



Botswana, Southern Africa,

**Become a Seed Investor at 5 cents per share in Ready-to-drill high grade CBM Fairway**

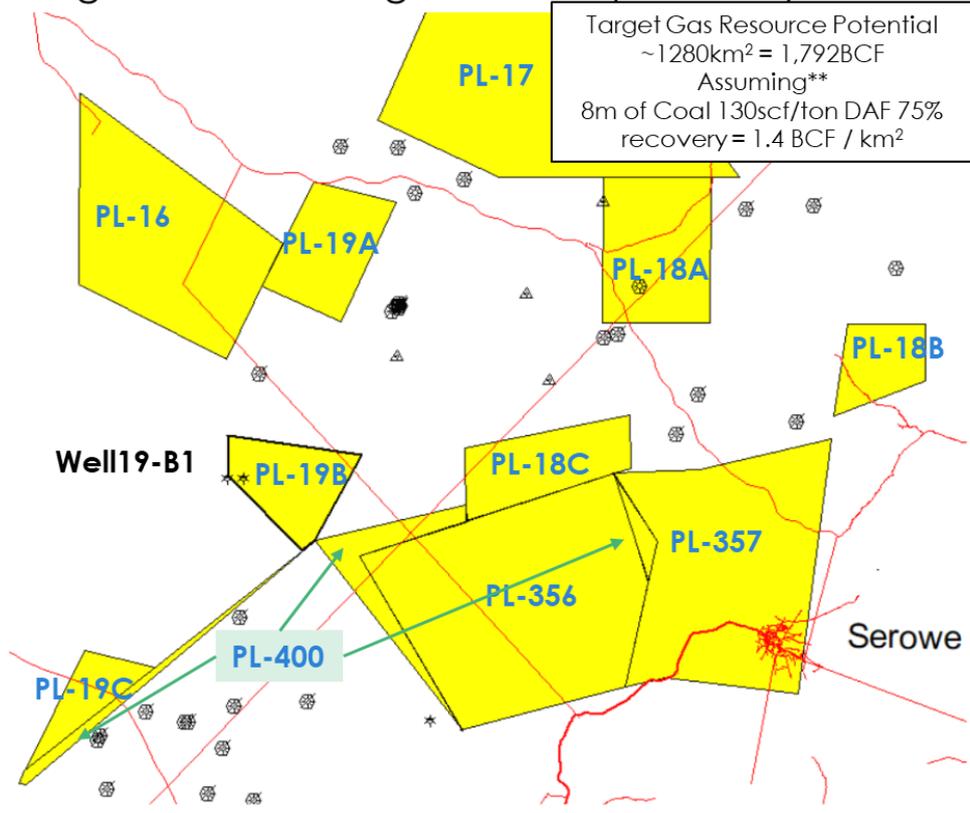
## Investment Highlights

- \***Drill Ready** – Existing approvals provide an opportunity to be a producer within ~2years.
- \***Strong relationships** – BotsGas and SXA, with IK Holdings Ltd target securing Gas Sale Agreements in 2021, especially for electricity generation.
- \***Government support** – Provide reliable power supply. Reduce dependence on expensive, unreliable, imported electricity from South African coal fired power stations.
- \***Transition to Renewables** – Gas will facilitate transition to renewable energy and stimulate investment in electricity infrastructure.
- \***Market** – Existing domestic market. Long term aim to sell gas and power to Southern Africa.

BotsGas is a private Australian company exploring in Botswana for coal bed methane (CBM) to establish Energy Hubs and facilitate transformation to renewable energy.

BotsGas will retain a 49% interest in Strata-X's (SXA) Serowe Project by spending US\$4.6M on exploration and development over 3 years. The project is located on a high-grade CBM fairway identified and subsequently confirmed by SXA with a proof-of-concept well. All approvals are in place to drill 95 wells.

### Large number of regional wells previously drilled



- ◇ **Planning a A\$10M drilling and development programme in 3-4 stages over 3 years to fully appraise the CBM potential and progressively convert appraisal to production wells.**
- ◇ **Stage 1—Scheduled for February 2021; 3 wells within a A\$750K budget.**
- ◇ **Seeking funding for 3 additional wells, requiring additional A\$500K.**
- ◇ **Opportunity to become a Cornerstone Investor with early entry, Seed Investor Shares at 5 cents per share.**
- ◇ **BotsGas will be Operator of the Joint Operations, employing SXA's technical team.**

The proof-of-concept well has a certified gas resource of 23.8 billion cubic feet (bcf)<sup>1</sup>. The widespread and uniform occurrence of the Serowe coal seam suggests each Stage-1 well should have a ~20 bcf resource. Stage-1 is thus anticipated to increase the CBM resource to ~150 bcf (6 wells).

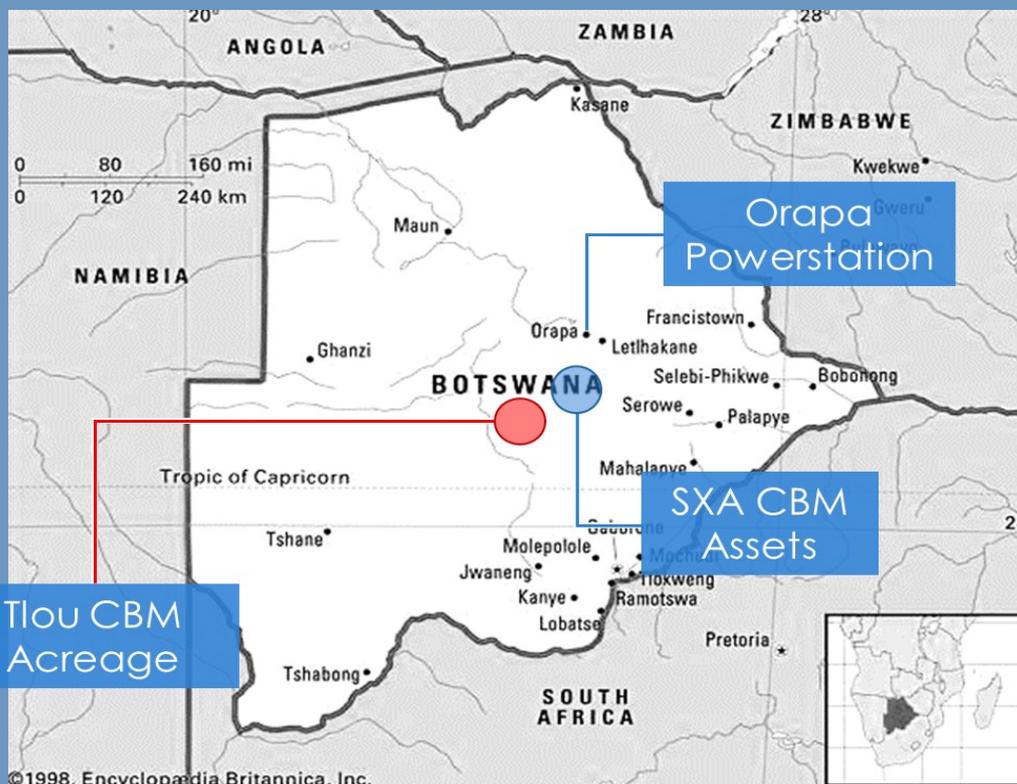
BotsGas is looking for Cornerstone Investors to secure progressive funding to ~A\$9M and is in discussion with potential investors. Commitments have been secured for A\$1M for Stage-2.

BotsGas provides an investment opportunity into the CBM potential in Botswana which is in urgent need of reliable energy and wants to reduce its energy dependence on South Africa and coal.

<sup>1</sup> Reference to Strata-X public presentations, MHA Petroleum Consultants.

Stages-2, 3 and possibly 4, are scheduled for late 2021 and early 2022, immediately after data appraisal and fund-raising based on good drilling and testing results. Estimated cost is A\$9M; this should take the project to early production with progressively increasing cash flow. By then, BotsGas should be able to secure debt funding, especially for production wells.

BotsGas is focused on securing Gas Sales Agreements, particularly for the Orapa power station which was built to use locally produced CBM and is currently operating sporadically using diesel. There is an opportunity in Botswana for CBM to underpin a transition to renewable energy. There are also opportunities to sell Compressed Natural Gas (CNG) and to use CBM to reliably produce hydrogen fuel.



Tlou CBM Acreage

Orapa Powerstation

SXA CBM Assets

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It is likely that unlocking Botswana’s CBM potential will provide an exit opportunity for shareholders by sale of company, similar to Ron Prefontaine’s two former ASX listed companies, Arrow Energy and Bow Energy, which were sold in 2010 and 2011 for A\$ 3.5 billion and A\$ 550 million respectively.

Ron is Executive Chairman of SXA and noted CBM specialist and company maker. Ron is a pioneer in the identification and unlocking of the CBM potential of the Surat Basin in Queensland, Australia. Ron and his entire team identified similar CBM potential in Botswana, the SXA team is now working with Kris Martinick of BotsGas (Project CEO at SXA’s request) to unlock and develop the Serowe Project.

Listing BotsGas on the ASX will always be considered. Being unlisted currently has many advantages, apart from avoiding the cost of managing an ASX listing, being able to keep exploration results and CBM extraction procedures confidential is important.

**BotsGas farmed into Strata-X (SXA) because:**

- a. “Ron Prefontaine factor”.
- b. SXA has identified a 6 Tcf (trillion cubic feet), Independently Certified Prospective Resource on its 100% owned Serowe Project, of which ~2.4 Tcf are located within its high grade fairway<sup>1</sup>.
- c. The Serowe coal formation has the potential to have significant commercial CBM production rates, low operational costs and low technical risk because of the following properties:
  - Shallow (~250 to 500m depth; 12m coal over 50m gross interval).
  - Gaseous Coal (~100% Gas Saturations).
  - CBM can be readily abstracted by a series of low-cost, vertical wells.
  - No horizontal drilling and fracking required.
- c. BotsGas and SXA share the same vision of establishing Sustainable Energy Hubs within Botswana which can support additional hubs within Southern Africa.

<sup>1</sup> Reference to Strata-X ASX presentations, MHA Petroleum Consultants

**Background:** Botswana’s Government seeks development of its extensive CBM potential of up to 70 TCF to become less dependent on expensive imported diesel and unreliable electricity and to create new industries and employment opportunities.

**BotsGas’ Vision:** Develop Botswana’s CBM opportunities to provide energy certainty for the transition to a sustainable, renewable energy mix, and thereby reduce reliance on coal and diesel and generate employment.

**Directors**

- ◇ Wolf Martinick, Executive Chairman
  - ◇ Kris Martinick, Chief Executive Officer and CEO of Serowe Project.
  - ◇ Craig Basson, Chief Financial Officer and Company Secretary
- Management**
- ◇ Ron Prefontaine: Technical Advisor
  - ◇ Tim Hoops: Lead Drilling and Geology
  - ◇ Modisana Botsile: Country Manager
  - ◇ David Hettich: Commercial Manager
  - ◇ Peter Grant: Technical Advisor
  - ◇ Maema Mafule: Geologist.

**Cash and assets**

- ◇ Cash in Bank: ~AUD \$820,000; No debt
- ◇ 5 million SXA shares and 2.5 million options exercisable at 7 cents, expiry 31 May 2022.

**Shares**

- ◇ Shares Issued: 51,628,302
- ◇ Options Issued: 17,257,000 @ 5c, expiry 1 Feb 2025
- ◇ Directors: 31,287,502 (61%)
- ◇ Number of Shareholders: 31

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