick	36,834,617	-	14,650,965	51,485,582	3,000,000
Craig Basson	6,002,000	-	500,000	6,502,000	6,502,000
Peter Grant	1,977,778	-	55,556	2,033,334	2,033,334
Executive Officer					
Kris Martinick	11,716,151	-	-	11,716,151	-
2024 Total	56,530,546	-	15,206,521	71,737,067	11,535,334

[^] Ordinary shares acquired in capacity as equity participants in share placement offerings or acquisitions 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 2024. All vested options were exercisable.

Table 3

Name	Balance at start of the year or appointment	Granted	Acquisition [^]	Exercised	Balance at the end of the year	Vested and exercisable	Unvested
2024							
Directors							
Wolf Martinick	5,600,000	-	13,888,888	-	19,488,888	19,488,888	-
Craig Basson	1,675,000	-	500,000	-	2,175,000	2,175,000	-
Peter Grant	1,000,000	-	55,556	-	1,055,556	1,055,556	-
Executive Officer							
Kris Martinick	5,650,000	-	-	-	5,650,000	5,650,000	-
2024 Total	13,925,000	-	14,444,444	-	28,369,444	28,369,444	-

[^] Free-attaching options acquired during the year as part of share placement in capacity as equity participant.

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 much 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
2024							
Directors							
Wolf Martinick	1,000,000	-	-	-	1,000,000	-	1,000,000
Craig Basson	1,000,000	-	-	-	1,000,000	-	1,000,000
Peter Grant	-	-	-	-	-	-	-
Executive Officer							
Kris Martinick	1,000,000	-	-	-	1,000,000	-	1,000,000
2024 Total	3,000,000	-	-	-	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 2024 (2023: nil).

Issued options

There were no options over ordinary shares issued to Directors as part of compensation that were outstanding as at 30 June 2024 (2023: nil)

Issued performance rights

There were no performance rights issued to Directors as part of compensation during the year ended 30 June 2024 (30 June 2023: nil).

At the 30 June 2024 the Directors completed an assessment of the Performance Rights that were issued during the 30 June 2022 financial year to comply with AASB 2 and determine if the above classes of Performance Rights were "more likely, or less likely to be converted into shares".

As the milestone had been achieved for Class B, these Performance Rights were converted to shares at 29 June 2022. The milestone for Class C was considered likely and was expensed to the share-based reserve during the year ended 30 June 2022.

Additional information

The earnings of the Group for the five years to 30 June 2024 are summarised below:

	2024	2023	2022	2021	2020
	\$	\$	\$	\$	\$
(Loss) after income tax	(2,074,817)	(1,365,936)	(1,097,771)	(96,501)	(16,400)
LTI achieved	-	-	46%	-	-

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

	2024	2023	2022	2021	2020
Share price at financial year end (\$)	0.09	0.10	0.20	-	-
Basic earnings per share (cents per share)	(1.32)	(1.00)	(1.42)	(0.19)	(0.15)
Diluted earnings per share (cents per share)	(1.32)	(1.00)	(1.42)	(0.19)	(0.15)

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
17 February 2020	28 February 2025	\$0.25	18,757,000
29 June 2022	12 July 2025	\$0.25	4,688,957
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
			68,675,953

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 2024 and up to the date of this report. There were no options which had lapsed during the year ended 30 June 2024 and up to the date of this report.

Shares under performance rights

Other than the 3,000,000 performance rights held by directors and key management personnel, 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 no ordinary shares of Botala Energy Ltd issued on the exercise of performance rights during the year ended 30 June 2024 and up to the date of this report.

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 2024. 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 26 to the financial statements.

Officers of Botala who are former partners of the auditor

There are no officers of the 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

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
Chief Executive Officer



Craig Basson
Director and Chief Financial Officer

26 September 2024

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 2024, 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
26 September 2024



B G McVeigh
Partner

hl**b.com.au**

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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

24 Hasler Road, Osborne Park WA 6017

Principal place of business

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 26 September 2024. 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 2024



	Note	Consolidated	
		2024 \$	2023 \$
Other income			
Interest received		26,195	86,905
Expenses			
Share based payments	4	(81,469)	(24,131)
Share of losses of joint ventures accounted for using the equity method	11	(460,365)	(445,205)
Employment costs		(375,900)	(402,496)
Finance costs		(75,909)	(38,809)
Consultancy costs		(367,701)	(60,972)
Marketing costs		(55,311)	(136,737)
Depreciation		(37,202)	(7,601)
Administration costs		(647,155)	(267,991)
(Loss) before income tax expense		(2,074,817)	(1,297,037)
Income tax expense	5	-	(68,899)
(Loss) after income tax expense for the year		(2,074,817)	(1,365,936)
Other comprehensive loss			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		-	44,254
Joint venture foreign currency translation		-	(49,649)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(18,708)	300
Other comprehensive loss for the year, net of tax		(18,708)	(5,095)
Total comprehensive loss for the year		<u>(2,093,525)</u>	<u>(1,371,031)</u>
Loss for the year is attributable to:			
Owners of Botala Energy Ltd	22	(2,011,167)	(1,365,936)
Non-controlling interests		(63,650)	-
		<u>(2,074,817)</u>	<u>(1,365,936)</u>
Total comprehensive loss for the year is attributable to:			
Owners of Botala Energy Ltd		(2,028,812)	(1,371,031)
Non-controlling interests		(64,713)	-
		<u>(2,093,525)</u>	<u>(1,371,031)</u>
		Cents	Cents
Basic loss per share	33	(1.32)	(1.00)
Diluted loss per share	33	(1.32)	(1.00)

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 2024



	Note	Consolidated	
		2024	2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	6	443,394	1,866,802
Trade and other receivables	7	419,836	150,427
Prepayments	9	58,969	53,622
Total current assets		<u>922,199</u>	<u>2,070,851</u>
Non-current assets			
Inventories	10	399,866	-
Investment in joint venture	11	-	11,622,225
Exploration and evaluation assets	12	15,486,739	-
Property, plant and equipment	13	709,758	85,721
Right-of-use assets	14	545,092	557,592
Total non-current assets		<u>17,141,455</u>	<u>12,265,538</u>
Total assets		<u>18,063,654</u>	<u>14,336,389</u>
Liabilities			
Current liabilities			
Trade and other payables	16	172,910	474,940
Total current liabilities		<u>172,910</u>	<u>474,940</u>
Non-current liabilities			
Financial liabilities	17	750,000	-
Lease liabilities	18	619,500	585,280
Total non-current liabilities		<u>1,369,500</u>	<u>585,280</u>
Total liabilities		<u>1,542,410</u>	<u>1,060,220</u>
Net assets		<u>16,521,244</u>	<u>13,276,169</u>
Equity			
Issued capital	20	18,476,731	13,372,240
Reserves	21	894,223	677,759
Accumulated losses	22	(2,784,997)	(773,830)
Non-controlling interest		(64,713)	-
Total equity		<u>16,521,244</u>	<u>13,276,169</u>

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 2024



Consolidated	Issued capital \$	Reserves \$	(Accumulated losses) \$	Total equity \$
Balance at 1 July 2022	13,388,571	1,150,541	100,288	14,639,400
(Loss) after income tax expense for the year	-	-	(1,365,936)	(1,365,936)
Other comprehensive loss for the year, net of tax	-	(5,095)	-	(5,095)
Total comprehensive loss for the year	-	(5,095)	(1,365,936)	(1,371,031)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (Note 20)	(16,331)	-	-	(16,331)
Share-based payments (Note 4)	-	24,131	-	24,131
Transfer from disposal of financial assets through other comprehensive income	-	(491,818)	491,818	-
Balance at 30 June 2023	13,372,240	677,759	(773,830)	13,276,169

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)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (Note 20)	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 13)	400,000	-	-	400,000	-	400,000
Share-based payments – acquisition of Sharpay Enterprises (Pty) Ltd (Note 31)	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

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 2024



	Note	Consolidated	
		2024	2023
		\$	\$
Cash flows from operating activities			
Payments to suppliers (inclusive of GST)		(2,238,889)	(814,791)
Interest received		25,632	86,905
Interest and other finance costs paid		-	(4,161)
Net cash (used in) operating activities	32	<u>(2,213,257)</u>	<u>(732,047)</u>
Cash flows from investing activities			
Payment for investment in joint venture		(2,270,377)	(3,500,256)
Payments for exploration and evaluation		(592,380)	-
Cash acquired on control of Sharpay Enterprises (Pty) Ltd	31	26,332	-
Payments for property, plant and equipment	13	(21,923)	(1,236)
Proceeds from sale of investments		-	729,985
Net cash (used in) investing activities		<u>(2,858,348)</u>	<u>(2,771,507)</u>
Cash flows from financing activities			
Proceeds from issue of shares and options		3,738,200	-
Share issue transaction costs		(90,003)	(455,060)
Net cash received from/(used in) financing activities		<u>3,648,197</u>	<u>(455,060)</u>
Net decrease in cash and cash equivalents		(1,423,408)	(3,958,614)
Cash and cash equivalents at the beginning of the financial year		<u>1,866,802</u>	<u>5,825,416</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>443,394</u></u>	<u><u>1,866,802</u></u>

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 \$2,074,817 (2023: \$1,365,936) and net cash outflow in operating activities of \$2,213,257 for the year, the Directors are of the opinion that the Group is a going concern. The Group had net current assets of \$749,289, net asset surplus of \$16,521,244 and a net cash outflow of \$1,423,408 (2023: \$3,958,614).

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 successfully raised \$850,000 via placement and committed to a share purchase plan in August 2024
- 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.

Should the Group be unable to raise further debt or capital within the next 12 months with the initiatives detailed above, then 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 2024 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.

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 per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit 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 per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings 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 2024. 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	
	2024	2023
	\$	\$
Australia	2,096	85,721
Botswana	17,139,359	12,179,817
	<u>17,141,455</u>	<u>12,265,538</u>

Note 4. Share based payments

	Consolidated	
	2024	2023
	\$	\$
Share based payments expense through profit & loss	<u>81,469</u>	<u>24,131</u>

Note 4. Share based payments (continued)

	Consolidated	
	2024	2023
	\$	\$
Share based payments - Performance rights (i)	51,469	24,131
Share based payments - Employee shares (ii)	30,000	-
Total share-based payments expensed recognised through profit and loss	<u>81,469</u>	<u>24,131</u>
Share based payments - Options to lead managers of capital raising (iii)	132,991	-
Total share-based payments recognised through equity	<u>132,991</u>	<u>-</u>
Share-based payments - shares issued for acquisition of property, plant and equipment (iv) (Note 13 & 20)	400,000	-
Share-based payments – Tranche 1 shares issued for acquisition of interest in Sharpay Enterprises (Pty) Ltd (Note 20 & 31)	480,000	-
Share-based payments – Tranche 2 shares issued for acquisition of interest in Sharpay Enterprises (Pty) Ltd (Note 20 & 31)	705,500	-
Total share-based payments capitalised as acquisition costs	<u>1,585,500</u>	<u>-</u>

(i) Share-based payments – performance rights

The previous financial year share-based payments consisted of Performance Rights and options issued as an incentive to encourage future performance and the retention of consultants.

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	Less Likely, as there are significant hurdles to obtain a Purchase Agreement from the Botswana Power Corporation
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	Less Likely, around 75 CBM Wells drilled in Botswana – no success
E	Completion of a Commercial Gas Sales Agreement	Less Likely, as there are significant hurdles to obtain a Gas Purchase Agreement from the Botswana Power Corporation and a commercial gas well had not been completed at the grant date
F	Completion of a Commercial Electricity Sales Agreement	Less Likely, as there are significant hurdles to obtain an Electricity Purchase Agreement from the Botswana Power Corporation as no definitive agreement had been completed with Solar Finland at the grant date
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 Tranche G performance rights for the year ended 30 June 2024 is \$51,469 (2023: \$24,131).

	Consolidated	
	2024	2023
	\$	\$
Share based payments - Performance rights	<u>51,469</u>	<u>24,131</u>

(ii) Share-based payments – employee shares

During the financial year, the Company issued 333,333 shares to an employee for 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 financial year (2023: \$nil).

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

During the 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.

Note 4. Share based payments (continued)

	Lead Manager Options
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 2024	\$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, pursuant to the terms of the purchase agreement for equipment to be used for flow testing and monitoring. Refer to Note 13 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. Refer to Note 31 for further information regarding the acquisition.

Note 5. Income tax expense

	Consolidated	
	2024	2023
	\$	\$
<i>Income tax expense</i>		
Deferred tax - origination and reversal of temporary differences	-	68,899
Aggregate income tax expense	-	68,899
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets (note 13)	-	68,899
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
(Loss) before income tax expense	(2,074,817)	(1,297,037)
Tax at the statutory tax rate of 30%	(622,445)	(389,111)
Prior year temporary differences not recognised now recognised	-	56,404
Deferred tax not recognised	597,825	209,606
Permanent difference	24,620	-
Deferred tax recognised directly in equity	-	192,000
Income tax expense	-	68,899

Note 5. Income tax expense (continued)

	Consolidated	
	2024	2023
	\$	\$
<i>Amounts credited directly to equity</i>		
Deferred tax liabilities (note 16)	-	(192,000)
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	2,496,986	1,313,768
Potential tax benefit @ 30%	749,096	394,130

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 same business test is passed.

Note 6. Cash and cash equivalents

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Cash at bank	443,394	466,802
Cash on deposit	-	1,400,000
	<u>443,394</u>	<u>1,866,802</u>

Note 7. Trade and other receivables

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Goods and services tax receivable	9,999	63,298
Other receivables	107,553	53,500
Other receivables – BCP Tender ¹	302,284	33,629
	<u>419,836</u>	<u>150,427</u>

¹Botswana Power Corporation (BPC) tender completed during the period with the outcome to be released during the financial year ending 30 June 2025.

Allowance for expected credit losses

The Group has recognised a loss of \$nil (2023: \$nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2024. All debtors at 30 June 2024 were within terms and therefore no allowance for expected credit loss has been recognised.

Note 8. Financial assets at fair value through other comprehensive income

	Consolidated	
	2024	2023
	\$	\$
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	-	880,000
Disposals	-	(732,255)
Revaluation increments (Note 21)	-	(147,745)
	<u>-</u>	<u>(147,745)</u>
Closing fair value	<u>-</u>	<u>-</u>

Note 9. Prepayments

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Prepayments	<u>58,969</u>	<u>53,622</u>

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 10. Inventories

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Inventories - consumables	<u>399,866</u>	<u>-</u>

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 11. Investment in joint venture

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Investment in equity accounted joint venture	-	11,622,225
	<u>-</u>	<u>11,622,225</u>
<i>Reconciliation</i>		
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:		
Opening carrying amount	11,622,225	8,681,625
Loss after income tax	(460,365)	(445,205)
Additions	2,208,590	3,435,454
Movement through other comprehensive income	46,767	(49,649)
Derecognition of investment in joint venture (Note 31)	(13,417,218)	-
Closing carrying amount	<u>-</u>	<u>11,622,225</u>

Refer to Note 30 for further information on interests in joint ventures.

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 31).

Note 12. Exploration and evaluation assets

	Consolidated	
	2024	2023
	\$	\$
Exploration	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	
	2024	2023
	\$	\$
Opening carrying amount	-	-
Additions through acquisition of Sharpay Enterprises (Pty) Ltd (Note 31)	14,726,179	-
Additions	592,380	-
Exchange differences	168,180	-
	<u>15,486,739</u>	<u>-</u>

Note 13. Property, plant and equipment

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Computer equipment - at cost	11,174	3,195
Less: Accumulated depreciation	(2,036)	(35)
	<u>9,138</u>	<u>3,160</u>
Assets under construction	105,234	82,561
Plant & Equipment	485,097	-
Less: Accumulated Depreciation	(8,639)	-
	<u>476,458</u>	<u>-</u>
Motor Vehicles	119,117	-
Less: Accumulated Depreciation	(9,817)	-
	<u>109,300</u>	<u>-</u>
Furniture & Fittings	11,429	-
Less: Accumulated Depreciation	(1,801)	-
	<u>9,628</u>	<u>-</u>
Total property, plant & equipment	<u>709,758</u>	<u>85,721</u>

Reconciliations

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

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Consolidated	Motor Vehicles \$	Furniture & Fixtures \$	Computer Equipment \$	Plant & Equipment ¹ \$	Assets under construction ² \$	Total \$
Balance at 1 July 2022	-	-	-	-	-	-
Additions	-	-	3,195	-	82,561	85,756
Depreciation expense	-	-	(35)	-	-	(35)
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 31)	120,105	11,526	8,079	86,169	-	225,879
Depreciation expense	(9,817)	(1,801)	(2,036)	(8,639)	-	(22,292)
Exchange differences	(988)	(97)	(65)	(1,072)	750	(1,473)
Balance at 30 June 2024	<u>109,300</u>	<u>9,628</u>	<u>9,138</u>	<u>476,458</u>	<u>105,234</u>	<u>709,758</u>

¹Equipment purchased during the period 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 2024, 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 2024.

²Assets under construction relates to establishment costs related to the Leupane Energy and Industrial Park & Serowe Energy Hub. As at 30 June 2024, 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 2024.

Note 14. Right-of-use assets

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Land - right-of-use	567,735	565,105
Less: Accumulated depreciation	<u>(22,643)</u>	<u>(7,513)</u>
	<u><u>545,092</u></u>	<u><u>557,592</u></u>

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%.

Reconciliations

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

Consolidated	Land \$	Total \$
Balance at 1 July 2022	-	-
Additions	565,105	565,105
Exchange differences	53	53
Depreciation expense	<u>(7,566)</u>	<u>(7,566)</u>
Balance at 30 June 2023	<u>557,592</u>	<u>557,592</u>
Additions	-	-
Exchange differences	2,577	2,577
Depreciation expense	<u>(15,077)</u>	<u>(15,077)</u>
Balance at 30 June 2024	<u><u>545,092</u></u>	<u><u>545,092</u></u>

Note 15. Deferred tax assets

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
<i>Movements:</i>		
Opening balance	-	68,899
Charged to profit or loss (note 5)	<u>-</u>	<u>(68,899)</u>
Closing balance	<u><u>-</u></u>	<u><u>-</u></u>

Note 16. Trade and other payables

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	152,436	277,886
Other payables & accruals	20,474	197,054
	<u>172,910</u>	<u>474,940</u>

Refer to Note 24 for further information on financial instruments.

Note 17. Financial liabilities

	Consolidated	
	2024	2023
	\$	\$
Financial liabilities – deferred consideration ¹	750,000	-
	<u>750,000</u>	<u>-</u>

¹On 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. 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 24 for further information on financial instruments.

Note 18. Lease liabilities

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current liabilities</i>		
Lease liability - Leupane Energy and Industrial Park	444,188	421,412
Lease liability - Serowe Energy Hub	175,312	163,868
	<u>619,500</u>	<u>585,280</u>

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	
	2024	2023
	\$	\$
Depreciation expense of right-of-use assets	15,077	7,566
Interest expense on lease liabilities	71,182	34,648
Expense relating to short-term leases	8,400	8,400
	<u>94,659</u>	<u>50,614</u>

The maturity analysis of lease liabilities is disclosed in Note 24.

Note 19. Deferred tax liabilities

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current liabilities</i>		
<i>Movements:</i>		
Opening balance	-	192,000
Credited to equity (note 5)	-	(192,000)
	<u>-</u>	<u>-</u>
Closing balance	-	-

Note 20. Issued capital

	Consolidated			
	2024	2023	2024	2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>188,502,923</u>	<u>136,189,594</u>	<u>18,476,731</u>	<u>13,372,240</u>

Note 20. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	136,189,594		13,388,571
Share issue costs		-	\$0.00	(16,331)
Balance	30 June 2023	<u>136,189,594</u>		<u>13,372,240</u>
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 (refer Note 31)	17 April 2024	6,000,000	\$0.08	480,000
Issue of Ordinary Shares for Acquisition of 30% Sharpay - Tranche 2 (refer Note 31) 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	<u><u>188,502,923</u></u>		<u><u>18,476,731</u></u>

¹ 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.

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.

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 21. Reserves

	Consolidated	
	2024	2023
	\$	\$
Foreign currency reserve	(17,345)	300
Share-based payments reserve	195,600	144,131
Options reserve	715,968	582,977
Joint venture foreign currency translation reserve	-	(49,649)
	894,223	677,759
	894,223	677,759

Financial assets reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income. At the year end an impairment was performed as there was evidence recoverable amount was below the fair value.

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.

Joint venture 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.

Movements in reserves

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

Consolidated	Financial asset reserve \$	Options reserve \$	Share based payments reserve \$	Foreign currency translation reserve \$	Joint venture FCT reserve \$	Total \$
Balance at 1 July 2022	447,564	582,977	120,000	-	-	1,150,541
Revaluation - gross	(147,745)	-	-	-	-	(147,745)
Deferred tax	192,000	-	-	-	-	192,000
Share based payments	-	-	24,131	-	-	24,131
Disposal of investment	(491,819)	-	-	-	-	(491,819)
Foreign currency translation	-	-	-	300	(49,649)	(49,349)
Balance at 30 June 2023	-	582,977	144,131	300	(49,649)	677,759
Options issued - brokers	-	132,991	-	-	-	132,991
Share based payments	-	-	51,469	-	-	51,469
Derecognition of investment in joint venture (Note 11)	-	-	-	-	49,649	49,649
Foreign currency translation	-	-	-	(17,646)	-	(17,646)
Balance at 30 June 2024	-	715,968	195,600	(17,346)	-	894,223

Note 22. Accumulated losses

	Consolidated	
	2024	2023
	\$	\$
Retained profits/(accumulated losses) at the beginning of the financial year	(773,830)	100,288
(Loss) after income tax expense for the year	(2,011,167)	(1,365,936)
Transfer from disposal of financial assets through other comprehensive income	-	491,818
Accumulated losses at the end of the financial year	<u>(2,784,997)</u>	<u>(773,830)</u>

Note 23. Dividends

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

Note 24. 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 - 2024	Basis points change	Basis points increase		Basis points decrease		
		Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity	
Cash and cash equivalents	100	<u>4,434</u>	<u>4,434</u>	(100)	<u>(4,434)</u>	<u>(4,434)</u>

Consolidated - 2023	Basis points change	Basis points increase		Basis points decrease		
		Effect on profit before tax	Effect on equity	Effect on profit before tax	Effect on equity	
Cash and cash equivalents	100	<u>18,668</u>	<u>18,668</u>	(100)	<u>(18,668)</u>	<u>(18,668)</u>

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 - 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						
<i>Non-interest bearing</i>						
Trade payables	-	172,910	-	-	-	172,910
Financial liabilities – contingent consideration	-	-	750,000	-	-	750,000
<i>Interest-bearing - variable</i>						
Lease liability	12.00%	<u>50,290</u>	<u>59,093</u>	<u>201,755</u>	<u>3,461,605</u>	<u>3,772,743</u>
Total non-derivatives		<u>223,200</u>	<u>809,093</u>	<u>201,755</u>	<u>3,461,605</u>	<u>4,695,653</u>

Consolidated - 2023	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						
<i>Non-interest bearing</i>						
Trade payables	-	457,831	-	-	-	457,831
<i>Interest-bearing - variable</i>						
Lease liability	12.00%	40,682	50,057	187,972	3,515,987	3,794,698
Total non-derivatives		<u>498,513</u>	<u>50,057</u>	<u>187,972</u>	<u>3,515,987</u>	<u>4,252,529</u>

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 25. 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	
	2024	2023
	\$	\$
Short-term employee benefits	580,000	580,000
Incentives	-	150,000
Other [^]	112,151	29,438
	<u>692,151</u>	<u>759,438</u>

[^]Relates to consulting fees paid for geophysics services.

Note 26. Remuneration of auditors

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

	Consolidated	
	2024	2023
	\$	\$
<i>Audit services -</i>		
Audit or review of the financial statements	<u>67,910</u>	<u>50,000</u>

Note 27. Related party transactions

Parent entity

Botala Energy Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 26.

Joint ventures

Interests in joint ventures are set out in note 27.

Key management personnel

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

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2024	2023
	\$	\$
Payment for other expenses:		
Fees paid to key management personnel - Cash	580,000	580,000
Incentives paid to key management personnel - Cash	-	150,000
Other - Cash	112,151	29,438

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 28. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2024	2023
	\$	\$
(Loss) after income tax	<u>(1,520,241)</u>	<u>(1,323,186)</u>
Total comprehensive loss	<u>(1,520,241)</u>	<u>(1,323,186)</u>

Statement of financial position

	Parent	
	2024	2023
	\$	\$
Total current assets	513,024	2,037,221
Total assets	17,342,474	13,793,559
Total current liabilities	875,299	474,940
Total liabilities	1,625,299	474,940
Net assets	<u>15,717,175</u>	<u>13,318,619</u>
Equity		
Issued capital	17,771,231	13,372,240
Share-based payments reserve	195,600	144,131
Options reserve	715,968	582,977
Foreign currency translation reserves	1,366	(49,649)
Accumulated losses	<u>(2,966,990)</u>	<u>(731,080)</u>
Total equity	<u>15,717,175</u>	<u>13,318,619</u>

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 2023 and 30 June 2024.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2024.

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 29. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024 %	2023 %
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%	0%
Sharpay Enterprises (Pty) Ltd ¹	Botswana	100%	70%
Botala Operations Botswana (Pty) Ltd	Botswana	100%	0%
Grow and Eat (Pty) Ltd	Botswana	100%	0%

¹Refer Note 31, this subsidiary was previously accounted for using the equity method of accounting under joint control.

Note 29. Interests in subsidiaries (continued)

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

Name	Principal place of business / Country of incorporation	Principal activities	Parent		Non-controlling interest	
			Ownership interest 2024	Ownership interest 2023	Ownership interest 2024	Ownership interest 2023
			%	%	%	%
Botala Energy-Solar (Pty) Ltd	Botswana	Renewable energy	50.00%	-%	50.00%	-%
Botala Solar Farm (Pty) Ltd	Botswana	Renewable energy	49.00%	-%	51.00%	-%

¹Botala 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.

²Botala 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 29. Interests in subsidiaries (continued)

Summarised financial information

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

	Botala Energy-Solar (Pty) Ltd 2024 \$	Botala Solar Farm (Pty) Ltd 2024 \$
<i>Summarised statement of financial position</i>		
Current assets	12,496	3,718
Non-current assets	30,654	-
Total assets	<u>43,150</u>	<u>3,718</u>
Current liabilities	-	-
Non-current liabilities	89,703	84,965
Total liabilities	<u>89,703</u>	<u>84,965</u>
Net (liabilities)	<u>(46,553)</u>	<u>(81,247)</u>
Interest attributable to NCI	<u>(23,276)</u>	<u>(41,436)</u>
<i>Summarised statement of profit or loss and other comprehensive income</i>		
Revenue	-	-
Expenses	(45,789)	(79,914)
Loss before income tax expense	(45,789)	(79,914)
Income tax expense	-	-
Loss after income tax expense	(45,789)	(79,914)
Other comprehensive income	(764)	(1,333)
Total comprehensive income	<u>(46,553)</u>	<u>(81,247)</u>
<i>Statement of cash flows</i>		
Net cash from operating activities	(19,760)	(33,541)
Net cash used in investing activities	(16,490)	-
Net cash used in financing activities	37,146	35,182
Net increase/(decrease) in cash and cash equivalents	896	1,641
<i>Other financial information</i>		
Profit attributable to non-controlling interests	(22,894)	(40,756)
Accumulated non-controlling interests at the end of reporting period	<u>(22,894)</u>	<u>(40,756)</u>

There were no subsidiaries with non-controlling interests during the prior financial year ended 30 June 2023.

Note 30. Interests in joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024 %	2023 %
Sharpay Enterprises (Pty) Ltd ¹	Botswana	n/a	70%

¹ Sharpay Enterprises (Pty) Ltd was acquired during the financial year resulting in control being obtained, refer to Note 31 for further details.

Summarised financial information

	2024 \$	2023 \$
<i>Summarised statement of financial position</i>		
Current assets	-	41,311
Non-current assets	-	6,551,519
Total assets	-	6,592,830
Current liabilities	-	6,855,890
Total liabilities	-	6,855,890
Net liabilities	-	(263,060)
<i>Summarised statement of profit or loss and other comprehensive income</i>		
Other expenses	-	(636,008)
(Loss) before income tax	-	(636,008)
Other comprehensive income	-	-
Total comprehensive loss	-	(636,008)
<i>Reconciliation of the Group's carrying amount</i>		
Opening carrying amount	-	281,361
Share of (loss) after income tax	-	(445,205)
Share of other comprehensive loss	-	(49,649)
Closing carrying amount	-	(213,493)

Note 31. Asset Acquisition – 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 ('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 \$
<i><u>Net Identifiable Assets Acquired</u></i>	
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
<i><u>Acquisition-date relative fair value of the total consideration transferred</u></i>	
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 32. Reconciliation of (loss) after income tax to net cash (used in) operating activities

	Consolidated	
	2024	2023
	\$	\$
(Loss) after income tax expense for the year	(2,074,817)	(1,365,936)
Adjustments for:		
Depreciation and amortisation	37,202	7,601
Share of loss - joint venture	460,365	445,205
Share based payments	81,469	24,131
Foreign exchange differences	(140,690)	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(269,409)	(103,210)
Increase in deferred tax assets	-	(23,049)
Decrease / (Increase) in prepayment	(5,347)	16,386
Increase in trade and other payables	(302,030)	266,825
Net cash (used in) operating activities	<u>(2,213,257)</u>	<u>(732,047)</u>

Non-cash investing and financing activities disclosed in other notes include:

- (i) Acquisition of Sharpay Enterprises (Pty) Ltd – refer to Note 31, includes issue of shares as consideration and deferred consideration financial liability
- (ii) Shares issued to vendor on acquisition of PP&E – refer Note 4 and Note 13

Note 33. Loss per share

	Consolidated	
	2024	2023
	\$	\$
(Loss) after income tax	<u>(2,074,817)</u>	<u>(1,365,936)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	<u>157,018,627</u>	<u>136,189,594</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>157,018,627</u>	<u>136,189,594</u>
	Cents	Cents
Basic loss per share	(1.32)	(1.00)
Diluted loss per share	(1.32)	(1.00)

Note 34. Events after the reporting period

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

- 8 July 2024 - 42% increase in CBM 2C Contingent Resource to 454bcf in wholly owned CBM Project.
- 18 July 2024 - Botala-led consortium wins 4MW Solar tender from Botswana Power Corporation.
- 5 August 2024 – placement of \$850,000 and commitment to a Share Purchase Plan.
- 7 August 2024 – excellent gas composition and desorption results.
- 20 August 2024 – Leupane Energy Hub and Industrial Park environmental approval.
- 11 September 2024 – receipt of \$200,000 via the Share Purchase Plan

- 16 September 2024 – issue of 6,500,000 Botala shares being partial settlement of the Tranche 2 deferred consideration shares issued to PH2.
- 20 September 2024 – feasibility and concept studies for wellfield development completed

No other matter or circumstance has arisen since 30 June 2024 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.

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
Sharpay Enterprises (Pty) Ltd	Body corporate	Botswana	100	Botswana
Botala Operations Botswana (Pty) Ltd	Body corporate	Botswana	100	Botswana
BotsGas (Pty) Ltd	Body corporate	Botswana	100	Botswana
Grow and Eat (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 2024 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
Chief Executive Officer



Craig Basson
Director and Chief Financial Officer

26 September 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Botala Energy Ltd

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 2024, 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 2024 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
<p>Carrying amount of exploration and evaluation assets Refer to Note 12</p> <p>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.</p> <p>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.</p> <p>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.</p>	<p>Our procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> • 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.
<p>Acquisition accounting for Sharpay Enterprise Pty Ltd Refer to Note 31</p> <p>The Group completed the acquisition of Sharpay Enterprise Pty Ltd on 3 April 2024.</p> <p>This acquisition was accounted for as an asset acquisition as the activities of the company did not constitute a business.</p> <p>We focused on this area as a key audit matter as accounting for these transactions is a complex and judgemental exercise, requiring management to determine the value of acquired assets and liabilities, in particular determining the allocation of excess purchase consideration to the acquired assets.</p>	<p>Our audit procedures included but were not limited to the following:</p> <ul style="list-style-type: none"> • Considering the possible application of the transaction under the requirements of AASB 3 Business Combinations; • Reviewing the sale and purchase agreement to understand key terms and conditions; • Agreeing the fair value of the consideration paid to supporting information; • Obtaining audit evidence that the acquisition date assets and liabilities of the acquiree were fairly stated; • Considering the allocation of the excess of the value of the consideration over the net assets acquired to exploration and evaluation expenditure; • Ensuring appropriateness to recognise the resultant exploration and evaluation asset at balance date; and • Assessing the adequacy of the Group's disclosures in the financial report with respect to this asset acquisition.

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 2024, 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

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 2024.

In our opinion, the Remuneration Report of Botala Energy Ltd for the year ended 30 June 2024 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

Perth, Western Australia
26 September 2024



B G McVeigh
Partner

The shareholder information set out below was applicable as at 18 September 2024.

Equity security holders

Distribution of Shareholdings as at 18 September 2024

Range	Total holders	Units	% Units
1 - 1,000	9	1,910	-
1,001 - 5,000	17	61,507	0.03
5,001 - 10,000	170	1,644,565	0.82
10,001 - 100,000	216	8,234,106	4.13
100,001 Over	117	189,427,508	95.02
Total	529	199,369,596	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 \$ 0.0690 per unit	7,247	38	138,810

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	48,938,662	24.55
2	PURE HYDROGEN CORPORATION LIMITED	39,736,557	19.93
3	MR KRIS FRANCIS MARTINICK	11,716,151	5.88
4	MR FANNIE GWIZI	8,333,333	4.18
5	CORPSERV PTY LTD	5,792,000	2.91
6	SIXTH ERRA PTY LTD <THE I COLLIE FAMILY A/C>	4,444,444	2.23
6	WELLPRO SERVICES PTY LTD	4,444,444	2.23
8	MR RONALD PREFONTAINE + MRS ANNABEL FRANCES PREFONTAINE <PREFONTAINE SUPER FUND A/C>	3,833,333	1.92
9	MARTINICK INVESTMENTS PTY LTD	3,000,000	1.50
10	JCM1 PTY LTD <AH AND JK FAMILY A/C>	2,960,000	1.48
11	CHRISTIAN PEDERSEN <AFT CRUSTYRA A/C>	2,500,000	1.25
12	VIC BULLO SUPER PTY LTD <THE BULLO SUPER FUND A/C>	2,305,000	1.16
13	GLENHURST SUPER FUND PTY LTD	2,033,334	1.02
14	MR DIRK GERHARD MARTINICK	2,000,000	1.00
15	GLENDA ELAINE MARTINICK	1,749,667	0.88
16	INKJAR PTY LTD	1,700,000	0.85
17	BERENES NOMINEES PTY LTD <BERENES SUPERFUND NO 3 A/C>	1,613,333	0.81
18	MR NIGEL HOUGH + MRS CLAIRE HOUGH	1,580,800	0.79
19	YEOVIL HOLDINGS PTY LTD	1,517,281	0.76
20	BERENES SUPER FUND PTY LTD	1,500,000	0.75
20	SCOTT BIRD + JAMIE BIRD <EST STEPHEN BIRD A/C>	1,500,000	0.75
Totals: Top 21 holders of ORDINARY FULLY PAID SHARES (Total)		153,198,339	76.84
Total Remaining Holders Balance		46,171,257	23.16

Unquoted equity securities

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

The Company has the following unquoted securities:

Class	Number
Tranche A Performance Rights	1,000,000
Tranche C Performance Rights	1,000,000
Tranche D Performance Rights	1,000,000
Tranche E Performance Rights	1,100,000
Tranche F Performance Rights	1,100,000
Tranche G Performance Rights	550,000
Options with an exercise price of \$0.25 each and expiring on 28 February 2025	18,757,000
Options with an exercise price of \$0.25 each and expiring on 12 July 2025	4,688,957
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

Restricted securities

There are no securities subject to ASX restrictions.

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	12,500,000	Restricted to 31 December 2024.

Substantial holders

Substantial holders in the Company are set out below:

	Number held	Issued %
Dr Wolf Gerhard Martinick	48,938,662	24.55
Pure Hydrogen Corporation Limited	39,736,557	19.93
Kris Francis Martinick	11,716,151	5.88

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: 0431 527 885

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	31/03/2025	100.00
018/2018	31/03/2025	100.00
019/2018	31/03/2025	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.