



**BOTSWANA OIL**  
*Your Fuel. Your Future*



Driving Industrial Diversity,  
Transforming the Economy

# **Integrated Annual Report** 2024/25

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# ABBREVIATIONS USED IN THIS REPORT

- **AfDB** – African Development Bank
- **AI** – Artificial Intelligence
- **BOL** – Botswana Oil Limited
- **BoB** – Bank of Botswana
- **BWP** – Botswana Pula (currency)
- **COOC** – Citizen Owned Oil Company
- **CSR** – Corporate Social Responsibility
- **EACOP** – East African Crude Oil Pipeline
- **ECB** – European Central Bank (indirect relevance via economic context)
- **EPCM** – Engineering, Procurement, and Construction Management
- **ESG** – Environmental, Social, and Governance
- **EU** – European Union
- **EXCO** – Executive Committee
- **FOB** – Free On Board
- **GDP** – Gross Domestic Product
- **GFM** – Government Fleet Management
- **GRC** – Governance, Risk & Compliance
- **HSSEQ** – Health, Safety, Security, Environment & Quality
- **IFRS** – International Financial Reporting Standards
- **IMF** – International Monetary Fund
- **IOC** – International Oil Company
- **ISO** – International Organization for Standardization
- **IR** – Integrated Report/ Reporting
- **IAR** – Integrated Annual Report
- **LPG** – Liquefied Petroleum Gas
- **LTI** – Lost Time Injury
- **LTIFR** – Lost Time Injury Frequency Rate
- **OPEC** – Organization of the Petroleum Exporting Countries
- **OMC** – Oil Marketing Company
- **PRR** – Primary Reserve Requirement
- **PPP** – Public-Private Partnership
- **PMO** – Project Management Office
- **SOP** – Standard Operating Procedure
- **SOE** – State-Owned Enterprise
- **SADC** – Southern African Development Community
- **UAE** – United Arab Emirates
- **UB** – University of Botswana
- **ULP** – Unleaded Petrol
- **UNDP** – United Nations Development Programme
- **YTD** – Year-To-Date
- **ZAR** – South African Rand



**BOTSWANA OIL**  
*Your Fuel. Your Future*



# About this Report

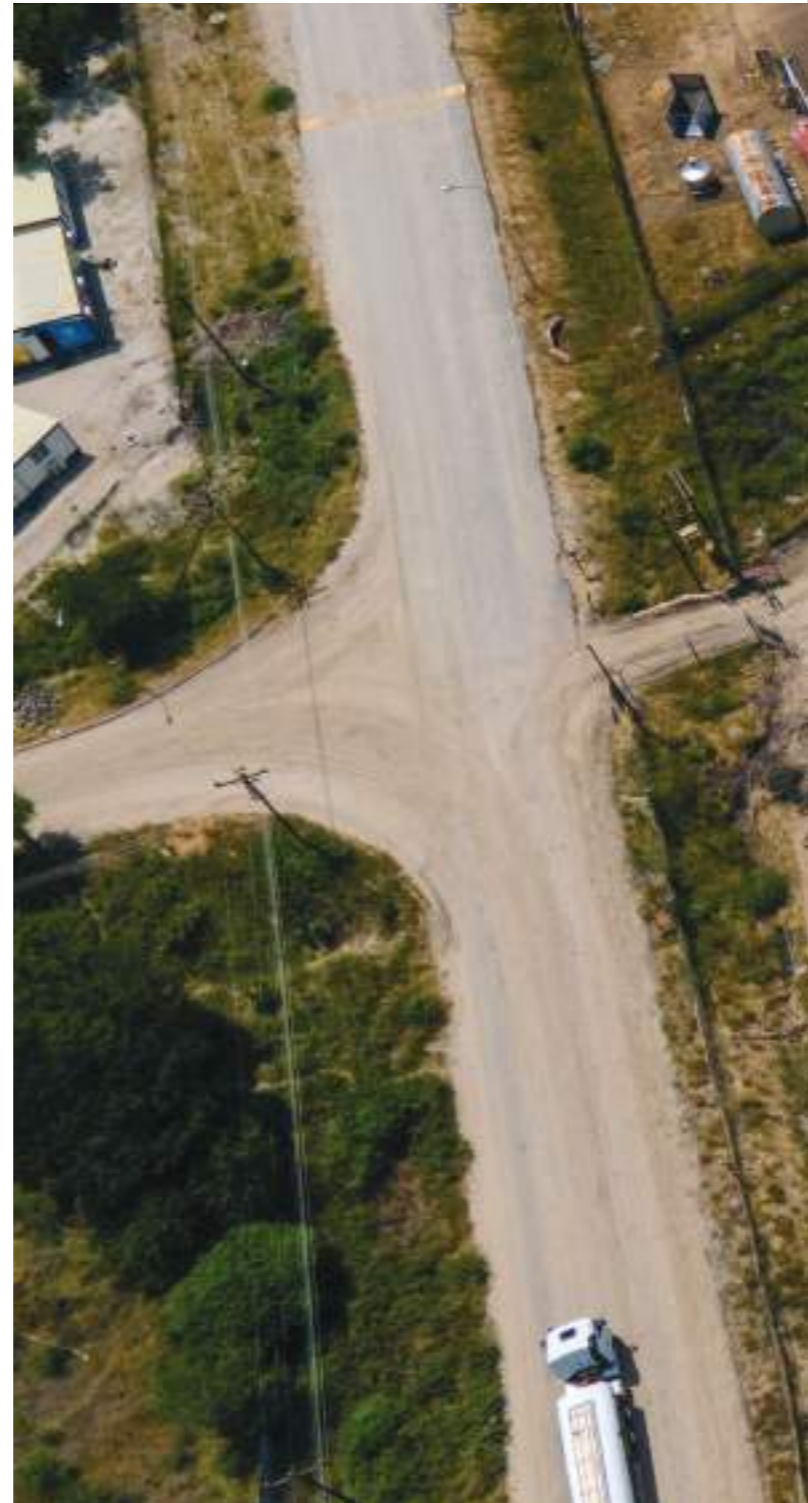
## Purpose, Scope, and Audience of the Integrated Report

**Botswana Oil Limited ('BOL') is the National Oil Company, entrusted with ensuring the security and efficiency of fuel supply and the distribution of petroleum products across Botswana.**

As the National Oil Company, we provide a clear, concise, and comprehensive overview of our business by integrating both financial and non-financial metrics, including material matters that significantly influence our ability to create value. Our Integrated Annual Report (IAR) presents a concise yet comprehensive account of our performance for the year ended 31 March 2025. It aims to communicate how the company leverages its resources and key capital to deliver sustainable value over the short, medium, and long term. This report details our commitment to transparency, accountability, integrated thinking, innovation, the minimization of our environmental impact, and our positive contributions to the communities we serve. This report is primarily intended for our stakeholders, such as the government and regulatory bodies, customers, media, strategic partners, employees, communities, and the broader public. Through this integrated approach, we aim to build stakeholder confidence and underscore our obligation to a sustainable and prosperous future, highlighting how we create value over the short, medium, and long term in alignment with advancing Botswana's energy sector.

## Reporting Frameworks

This report has been prepared in accordance with internationally recognised reporting frameworks and standards that guide the structure and quality of disclosures. It is primarily informed by the International Framework (IR) issued by the International Financial Reporting Standards (IFRS) Foundation and draws on principles from the King IV Code of Corporate Governance and the Botswana Accountancy Oversight Authority (BAOA) reporting principles for public interest entities.



## Materiality

Our reporting focuses on key issues that both impact our business and are impacted by it. Guided by global best practices, we use a "double materiality" approach. The Executive Committee (ExCo) and the senior management hold ultimate responsibility for the material issues which are addressed in this report.

## Disclosure and Assurance

We are committed to providing meaningful, accurate, and transparent information that is material to our stakeholders and aligned with our mandate in this Integrated Annual Report. The disclosures presented in this report are guided by applicable frameworks and aim to reflect a balanced and accurate view of performance and outlook. To enhance the integrity of the information shared, the ExCo and senior management have overseen and are responsible for all disclosures herein. The annual financial statements were prepared in accordance with the IFRS Accounting Standard and have been independently audited by Grant Thornton Botswana.

## Forward-looking Statements

This IAR contains forward-looking statements about our future objectives and performance. These statements are subject to risks and uncertainties as they are based on events and conditions that are expected to occur in the future. Actual results may differ due to various factors, including economic, market, and regulatory changes. The company is not obligated to update these statements unless required by law. BOL aims to create sustainable value for all stakeholders and remains committed to transparency, accountability, and continuous improvement in our operations and strategic initiatives.

## Vetting and Approval

This integrated report undergoes a thorough internal vetting and approval process to ensure accuracy, consistency and credibility. The ExCo and senior management approved this Integrated Annual Report on 19 May 2026, and accepts responsibility for its accuracy. Management affirms that this report addresses all material issues and provides a comprehensive overview of the company's performance for the year.



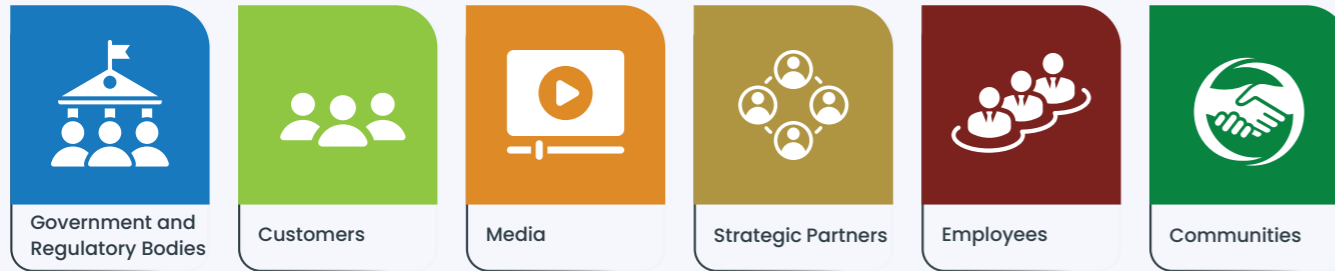
# Navigating Our Report

## Theme

Our theme, "Driving Industrial Diversity, Transforming the Economy," highlights our role in fuelling industrial growth and economic diversification. It highlights our commitment to leveraging the company's scale, resources, and technology to stimulate local industrial growth, diversify the economy, and create value chains that extend into energy services, manufacturing, and innovation.

## Our Stakeholders

These entities and stakeholder groups were considered in establishing the scope and limits of our reporting coverage. Read more under *Our Stakeholders*.



## Our Six Capitals

We consider all six capitals in assessing value creation, preservation, and erosion to implement our strategy and drive growth. Further read on the Value we create:



**Financial Capital:**  
The funds available to us, including debt, equity and internally generated funds.



**Manufactured Capital:**  
The physical infrastructure, machinery and tools that enable our production and operational processes.



**Intellectual Capital:**  
Our patents, proprietary technologies, brands and the cumulative expertise and knowledge within the organisation.



**Human Capital:**  
The skills, experience and capabilities of our employees as well as their motivation and engagement.



**Natural Capital:**  
The natural resources we utilise such as energy, water and raw materials and our efforts to manage and sustain these resources responsibly.



**Social and Relationship:**  
Our networks, relationships and partnerships with stakeholders including customers, suppliers and the community.

## Our strategy

By incorporating our five-year strategy into our business model, we aim to ensure the security of fuel supply, transform into a high-performing organisation, achieve sustainability, and promote citizen participation. Further read on our strategy.



## Our Material Matters

We have identified key issues that may influence our strategy implementation for the reporting year, prioritised them, analysed their potential impacts, and our responses to them. Further read on Fuelling strategic decisions:

- 90% Import Mandate: Achieving fuel security
- Citizen Economic Empowerment Programme (CEEP)
- ESG and Sustainability
- Operational resilience
- Strategic projects
- Relationships with stakeholders

# Botswana Oil Overview

## Our Mandate and Strategic Focus

Botswana Oil Limited (BOL) is wholly owned by the government under the Ministry of Minerals and Energy, mandated and responsible for ensuring the security and efficiency of the nation's fuel supply, managing state-owned strategic fuel reserves, and championing the meaningful participation of citizen-owned companies within the petroleum industry.

The period under review marks the culmination of our five-year strategy (2020-2025), which has been guided by four key pillars:

- Security of fuel supply
- Sustainability
- Citizen participation
- Becoming a high-performing company



## Our Value Proposition

Our commitment is to guarantee a stable fuel supply for Botswana by importing premium products while actively fostering local industry growth. Our brand promise is built on securing fuel through diverse supply routes, developing sustainable infrastructure, and upholding the highest standards of environmental stewardship. We are dedicated to being a responsible corporate citizen, delivering exceptional service, and ensuring strict product quality.

## Our Reason for Existence



## 90% Import Mandate

A landmark development for the reporting year was the implementation of the 90% import mandate license, effective 1 April 2024, which charges us with the responsibility of importing 90% of Botswana's petroleum products. This marks a strategic policy shift aimed at improving national fuel security, enhancing supply chain efficiency, and supporting citizen economic empowerment. The purpose and objectives of the mandate are to:

- Enhance fuel security by ensuring a consistent national fuel supply through centralising procurement and optimizing infrastructure.

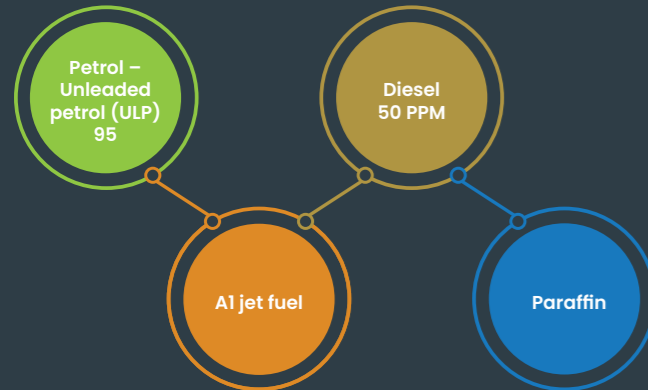
- Empower citizens by reserving 10% of petroleum import rights exclusively for citizen-owned companies.
- Improve market efficiency by transitioning from a fragmented "willing buyer-willing seller" supply system to coordinated, large-scale procurement for the nation.

The import mandate is a transformative policy milestone designed to secure the future of Botswana's energy sector, promote inclusive economic growth, and strengthen public sector coordination in the downstream petroleum sector.



## Energy Solutions (Products, Services, and Business Activities)

### Products



### Services

- Rental of petroleum storage facilities: Through rental agreements, BOL avails storage facilities to citizen-owned companies to store petroleum products for sale to their own customers, subject to availability.
- Citizen-owned companies' facilitation, including:
  - The procurement of petroleum products by BOL through citizen-owned companies.
  - The procurement of petroleum industry-related services by BOL through citizen-owned companies including:
    - Strategic storage facilities construction, maintenance, and management
    - Petroleum products transportation & logistics

### Business Activities

- Sale of petroleum products
- Sale and distribution of products to Oil Marketing Companies (OMCs) (Citizen Owned Oil Companies (COOCs) and International Oil Companies (IOCs)

## Our Presence in Botswana and Supply Routes

To fulfil our mandate, our supply strategy for the year focuses on further diversifying both sources and routes of supply through strategic collaborative agreements. We are sourcing fuel from multiple suppliers in South Africa, Mozambique, and Namibia, utilising both road and rail transport to mitigate supply chain risks.

**Our distribution model is strategically aligned with regional consumption patterns:**



**60%**  
**from South Africa:**  
Serving the southern parts of Botswana

**20%**

**from Mozambique:**  
Serving the northern regions



**20%**  
**from Namibia:**  
Serving the western corridor of the country

[Read more on Business Review](#)

Oil plays a significant role in Botswana's economy, as it does in any other economy. Diesel, petrol, and jet fuel are essential commodities used to power various and multiple industries in the country, ranging from people's daily mobility, business operations, and freight transportation. On the other hand, Liquefied Petroleum Gas (LPG) and paraffin largely play significant roles in providing cooking and thermal energy to the economy. Read more on Business Review



# The Global Landscape

## Global Operating Environment

### Economic Context

Global economic performance in the reporting year was characterised by modest growth, lingering inflationary pressures, and increasing geopolitical uncertainties. According to the International Monetary Fund (IMF), global gross domestic product (GDP) growth slowed to approximately 3.2% in 2024, with projections indicating a further moderation to 2.8% in 2025 due to tightening monetary conditions and persistent trade tensions (IMF World Economic Outlook).

Central banks of major economies, such as the European Central Bank (ECB), responded to easing inflation by implementing interest rate cuts, with the ECB cutting interest rates eight times by mid-2025. However, risks to the global economy remain elevated. The resurgence of trade protectionism, particularly new U.S. tariffs, has disrupted manufacturing output in Asia and Europe, raising the probability of stagflation or recession in key markets.

Despite these challenges, the global economy has avoided a full-blown recession, supported by stabilising inflation and resilient consumer demand. Investor sentiment has shifted toward safe-haven assets, reflecting a cautious global outlook (Reuters, 2025). These dynamics are critical considerations for businesses with international exposure, as they shape operational risk, pricing strategies, and supply chain decisions.



### Industry Trends

The global economy faced notable headwinds in 2024, with growth slowing by 0.2 percent year-on-year. Growth challenges were reflected in softer demand for petroleum products, alongside significant oil production cuts by the Organisation for Petroleum Exporting Countries (OPEC) and its allies. Brent Crude prices averaged US\$80.53 per barrel in 2024, down by 8 percent from the previous year. Accordingly, average Free on Board (FOB) prices declined by approximately 11 percent in the same period.

#### In Q1 2025, OPEC began to gradually increase its oil supply again, initiating the unwinding of significant voluntary production cuts implemented earlier.

Specifically, OPEC and its allies agreed to keep oil output at current levels through Q1 2025, extending voluntary production cuts of 2.2 million barrels per day (bpd) that were initially announced in late 2023, with these cuts planned to be gradually phased out monthly until the end of September 2026, depending on market conditions. This strategic shift, driven by a desire to regain market share and a steady global economic outlook, saw eight key OPEC members, including Saudi Arabia, Russia, and the United Arab Emirates (UAE), start restoring supply through a series of measured output hikes.

The increased supply from OPEC, coupled with concerns over global economic growth, for example, a slight decline in US GDP in Q1 2025, and the easing of some geopolitical tensions, contributed to downward pressure on oil prices throughout Q1. Brent crude oil prices, which had seen some volatility, generally declined during Q1, settling around \$75/bbl by March 31st after an early-year peak. Analysts noted that despite robust demand from regions like China and India, the rising supply from OPEC and non-OPEC producers was expected to outweigh consumption growth, leading to a projected market surplus and continued downward pressure on prices through 2025. Some forecasts even predicted prices would drop below \$60/bbl if the supply surge continued.

# 5 Key trends in the oil and gas industry

## Energy Transition

Prioritizing capital allocation and efficient implementation of clean energy strategies.

## Critical minerals

Strategic participation in the supply chain of essential minerals to mitigate downstream market risks associated with the green economy.

## Global energy trade

Adapting to the evolving dynamics of international energy markets and partnerships.

## Technology adoption

Leveraging generative AI to drive innovation and unlock new value streams, with a focus on data accessibility and integration across platforms.

## Downstream industry

Modernizing the refining sector to align with shifting consumption trends and future energy demands.

(5 key trends - Deloitte's oil and gas outlook 2024)

## Environmental Challenges

The oil and gas sector faced mounting challenges, and methane leaks, accounting for approximately 25% of industry greenhouse gas emissions, exacerbating climate change concerns. Additionally, offshore drilling risks, including potential oil spills, posed threats to marine ecosystems and public trust in the industry.

For example, the Deepwater Horizon (Gulf of Mexico, 2010) posed a risk of the blowout of the Macondo well during drilling operations. The impact was that over 4.9 million barrels of oil were released into the Gulf, and this devastated the marine ecosystems (fish, dolphins, seabirds) and coastal wetlands and caused the death of 11 workers and major economic losses to tourism and fisheries. This severely damaged BP's reputation and trust in the offshore oil industry globally and led to sweeping regulatory reforms, e.g. the U.S. Well Control Rule, blowout preventer standards. Similarly, for the reporting period, we also experienced some challenges with our citizen transporters wherein one of them carrying our product from Namibia was involved in an accident which led to product spillage and burning of the vehicle and consequently causing the environment and vegetation surrounding the accident site to be affected.

Ongoing developments in Eastern Europe and the Middle East, along with shifting global trade dynamics, continue to impact energy markets and supply chains, resulting in geopolitical uncertainty. Many clean energy technologies are still in early stages of development, making it crucial to secure resilient and future-ready supply chains, keeping abreast with technological advancements. Macroeconomic conditions such as elevated inflation are pushing up the costs of materials and capital, while interest rates have driven 10-year treasury yields to their highest levels since 2007. A build-up of policy and regulatory momentum has resulted in a total of 106 countries committing to net-zero targets by 2050, with global governments allocating approximately USD 1.34 trillion to clean energy initiatives since 2020.



## Geo-political

The Russia-Ukraine war has had a profound impact on the oil and gas industry throughout 2024 and into 2025. Ukraine's persistent drone and missile strikes on critical Russian oil infrastructure, including refineries, depots, and pipelines, have disrupted Russia's ability to refine and transport oil products, which has significantly undermined the country's oil economy, resulting in a sharp decline in Russia's oil and gas export revenues. Globally, the conflict has contributed to price volatility in crude oil markets by disrupting supply chains and heightening geopolitical uncertainty. In response, Western countries, particularly the EU, have significantly reduced their dependence on Russia's fossil fuels, lowering gas imports from approximately 45% in 2021 to 18% by 2024, while imposing sanctions and price caps to restrict Russia's revenue from energy exports. (Carnegie Endowment Jan 2025, The impact of Russia-Ukraine war on crude oil prices: an EMC framework). For Botswana Oil, the disruption has resulted in frequent oil price fluctuations which make it difficult to efficiently source and supply product, thus impacting the key mandate of ensuring security of oil supply in Botswana.



# Sub-Saharan Africa

## Economic Context

For the reporting period 2024/25, Africa's economic environment reflected a cautious recovery amidst persistent structural challenges. Economic growth across Sub-Saharan Africa edged up from 3.3% in 2024 to a projected 3.7% in 2025, supported by easing inflationary pressures and more stable exchange rates. Inflation declined from 7.1% in 2023 to around 4.5% in 2024, enabling many central banks to ease interest rates. However, high public debt remained a major constraint, with over 45% of government revenues directed towards interest payments, leaving little fiscal space for development investment.

 **3.7%**

**Economic growth**  
across Sub-Saharan  
Africa projected in 2025

 **4.5%**

**Inflation decrease**  
in 2024 from 7.1% in  
2023

 **4.3%**

**Africa's Domestic  
Revenue Mobilisation**  
by 2026-2027

Commodity-dependent economies such as Nigeria and Angola faced additional pressure due to the falling oil prices, which eroded fiscal buffers. Despite some momentum in growth, uncertainty around global trade, climate shocks, and conflict continued to weigh in heavily on the region's recovery. The IMF and World Bank have emphasised the need to improve domestic revenue mobilisation and prudent debt management to foster resilience. Looking ahead Africa's growth is expected to accelerate to 4.3% by 2026-2027, but this outlook remains vulnerable to both internal inefficiencies and external economic turbulence (World Bank Africa Pulse, April 2024) (IMF Regional Economic Outlook, April 2025) (Reuters May 2025: AfDB, IMF Economic Forecasts).

## Industry Trends

The Sub-Saharan African oil and gas industry experienced notable shifts in operational and ownership structures. With International Oil Companies divesting from several African markets, local players such as Heirs Energies, Seplat, Chappal, and Oando in Nigeria took the lead in acquiring assets and expanding domestic control of operations. This transition not only improved community engagement but also marked a significant move towards nationalisation of oil wealth. Concurrently, infrastructure expansion across the continent gathered momentum, including South Africa's push to commercialise its largest offshore gas field (Block 11B/12B) by 2033.

The Africa Energy Bank (AEB), launched in early 2025, is projected to raise up to \$120 billion to finance oil and gas infrastructure and energy transition projects across the continent. These developments underscore a maturing industry increasingly led by African firms with growing regional collaboration. (Financial Times, Reuters, Energy Capital & Power).

## Environment Challenges

Environmental concerns became increasingly prominent, with several African nations facing backlash over pollution and ecosystem damage. In Nigeria, satellite data from 2024 showed that just 10 major flaring sites were responsible for nearly 1 million tons of CO<sub>2</sub> equivalent emissions, largely due to poorly regulated gas flaring in the northern region. Senegal also experienced tension as coastal fishing communities protested the Grand Tortue Ahmeyim gas project, blaming it for declining fish stocks and ecological degradation. In January 2025, Nigerian environmental groups in Ogoniland demonstrated against renewed oil activities, citing unresolved pollution legacies. These events reveal growing community awareness and resistance to environmentally risky operations in the absence of transparency and safeguards.

## Regulatory

Regulatory reforms and geopolitical factors influenced the operating environment for oil and gas across Africa. A landmark event was the ongoing dispute and delayed financing of the East African Crude Oil Pipeline (EACOP) project, which faced intense global scrutiny over climate concerns. This development demonstrated how global environmental activism can affect large-scale African infrastructure projects. Simultaneously, global trends impacted African regulation. Within Africa, financial institutions such as Afreximbank and the newly formed AEB are stepping in to provide financing alternatives as many Western banks exit fossil fuel investments in Africa.

## Societal Issues

The drive for energy security continues to be weighed against societal and community impacts. There has been increasing demand across Africa for oil and gas projects to contribute more directly to local development and job creation. In Nigeria, the localisation of operations enabled better engagement with host communities, while also raising challenges around capital access and governance capacity. In Senegal and Uganda, citizens expressed concern over the socio-economic trade-offs posed by large infrastructure projects, including displacement, health risks, and insufficient benefits-sharing. Meanwhile, the African Energy Chamber reiterated in early 2025 that energy poverty remains a critical issue, calling for global stakeholders to support Africa's right to develop its fossil fuel resources to meet local demand.



# Botswana context

including regulatory environment

Locally, the domestic economy contracted by 3 percent, primarily due to a significant downturn in the performance of the diamond mining industry (World Bank's Botswana's Macro Poverty Outlook Report). Continued underperformance in the diamond industry may have spillover effects on the non-mining sector, potentially dampening its performance and leading to further reductions in oil consumption going forward.

**The structure of the local petroleum industry underwent a significant shift following the implementation of the Botswana Energy Regulatory Authority (BERA) (Quota Allocation) Order, 2023, in April 2024.**

The legislation conferred Botswana Oil Limited with a 90 percent fuel import mandate, with the remaining 10 percent reserved for majority citizen-owned companies. International Oil Companies' participation is as a result limited to the retail and commercial activities.

Botswana's historically stable and democratic environment experienced a notable shift in 2024. The established institutional strength and a commitment to a rules-based system are expected to mitigate major disruptions. The new administration has placed energy transition at the core of its National Transformation Plan and reforms in the oil and gas sector are anticipated to change the industry.

**The Budget Speech highlights that the domestic economy remains subdued, with the following key trends:**



 **4.2%**

**Growth in the non-diamond mining sector**

 **44.1%**  **3.3%**

**Decline in the diamond sector**

**Decline in GDP performance**

- 2024 GDP performance declined by 3.3% (compared to 3.5% growth in the same period of 2023).
- Mining sector contracted by 22.9%.
- The diamond trading sector declined by 44.1%.
- The non-diamond mining sector grew by 4.2%, providing some economic stability.

**As per IMF World Economic Outlook Botswana's economy is expected to shrink by 0.4% in 2025. The growth forecasts for 2026 and 2027 are also reduced from 4.8% to 2.3% and from 4% to 3% respectively primarily driven by decline in diamond sales.**

There have been significant disruptions in the supply and availability of the Unleaded Petrol 93 (ULP93) due to the aged NATREF refinery in South Africa. This is the only refinery in the country which produces the ULP 93. In July 2024, the refinery went into a routine annual shutdown for maintenance. However, technical challenges were experienced that led to the extended shutdown of the plant as they tried to resume production.

The prolonged shutdown of the refinery resulted in a significant shortage in the supply of the ULP 93 product, which is also the most consumed and affordable ULP petroleum grade in Botswana. This presented a security of supply risk and prompted BERA to institute discontinuation of ULP 93 in Botswana, which took effect on 1 February 2025.. Read more on *Business Review*.

## Inflation and Monetary Policy

The average inflation rate was 2.6 percent. Thus, inflation was within the 3-6 percent objective range of the Bank of Botswana (BOB). The low inflation rate was reflective of a tighter monetary policy stance adopted by central banks worldwide to reduce high prices occasioned by the Russia-Ukraine conflict. Therefore, BoB maintained the Monetary Policy Rate at 1.90% in 2024 and reduced the Primary Reserve Requirement (PRR) from 2.5% to 0% in December 2024 to address structural liquidity shortages and stimulate economic activity. Inflation is forecast to remain within the Bank's 3 - 6% medium-term objective range, averaging 3.9% in 2025 and 5% in 2026.

Inflation and Monetary Policy Rates (MoPR) in Botswana significantly impact the petroleum industry by influencing fuel pump prices, operational costs, and investment, with the Bank of Botswana (BoB) aiming to maintain inflation within a 3-6% range. In 2025, high inflation driven by transport costs, alongside a weak Pula, has created significant under-recoveries in fuel prices, heightening fiscal pressure.

Since Botswana imports its refined petroleum products, high domestic inflation—often driven by global oil price shocks compounds with a weaker Pula against the USD and Rand to increase input costs, causing significant under-recoveries and affecting supply chain profitability.

## Exchange Rate Developments

Over the twelve-month period, the BWP exchange rate depreciated by 3.2% against the ZAR, 2.3% against the euro, 0.2% against the British Pound, and 1.8% against the US Dollar, while it appreciated by 2.8% against the Japanese yen.

Furthermore, on the 31st of December 2024, the Government, in conjunction with the BoB announced that it would maintain the current downward crawl rate of 1.51% per annum based on the forecast inflation differential between Botswana and its trading partners. The crawl's downward rate aims to sustain industry competitiveness against imports and external markets without compromising price stability.

This depreciation has consequently led to unfavourable hedging rates across the market, yielding negative forward points. It has also increased the cost of importing petroleum products and contributed to a rise in the domestic pump price despite prices being lower in the international market.

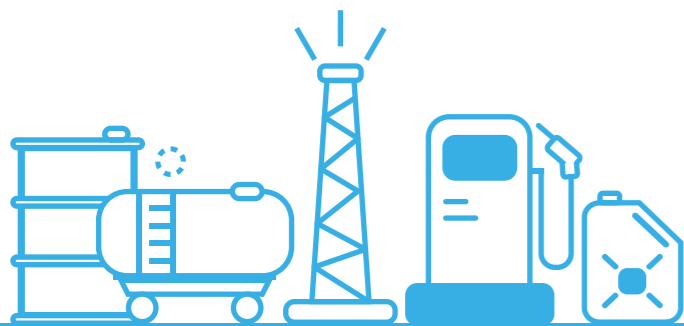
## Diamond Market

We closely monitor the diamond market as BOL supplies 100 million litres of petroleum products annually to Debswana Mines. Diamond sales slumped in 2024 due to a decline in market prices and reduced global demand, creating macroeconomic uncertainty. Key risks impacting the market included the geopolitical tensions and climate shocks, global trade fragmentation (U.S.-China and U.S.-Canada trade disputes), as well as emerging virus concerns in China pose risks to supply chains and demand. If these risks escalate, they could disrupt supply chains and trigger inflationary pressures requiring tighter monetary policies.

This could significantly affect trade and supply chains and derail growth and the economic recovery, especially in countries with limited shock absorbers and lower buffers, such as Botswana. Supply chains could also be disrupted by potential escalation of global trade wars, such as the one we see between the United States and Canada, reigniting commodity price shocks and triggering inflationary pressures, requiring tight monetary policy responses.

# 100 Million Liters

of petroleum products  
supplied annually to  
**Debswana Mines**



# 2024/25 Key Performance Highlights

## Financial performance

 **358%**

**Net profit** (BWP million)  
2025: 245.8  
2024: 53.7

 **224%**

**Gross profit** (BWP million)  
2025: 363.2  
2024: 112.1

 **289%**

**Volumes** (million litres)  
2025: 919.9  
2024: 236.4

## Strategic – Security of supply performance

 **9%**

**Days cover**  
2025: 11  
2024: 12.1

 **22%**

**Citizen participation**  
2025: 43.05  
2024: 55

# Success stories



**Position 1 – Parastatals, non-regulator category, Consumer Fair 2024**

Our efforts toward innovation and sustainability were recognised at the Consumer Fair 2024, reflecting our ongoing pursuit of improvement and excellence. This aligned with the consumer fair theme, “Building a Sustainable Future: Balancing Economic Growth and Environmental Conservation.”



**P44 million dividend declared to the government**

The inaugural declaration of P44 million dividend to the Government of Botswana is an indication, recognised by the nation, that BOL can generate profits that can be reinvested into infrastructure development, reducing reliance on Government funding.



**Access to Funding**

Our commitment to citizen economic empowerment is strengthened through strategic partnerships with financial institutions focused on enhancing access to funding for citizen-owned companies in the fuel supply chain. Through collaborations with Absa, First National Bank, Stanbic Bank, Bank Gaborone, and Access Bank, a total of P1 billion has been committed to support citizen contractors, providing tailored financial solutions, competitive interest rates, and risk-sharing mechanisms. This milestone highlights the essential role of financial inclusion in promoting sustainable growth, enabling local businesses to thrive and contribute meaningfully to Botswana’s economy.



**Debswana – Botswana Oil Partnership**

The strategic partnership between Botswana Oil and Debswana continues to drive significant progress in empowering citizen-owned transporters within the fuel industry.

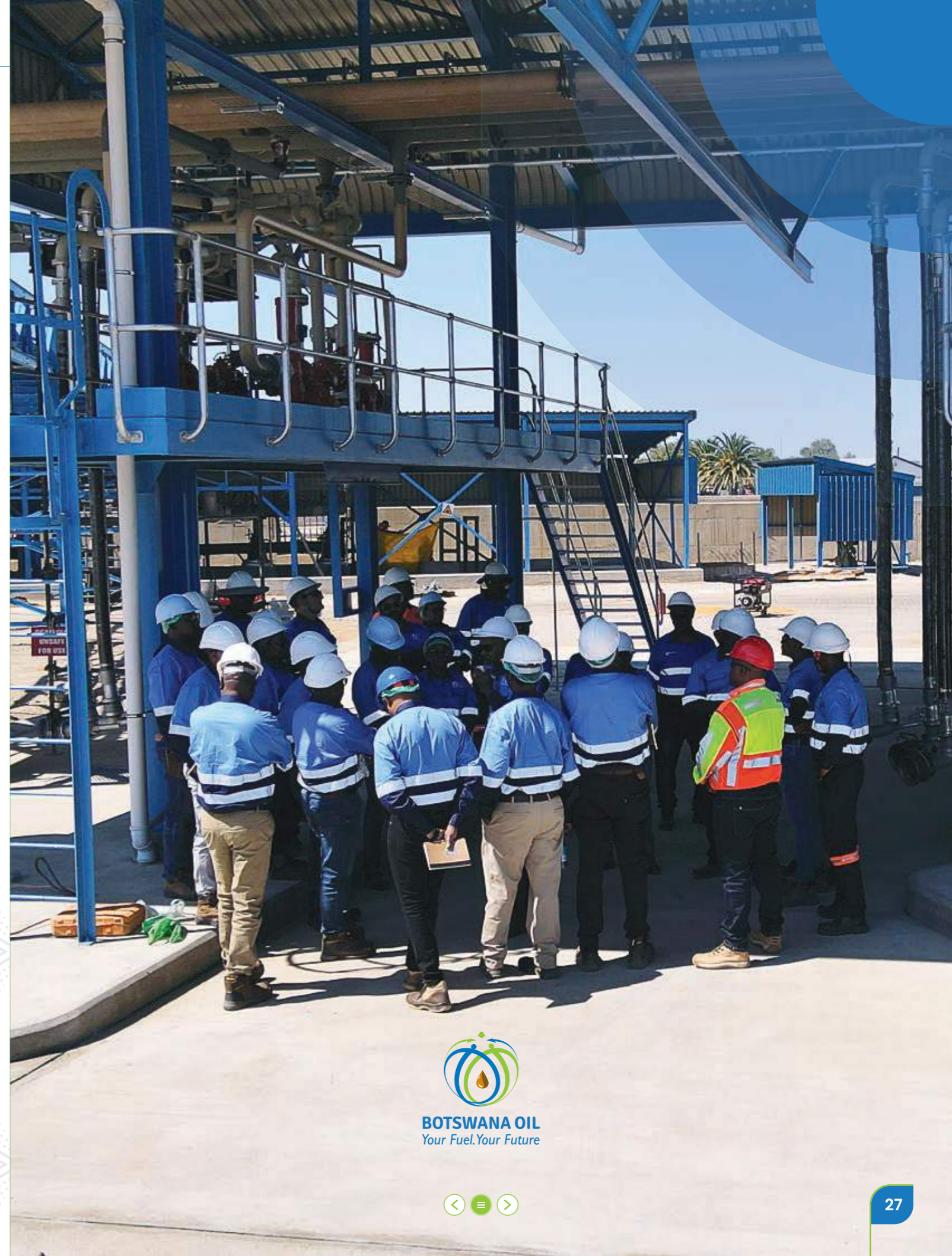
A notable increase in allocation to citizen-owned transporters is observed in YTD 2024/25, with spending reaching P48.7 million, representing 80.8% of the total for that period, which is significantly higher than in previous years.

A key milestone was achieved in the third quarter of 2024, where 100% of the fuel volume delivered to Debswana mines was transported exclusively by 100% citizen-owned transporters, a remarkable success that underscores the impact of this strategic partnership and fosters economic inclusion.



# Events and conferences

Initiative / Action	Value adds – Output
<b>The launch of the 90% Import mandate</b>	<p>Contributed to:</p> <ul style="list-style-type: none"> <li>• Building of strong brand image and association</li> <li>• Testimonials and profiling of the citizen transporters highlighted BOL's role in the facilitation of meaningful citizen participation in the oil and gas industry value chain to diversify the economy and create employment</li> <li>• Declaration of the dividend strengthened BOL's status as a key strategic State-owned enterprise (SOE) that can meaningfully contribute to the Government's fiscus as a revenue-generating entity for the development of the country</li> </ul>
<b>Francistown Gantry Launch</b>	<ul style="list-style-type: none"> <li>• The media coverage and communications reinforced the messages about our mandate, which is to ensure the security of fuel supply through infrastructure development to increase days of cover for our strategic reserves</li> </ul>
<b>Sponsorship of the Mining Indaba 2025</b>	<ul style="list-style-type: none"> <li>• Opened opportunities for knowledge sharing, collaboration, and strengthening of relationships with stakeholders (BOL now part of the committee of the Mmamabula-Lephalale Rail Network Link Development) for the importation of fuels from Mozambique via the Maputo Corridor</li> <li>• Opportunities for importation of bio-fuels – engagements ongoing with suppliers on blending ratios and with the regulator on pricing mechanisms</li> </ul>
<b>SADC Sustainable Energy Week Conference</b>	<ul style="list-style-type: none"> <li>• Created a platform for BOL to share with SADC Ministries of Energy, the Secretariat, and industry leaders on the BOL's mandate, energy transition, and sustainability plan</li> <li>• BOL identified opportunities for funding of biodiesel research, with discussions currently ongoing</li> <li>• Organized the usage of carbon capture utilisation and currently considering registering for membership of the Carbon Capture Utilisation and Storage Association</li> </ul>



# Chairman's Review

**It gives me great pride to present this reflection at the conclusion of a crucial year in Botswana Oil's journey.**

**The 2024/25 financial year marked a significant turning point, defined by bold strategic execution, strengthened governance, and notable improvements in both our operational and financial performance.**



**One of our most significant accomplishments was delivering on the first year of the 90% import mandate. This transition, from a 50% import share to assuming responsibility for the majority of the country's petroleum imports, fundamentally repositioned us as a central player in Botswana's energy security. Our ability to meet this target amidst regional fuel supply constraints and refinery shutdowns in South Africa speaks to the resilience and foresight of our sourcing strategy. By diversifying our supply routes to include Namibia and Mozambique, we mitigated the risks of over-reliance and ensured consistent fuel availability during periods of market volatility.**

Our financial turnaround was equally commendable. Moving from a loss-making position to a profitable entity in 2022-2023 financial year, to reaching a historic milestone by declaring and paying out a P10 million dividend in the 2023-2024 financial year, the first time since our inception and I am pleased to share that for the current reporting period the dividend significantly increased to P44.2 million. This reflects sound financial stewardship, increased volumes, and disciplined cost management across the company. Additionally, the expansion of the Francistown depot and the commencement of the Ghanzi depot construction further underpinned our commitment to strengthening infrastructure in pursuit of strengthening the national fuel security.

The Board of Directors remained committed to providing oversight, strategic guidance, and sound governance. We prioritised the implementation of the Citizen Economic Empowerment Programme (CEEP) through the onboarding of citizen transporters and enabling their access to finance via partnerships with financial institutions. This initiative was further supported by our takeover of the Government Fleet Management (GFM) and the Civil Aviation Authority Botswana (CAAB) aviation fuel supply operations, which created opportunities for local companies to actively participate in the petroleum value chain. These steps align with our long-term ambition to foster inclusive growth and national self-sufficiency in the oil and gas sector.

We made critical policy reforms to ensure robust governance, risk management, and accountability. Revisions to key policies, including the Dividend, Procurement, Corporate Social Responsibility (CSR), Sustainability, and Complaints Management policies, were approved to strengthen internal controls and ensure that Botswana Oil remains agile, compliant, and performance driven. The Board also advanced internal audit and Governance, Risk and Compliance (GRC) functions, approved a new Information and Cybersecurity policy, and monitored the Information Communication Technology (ICT) Roadmap to support the digitalisation of business processes.

As we look to the future, the Board has set ambitious priorities. These include delivering strategic infrastructure projects, executing the digital transformation strategy, expanding into alternative energy solutions, and deeper localisation through accelerated implementation of CEEP. In addition, our focus is on developing a robust Environmental, Social, and Governance (ESG) and sustainability framework that aligns with national goals and international best practices.

None of this progress would have been possible without the dedicated leadership and tenacity of our management and staff. On behalf of the Board, I extend my sincere appreciation for their unwavering commitment in navigating a complex operating environment, ensuring delivery on our strategic mandate, and building a high-performance culture.

With a strengthened foundation, a clear strategic direction, and a bold transformation agenda, I am confident that Botswana Oil is well-positioned to deliver long-term value for all stakeholders and continue playing a vital role in securing Botswana's energy future.

**Mr Martin Makgake**  
Board Chairman

# Chief Executive Officer's Reflections

**It is with great pride that I share my reflections on a year that tested our resilience and reaffirmed our purpose. Over the past several years, Botswana Oil has steadily advanced on a journey driven by a singular, unwavering imperative: to guarantee the security of fuel supply for Botswana.**

**This foundational mandate, central to our establishment as a national oil company, has shaped our strategic direction and operational priorities, particularly during the demanding and transformative years now behind us.**



**Looking back, I am deeply mindful of how far we have come. Historically, Botswana's fuel supply was fragmented, heavily reliant on a single supply corridor without Government oversight to ensure security of supply. The establishment of Botswana Oil was a bold move to centralise procurement, unlock opportunities for citizen companies and strengthen the nation's energy security. That vision has become more relevant than ever in recent years, as regional refinery closures, supply chain disruptions, and the global impacts of the Ukraine-Russia conflict revealed the vulnerability of countries like ours, that lack domestic crude oil reserves.**

In response, Botswana Oil underwent a major transformation, from handling about 30% of the country's fuel needs to managing up to 90% of national fuel imports at the beginning of the reporting year, with the remainder 10% allocated to citizen-owned companies in line with national empowerment goals. The critical mass of import volumes has empowered us to negotiate more competitively with leading international suppliers, achieving economies of scale that have translated into tangible national benefits.

One of our proudest achievements has been the diversification of import corridors. For decades, Botswana relied almost exclusively on South African routes. Through deliberate investment and strategic planning, we expanded the supply routes via Mozambique and Namibia. These alternative routes have proven invaluable, especially during regional disruptions, underscoring our resilience and capacity for strategic foresight.

Our infrastructure development has also progressed in earnest. Our projects in Francistown and Ghanzi are advancing steadily, with Francistown nearing completion and Phase I of Ghanzi close to finalisation. Once operational, these depots will significantly increase our national fuel storage capacity, directly supporting our ability to respond to supply disruptions. While some delays have affected our initial timelines, the challenges encountered are not unique to Botswana Oil as large-scale infrastructure development carries complexities in procurement and execution, and we are committed to learning from these experiences and accelerating delivery.

In addition to our commercial objectives, our mandate extends to driving transformation within the energy sector. A key aspect of this transformation is fostering citizen participation. During the reporting period, we launched the Citizen Economic Empowerment Programme (CEEP) in collaboration with Debswana, an initiative aimed at promoting meaningful citizen inclusion. We have intentionally prioritised citizen-owned enterprises by reserving opportunities in logistics, service provision, and infrastructure development. This strategic focus is aligned with Vision 2036 and reflects our strong conviction that inclusive economic empowerment is vital to sustainable national development. While we have seen encouraging progress, particularly among youth-owned businesses, we acknowledge the need to broaden inclusion to women and persons with disabilities. Going forward, we intend to move beyond preference-based models toward more impactful reservation frameworks that facilitate authentic, wide-reaching empowerment.

Operationally, Botswana Oil continues to mature. We have implemented integrated Enterprise Resource Planning (ERP) solutions, introduced disciplined cost controls, optimised our contracting strategies, and enhanced our financial resilience through tools such as currency hedging and automation. These efforts have resulted in improved performance, culminating in a net profit of approximately P274.4 million for the reporting year, despite ongoing global uncertainty.

Our commitment to sustainability has also matured into a multidimensional strategy that strengthens our financial growth and sustainability while cultivating reduction of our carbon footprint through integration of energy transition projects and initiatives in our growth strategy. We are advancing biodiesel and Liquefied Petroleum Gas (LPG) projects as well as the establishment of a petrochemical industry development through beneficiation of Botswana's coal resources. Our strong HSSEQ (health, safety, security, environment, and quality) systems reflect our aspiration to be both a reliable energy provider and a champion of responsible growth. We view digital transformation not as an operational enhancement but as a competitive necessity. Through business process automation, improved performance management, and the adoption of digital tools, we are strengthening our internal capacity while positioning for regional growth. Our vision is to evolve into a regional energy player, one that supports not only national needs but contributes meaningfully to regional economic integration.

## Chief Executive Officer's Reflections (Continued)

In closing, I extend my sincere appreciation to the shareholder for their unwavering support, to our partners and industry stakeholders for their continued trust, to our board for their steady guidance, and to our employees who keep the wheel turning. None of this would be possible without our people. Through targeted leadership development, succession planning, and a strong performance culture, we are building the essential human capital for long-term impact. Our "Changa ma Gear" culture shift programme, graduate development initiatives, and diversity policies ensure that Botswana Oil remains dynamic, future-ready, and inclusive. As we look to the future, we do so with a clear sense of purpose. The foundation is strong. Our ambition is high. Our commitment to safeguarding Botswana's energy future and creating shared prosperity is resolute.

**Mr Meshack Tshekedi**  
Chief Executive Officer



# Chief Finance Officer's Perspective and Insights

**The 2024/25 financial year marked a transformative period for BOL, as we moved from a foundation-building phase to one of strong operational execution, revenue growth, and financial sustainability.**

**This year was not just about performance; it was about viability. We demonstrated that BOL is a financially viable entity, able to fulfil its mandate, sustain operations, create value and contribute meaningfully to the national economy.**



Our greatest financial achievement this year was posting a profit of P245.8 million, an unprecedented figure in BOL's history. BOL also declared and paid out its first-ever dividend of P10 million to the shareholder prior to the implementation of the import mandate. This dividend payout is a significant milestone that confirms the company's capacity to generate value independently and ease the financial burden on the government. The total asset base grew to P4.7 billion from P1.5 billion due to the transfer of the bulk storage facility infrastructure from government to BOL. The infrastructure largely comprises strategic petroleum infrastructure, including the Gaborone and Francistown depots, the Ghanzi depot, which is still under construction, and Tshele Hills storage facilities, which is yet to begin construction. While these assets strengthen our national fuel security framework and improve days cover, they come with ongoing obligations in the form of insurance, maintenance, and optimisation. Bringing these assets under our direct control has strengthened our balance sheet, reduced tax liabilities, and will allow us to explore commercial innovation such as product trading.

The implementation of the 90% import mandate was a major driver of our financial performance. Import volumes rose from 20% to 75%, bolstering both top-line growth and economies of scale and translating into an improved bottom line. Managing this growth required agility, and although our systems and automation were not fully mature at the start, the organisation rapidly adapted through manual interventions while planning for system upgrades.

Despite pricing challenges and infrastructure-related pressures, we remained disciplined in managing working capital. Our financial strategy included rolling 12-month cash flow forecasting, aligning customer receivables with supplier payment terms, and reducing discretionary spending. We limited travel and reprioritised non-critical engagements, though this also constrained our ability to advance strategic discussions, particularly in exploring new supply infrastructure like coastal storage Namibia to be able to import from the refineries.

One of our most critical risks remains the misalignment between regulated fuel pricing and actual market logistics. The outdated pricing slate, based on a South Africa-centric supply model, fails to capture the true costs of diversified sourcing. This occasionally required us to draw from the National

Petroleum Fund to recover under-recoveries, affecting liquidity and predictability. A review and amendment of the pricing framework is underway to address this systemic issue.

The company advanced two major capital projects; the expansion of the Francistown Depot and construction of the Ghanzi Depot, which directly support fuel security objectives. We also made headway on the XTL project, which is currently in feasibility and research stages. Once implemented, it has the potential to significantly reduce reliance on imported fuels by converting coal to liquid fuels.

We operationalized a strategic partnership with Debswana to open fuel transportation opportunities to citizen-owned businesses. From having only multinational transporters, today we have four citizen transporters delivering fuel to Debswana, some of whom have been certified by Sasol. To ease cash flow challenges, we introduced a bi-monthly payment cycle and negotiated better lending terms through Memoranda of Understanding (MOUs) with local financial institutions. These interventions align with our broader CEEP and show our commitment to inclusive economic growth.

The rapid scale-up of operations following the import mandate exposed gaps in automation. The manual nature of our invoicing and tracking systems was unsustainable for the volume and complexity of our transactions. While we adapted in the interim, the need for a comprehensive ICT and automation strategy became evident. As part of our outlook, the development of an ICT strategy encompassing digital transformation, data mining, and Artificial Intelligence (AI) will be prioritised to drive future operational efficiency.

Looking ahead, we are finalising a new five-year corporate strategy focused on long-term financial sustainability, strategic infrastructure development, and increased automation. Our ambitions include:

- Finalisation of our ESG strategy and framework.
- Development of coastal storage facilities in Namibia and other viable areas.
- Establishment of a permanent head office at the Botswana Innovation Hub
- Exploration of new revenue streams, including commercial fuel trading and LPG market entry.
- Continued alignment with the national development agenda through citizen empowerment and supply security.

## Chief Finance Officer's Perspective and Insights (Continued)

Over the past decade, BOL has evolved from a startup entity with no customer base or fixed model into a commercially viable enterprise with strategic influence. The 2024/25 financial year solidified our role as a critical enabler of national fuel security and economic empowerment. While challenges remain, particularly around pricing and automation, the lessons learned, and structures established this year provide a firm foundation for scalable growth and sustainable impact. I extend my sincere appreciation to the Finance team, Executive Management, and the Board for their unwavering support and commitment to excellence. The road ahead is promising, and BOL is well-positioned to continue its upward trajectory.

**Ms Olivia Ramaselwana**  
Chief Financial Officer



# Strategic Outlook

## Energy Security

The company is at critical crossroads, demonstrating its dedication to enhancing Botswana's fuel security and playing a key role in achieving national self-sufficiency. In line with the 90% import mandate, we prioritise energy security as a fundamental strategic focus, ensuring sufficient procurement of petroleum stock to protect our strategic reserves, with the aim of attaining 90 days of fuel coverage.

Thus, our strategic emphasis on fuel storage is paramount as we seek to expand access to key coastal ports and diversify our import routes through Namibia and Mozambique, alongside South Africa. Increasing storage capacity will strengthen domestic energy security and enable BOL to pursue opportunities in regional fuel trading, extending our influence beyond Botswana. Our strategic partnerships span collaborations with regional oil companies such as those in Uganda and Tanzania, local citizen-owned oil businesses (our customers), international oil firms, and regulatory agencies including the Botswana Bureau of Standards (BOBS) to ensure fuel quality. Additionally, energy infrastructure projects in Ghanzi, Francistown, and Tshele are advancing us toward our objectives, with a strong focus on their timely completion to protect national energy security and minimize risks from supply disruptions.

A transformative opportunity also lies in the mega Coal-to-Liquid (XTL) project, currently in the procurement phase. The venture aims to mine and convert coal into a diverse range of products, including diesel, aviation fuels, petrol, and other derivatives like fertilizers and chemicals. The XTL project holds the potential to create a mega-scale industry, significantly contributing to the nation's GDP through local production and export capabilities, thereby driving self-sufficiency.

The company is actively pursuing diversification to position itself as a leading diversified energy business in the region by 2030. This involves expanding energy solutions beyond traditional fuel supply and integrating vertically within the industry to optimise strategic stock and diversify sources of supply. The emphasis is placed on volume growth of other energy products (Natural gas, renewable natural gas from organic sources, hydrogen biofuels e.g biodiesel and ethanol) while also enhancing local citizen companies' participation in the energy sector.

## Diversification

The company is actively pursuing diversification to position itself as a leading diversified energy business in the region by 2030. This involves expanding energy solutions beyond traditional fuel supply and integrating vertically within the industry to optimise strategic stock and diversify sources of supply. The emphasis is placed on volume growth of other energy products (Natural gas, renewable natural gas from organic sources, hydrogen, biofuels, e.g, biodiesel and ethanol) while also enhancing local citizen companies' participation in the energy sector.

The XTL project is central to our strategy of being sustainable in an environment with potentially declining demand for fossil fuels, creating a diversified product portfolio, and new revenue streams. Beyond this, a dedicated new ventures team is exploring opportunities such as wholly importing fuel for all national airports, servicing government fleet management, and looking forward to deploying mobile filling stations to remote areas. Internally, we are focused on enhancing efficiencies to "do more with less," optimising our bottom line.

## Financial stability

BOL envisions itself as a mega-company poised to expand its role and support within the energy sector, with a strategic focus on wealth creation and significant job generation. Maintaining financial stability is paramount to achieving these ambitions, necessitating a steadfast commitment to solvency, efficient utilization of financial resources, diversification of revenue streams, and stringent control of cost escalations and overruns. To mitigate the risks associated with oil price volatility, BOL employs a diversified procurement strategy, leveraging a broad network of partners with the supply team proactively securing favourable contracts. The treasury department implements hedging strategies and strategic investment of funds to effectively manage price fluctuations. Additionally, robust mechanisms are in place to recover transport cost variances from the government, further protecting the company's financial position. Continuous monitoring of the cost-to-income ratio enables informed decision-making, ensuring the company's long-term financial sustainability and resilience as it pursues growth and sectoral leadership.

## Sustainability

We operate within a complex environment shaped by global energy transitions, geopolitical dynamics, and a growing emphasis on decarbonisation and cleaner fuels from the Government. While these present challenges, particularly the costs associated with transition, they also unlock significant opportunities. We are proactively addressing the global shift towards decarbonisation and ESG compliance. We have completed a carbon capture study for the XTL project, intended to capture and store emissions underground, aligning with international best practices. Our HSSEQ department maintains stringent targets and practices, committed to a "Zero Harm" strategy that actively prevents incidents like oil spills and ensures environmentally sound operations. Plans are in place to develop a comprehensive ESG strategy that will provide a clear framework that targets environmental preservation. BOL's vision is to evolve into an "energy company" capable of adapting to future energy shifts.

This includes exploring renewable energy for our own power usage and collaborating with local research institutions Botswana International University of Science and Technology (BIUST), Botswana Institute for Technology Research and Innovation (BITRI) and the University of Botswana (UB) on the production of biofuels from natural plants, reflecting an openness to diversified energy sources beyond traditional hydrocarbons. This underscores our commitment to innovation and best practices.

We are proactive in engaging with evolving regulatory frameworks, both domestic and international. We actively participate in government forums and have affiliations with international bodies to further equip us with insights to navigate regulatory pressures effectively. BOL is embarking on a clear digital transformation initiative that will leverage emerging technologies such as AI while ensuring robust cybersecurity and the automation of core processes. A focus on Business Process Management will streamline our value chain, leading to leaner operations.

## Citizen Participation

Our core value proposition remains strong through Citizen Economic Empowerment Programme (CEEP) initiatives. It is projected that our current strategic partnership with Debswana will be a blueprint that can be used with other large-scale consumers of oil in Botswana, thus increasing the need for transportation businesses. We aim to ensure local procurement of other goods and services from citizen companies. Through strategic partnerships and regular engagement with all stakeholders. We envision BOL as an enabling player through the CEEP initiative, reducing barriers to entry and fostering equity. Furthermore, we are determined to be more enterprising, exploring new markets beyond Botswana and benchmarking against leading players in the region. Under the new administration's ambition to cultivate 2-3 mega companies, BOL positions itself as a prime candidate. We are not creating a monopoly; rather, we are pioneering a market previously untouched by Botswana, creating unprecedented opportunities and securing Botswana's energy future. Our strategic direction ensures that BOL is not just a participant but a leader in shaping the nation's energy landscape for decades to come.

# Value We Create

## Reflecting on Our Strategic Journey (2020-2025)

As we conclude the 2020-2025 strategy, we reflect on a five-year journey marked by purposeful transformation, resilience, and strategic growth. Our initial focus was on pursuing a balanced growth strategy that addressed our immediate and long-term priorities while laying the groundwork for actions to ensure sustained shareholder value creation. Our initial goals were clear: to have optimal strategic stock, diversified sources of supply, drive volume growth, and enhance citizen companies' participation (including internal procurement).

In 2023, we undertook a strategic revision to ensure our approach remained fit-for-purpose in a dynamic and evolving environment. This review was prompted by internal insights and external shifts, including the COVID-19 lingering aftereffects, supply disruptions, and the Russia-Ukraine war, all triggering instability in the petroleum industry and resulting in persistent oil price volatility. These challenges made it increasingly difficult to secure and supply products efficiently, impacting fuel supply security in Botswana. The revision maintained the company's overall strategic direction but refined focus areas and consolidated initiatives for greater impact. It strongly emphasized security of fuel supply, citizen participation, sustainability (ESG and Financial Sustainability), and a high-performance organisation. In addition, it allowed us to remain an agile, responsive, and sustainable entity that can effectively deliver on our mandate.



## Our strategy



## Security of fuel supply

Central to our mandate is the critical responsibility of maintaining reliable and sufficient petroleum stock to safeguard the nation's strategic fuel reserves. This objective has been fundamental to the optimisation of our operations and the broader stability and growth of the national economy. Achieving supply security cost-efficiently and sustainably has remained a strategic priority throughout the term.

Over the five-year strategic period (2020-2025), our commitment to ensuring fuel availability across the country has been focused on building a resilient, responsive, and future-fit petroleum supply system capable of absorbing shocks and maintaining national momentum, as highlighted by our strides in key infrastructure investments. Further read on Projects and Strategic Projects.

## How we performed

Over the five-year strategic term, our commitment to energy resilience was anchored in the goal of building and sustaining a minimum of 40 days of petroleum stock cover and having optimal diversified sources of supply. These targets were crucial for strengthening national energy security and enabling the country to withstand supply disruptions in an increasingly uncertain global and regional environment.

Although the set target for the days cover was not fully met, the overall performance trend demonstrates steady progress and a consistent response to multifaceted macroeconomic and geopolitical challenges. Despite the constraints, we maintained an average stock level of over 11 days throughout the strategic term, reflecting our proactive approach to navigating complex supply conditions and operational stability. This highlights our strategic focus on resilience and our ability to adapt to shifting market dynamics.

To improve efficiency and mitigate risks associated with dependence on a single supplier and route through South Africa, BOL undertook efforts to diversify its supplier base and develop alternative transport routes over the strategic period. This involved analysing the cost efficiencies of different routes and supplier pricing. Through successful negotiations, we also sourced stock from Namibia and Mozambique at more competitive prices, which enhanced profitability.

Over the years, we generally met or exceeded our diversification targets, reflecting significant progress in reducing reliance on a single supplier and route. Except for 2023/24, when actual performance lagged an ambitious target, the trend shows successful sourcing diversification and improved cost-effectiveness. The fluctuations suggest areas where operational or market factors may have influenced performance, but overall, our strategic efforts have yielded positive outcomes. Our key performance indicator (KPI) used to measure and monitor performance was the:

- Days of stock cover (Target: 40 Days)
- % Supply from alternative sources (Baseline target: 44%)

Days Cover (2020-2025)



% Supply from alternative sources



## Citizen participation

As the national oil company, we are mandated to ensure citizen participation in the petroleum industry. To facilitate this, we have established a strategy focused on citizen economic empowerment to ensure significant participation of Citizen-Owned Oil Companies (COOCs) in the petroleum industry. This strategy emphasises the importance of partnerships to achieve empowerment and capacity building for COOCs.

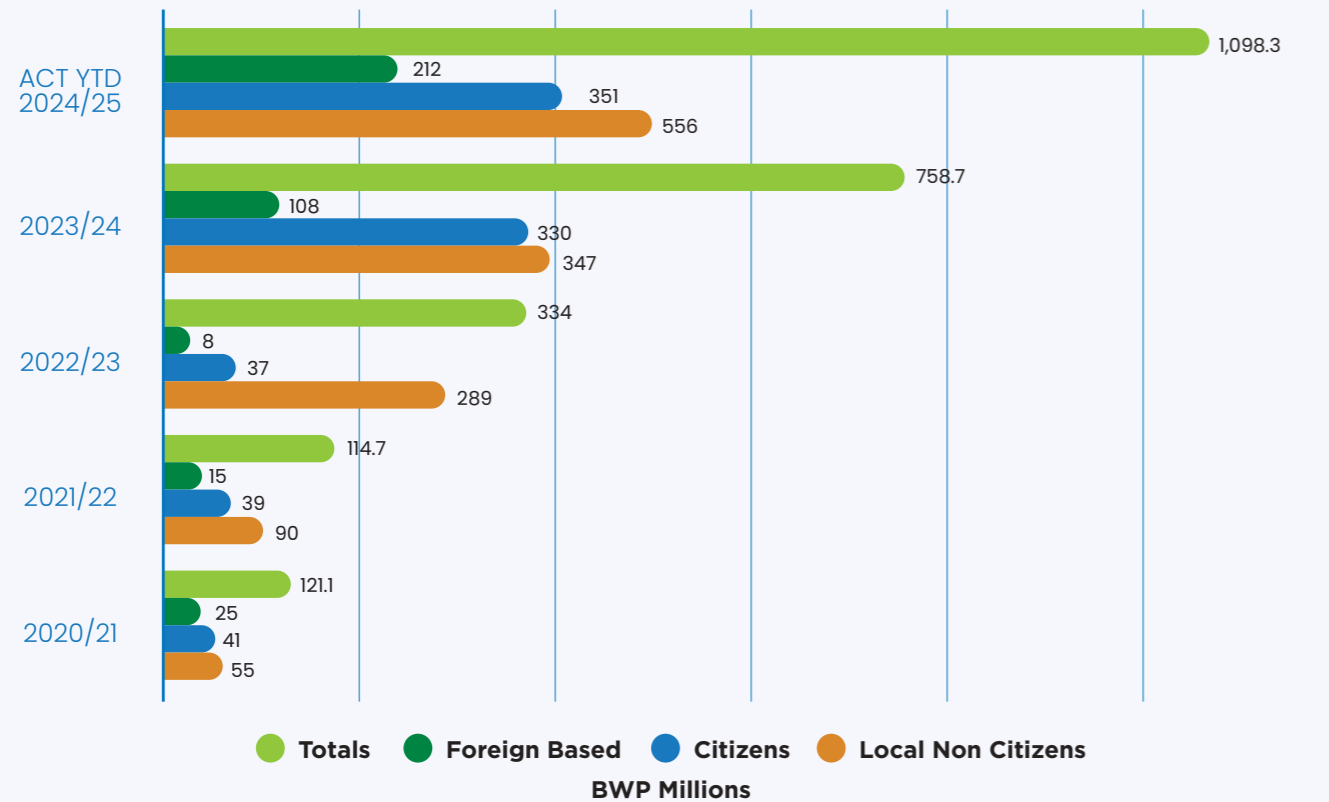
## How we performed

Throughout the strategic term, we remained committed to deepening citizen participation within the petroleum value chain in alignment with the national development agenda. A major highlight was our Debswana fuel supply agreement, which marked a transformative step and facilitated the launch of the Citizen Economic Empowerment Programme, enabling citizens to participate in large-scale, high-value contracts.

Our key performance indicator (KPI) used to measure and monitor performance was the:

- %Goods and Services by Citizens (Target: 60%)

### Botswana Oil Dry Goods Expenditure Analysis for past 5 years



	2020/21	2021/22	2022/23	2023/24	2024/25
<b>Total Spend by BWP millions</b>	121.1	144.7	334.0	758.7	1098.3
<b>Spend % on Citizen Owned Companies</b>	34.0%	26.9%	11.2%	40.0%	30.1%

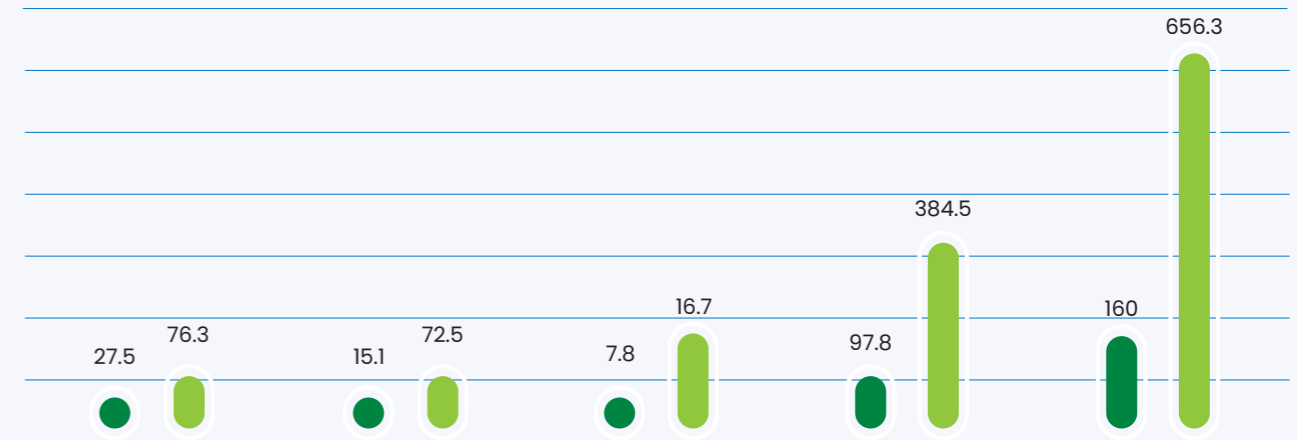
\*Excludes Fuel Spend

- Citizen suppliers' expenditure on dry goods has increased steadily from P304 million in 2023/24 to P330 million 2024/25. Reflecting our deliberate efforts to empower locally owned citizen businesses.
- BOL recorded total procurement expenditure of P1,098,3 billion primarily driven by spending on dry goods and services. Within this total, targeted Enterprise Development and Empowerment (EDD) initiatives focused on promoting participation by citizen-owned, youth-owned, and women-owned enterprises. Expenditure on citizen-owned companies amounted to P351 million representing approximately 34.9% of total procurement spend. This reflects a strong contribution towards citizen economic inclusion, although performance remained below the desired threshold, indicating the need for enhanced procurement alignment and supplier development interventions.
- The established meaningful baseline in supporting citizen-owned businesses, the distribution of spend

indicates that EDD outcomes remain uneven, with limited participation among youth and women-owned enterprises. To address these gaps, BOL continues to prioritise strengthening inclusive procurement practices, including setting clearer accountability mechanisms for business units, expanding targeted supplier development and incubation programmes for youth and women-owned enterprises, and embedding EDD compliance requirements into procurement planning and contract management processes. In addition, a more deliberate pipeline of pre-qualified citizen suppliers will be developed to improve accessibility to opportunities and enhance competitiveness, supported by improved monitoring and reporting to track progress against empowerment targets. These interventions are expected to accelerate progress towards achieving EDD targets and reinforce the organisation's commitment to inclusive economic growth and sustainable empowerment outcomes.

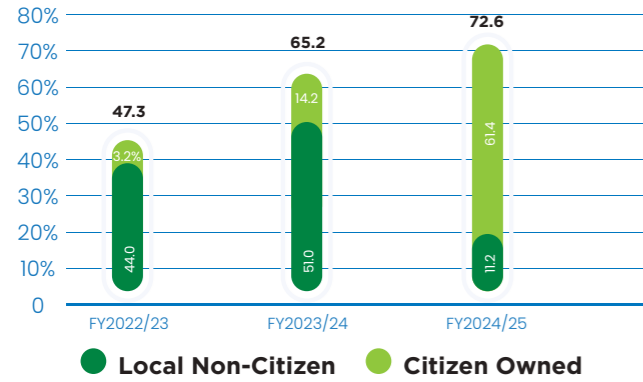


### Botswana Oil Fuel Transporters Spend Analysis Performance



- Spend by value citizen owned transporters
- Total spend by value fuel transport
- The value of fuel transport services awarded to citizen-owned transporters has increased significantly over the past two years, rising from P97.8 million in 2023/24 to P160 million in 2024/25, a 63.6% rise. This sharp growth indicates a deliberate effort to empower citizen transporters, driven by targeted initiatives such as the CEEP Programme and the Debswana Partnership.
- The increasing spend supports the narrative that Botswana Oil is committed to citizen economic empowerment and actively executing initiatives that result in tangible economic value transfer to local businesses, strengthening localisation, job creation, and inclusive growth.

### Debswana Fuel Transportation Spend Analysis

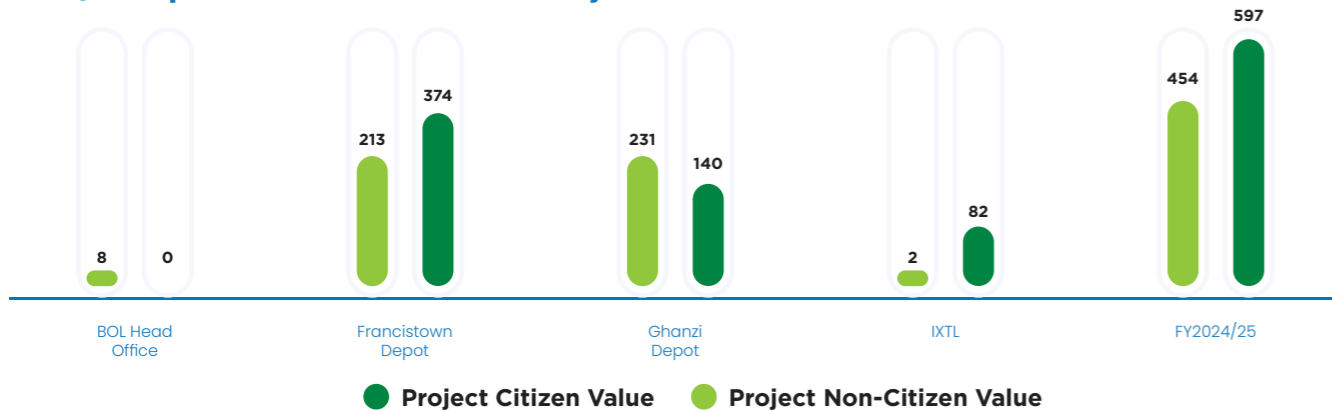


- Spending on citizen-owned transporters jumped from P3.2 million in 2022/23 to P61.4 million in 2024/25, a remarkable increase in just two years.
- By 2024/25, for the first time, citizen-owned transporters received more spending (P61.4M) than local non-citizens (P11.2M), reversing previous trends. This signals a growing trust, capacity, and competitiveness of citizen-owned logistics businesses, likely due to support mechanisms like logistic partnerships, capacity-building programmes, CEEP, and transport certification initiatives facilitated by BOL.

	2024/25
Volumes (Liters)	12,340,066
Total Spend on Transport and Distribution (BWP)	4,228,270
Total Spend on Citizen owned Companies	96.02%
Spend on Youth and Women	24.98%

- Spend on citizen-owned companies for 2024/25 totalled 96.02% while youth and women totalled 24.98% highlighting the company's impact with the CEEP.

### 2024/25 Expenditure Infrastructure Projects



- Citizen participation extends beyond logistics and fuel supply; it is now present in capital-intensive projects such as head office development (P7.9 million) and Ikaegeng IXTL coal-to-liquid project (P2.3 million). This shows a broadening scope of opportunities available to citizens across the value chain.
- Citizen-owned companies' expenditure for the Francistown (P212.8 million) and the Ghanzi Depots (230.8 million) accounted for 74.3% of the total spending (P59 million), indicating that citizen-owned contractors or suppliers played a central role in the key infrastructure development for the reporting year. This level of inclusion reflects a strong commitment to local empowerment and industry development.

### Sustainability

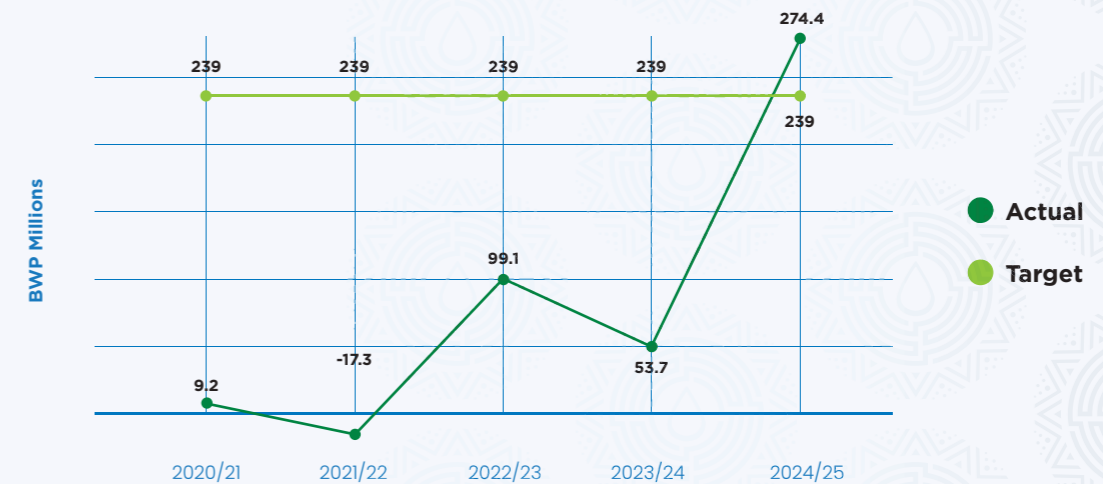
Our approach to sustainability was anchored on two critical dimensions: the financial sustainability of the business and our commitment to ESG principles. Our long-term viability hinges on our ability to remain financially stable, ensure solvency, optimise the use of financial resources, expand revenue streams, and manage costs effectively. At the same time, strengthening our ESG performance and reporting remains imperative. Enhancing transparency and defining clear ESG Metrics positions us to attract responsible investment and ensure alignment with stakeholder expectations. More importantly, it reinforces our responsibility to contribute meaningfully to Botswana's sustainable development while addressing climate-related risks and broader social imperatives.

#### How we performed

Our key performance indicators for this strategic objective were based on:

- Profitability (Target: BWP 239 million)
- Zero Incidents-LTIF+S (Target 0)
- %Completion of the Energy Transition initiatives (Target 100%)
- % Implementation of the ESG Strategy (Target 100%)

### Profitability Performance (2020-2025)



Our set target for profitability was to make a profit of P239 million. This reporting period, we surpassed our set target and made a profit of P274.4 million, which is a significant shift from making a loss of P17.3 million in 2021/22, which reflects a significant financial recovery and operational turnaround, as further elaborated by the Chief Finance Officer's Perspective and Insights detailing key drivers of performance and profitability.

Over the strategic term, we have initiated steps toward commercializing energy transition initiatives. However, progress was constrained by regulatory and policy gaps such as the limited pricing framework and

controlled licensing regime, recognition of biofuels in the regulation, and misaligned fuel standards. Despite these impediments, we have actively engaged stakeholders to address the bottlenecks, laying the groundwork for future alignment and enabling conditions for energy diversification.

Our Lost Time Injury Frequency Rate (LTIFR) has remained at 0 for 2023/24 and 2024/25, demonstrating a strong HSSEQ framework and safe working environments, with more insights highlighted on.

# Our Performance by Capital, Human Capital

We have completed the evaluation phase of our ESG strategy tender. Recognising the importance of implementation, the company secured additional funding to supplement the existing budget. With financing now in place, the project is set to transition into execution under a defined project structure, marking a key milestone in advancing our sustainability agenda.

## High-performance organisation

We acknowledge that fulfilling the expectations of our shareholder and the Board of directors demands a fundamental shift in mindset across the entire value delivery system. This transformation is anchored in cultivating a high-performance culture supported by robust Human Capital systems, practices, and capabilities. These efforts are intended not only to improve operational excellence but also to position BOL as an employer of choice. Central to this ambition is the deliberate focus on enhancing employee morale, engagement and productivity, recognising that a motivated and empowered workforce is a critical enabler of sustainable organisational performance.

## How we performed

Over the past five years, we have steadily progressed toward our strategic goal of becoming a high-performance organisation. Performance in this area has been tracked through two key indicators:

- **Employee Engagement Index** - measuring employee satisfaction, motivation, and alignment with the organisation's value and strategic objectives.
- **Governance, Risk, and Compliance Index** - assessing the effectiveness, strength and maturity of the Company's internal control environment, risk management practices and governance frameworks.

Our key performance indicators for this strategic objective were based on:

- #GRC Index
- #Engagement Index (70%)



## How we performed (Continued)



**76%** Employee Engagement Index (2023/24)



**77%** Employee Engagement Index (2024/25)

Our goal for this objective was to achieve an employee engagement score of 70%, which we surpassed by reaching 76% in 2023/24 and further improving to 77% in 2024/25. This reflects our the positive impact of strengthened internal communication, improved employee morale, and targeted implementation of targeted initiatives to enhance staff involvement, accountability and overall performance. Further detail on these initiatives and their contribution to organisational outcomes is elaborated on Our People, Value Creation Model and Performance by Capital sections of this report.

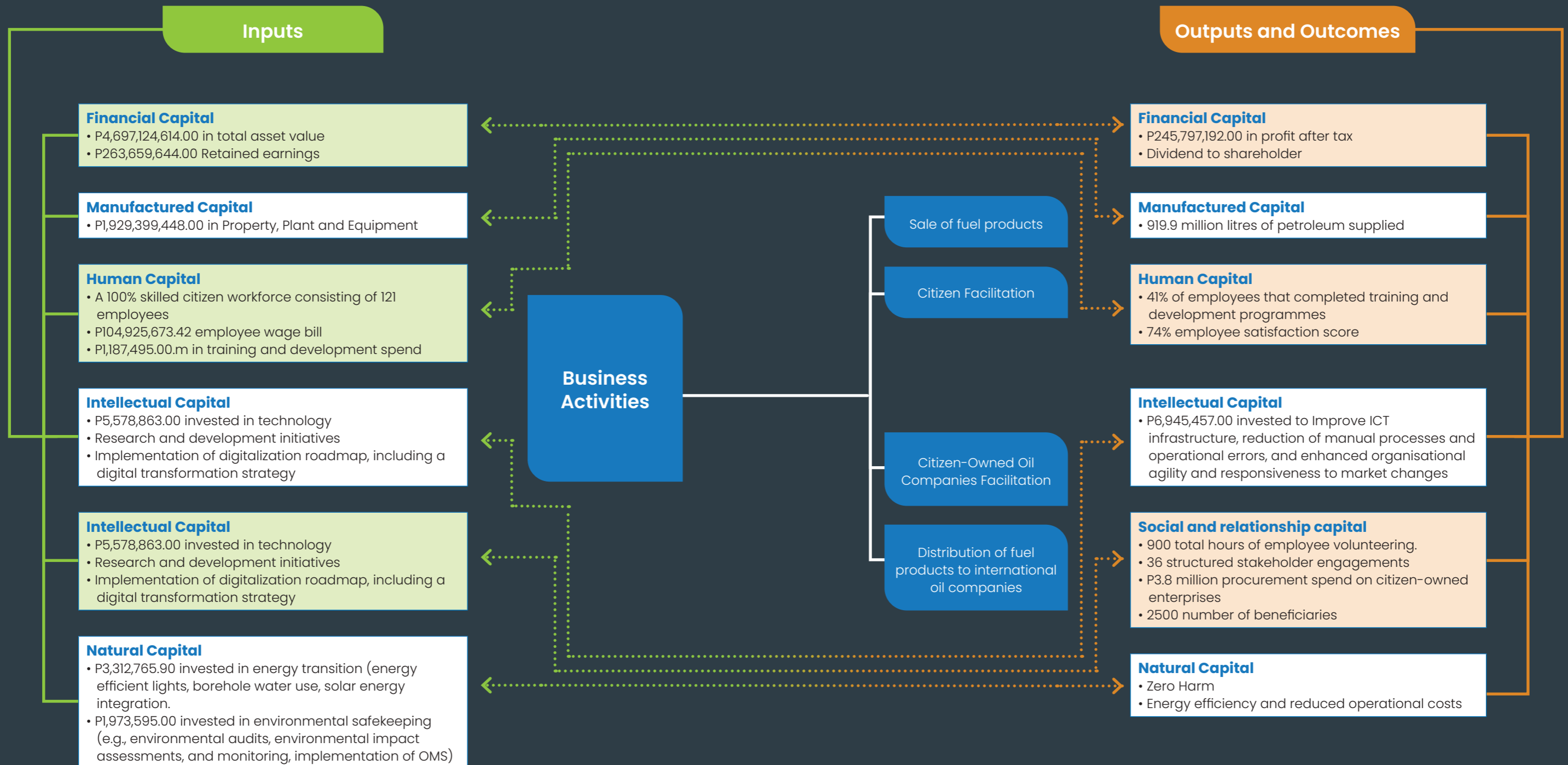


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# Value Creation Model

To put a sentence that correlates with the theme of the report to explain the value creation model.



# Performance by Capital

## Financial Capital

Our financial capital represents the monetary assets available to the company to support its operations, growth, and value creation. At Botswana Oil, prudent financial management remains a priority as we work to strengthen profitability, maintain cost efficiency, and ensure long-term sustainability. The effective allocation of financial capital allows us to meet our obligations and deliver value to our stakeholders.



## Manufactured Capital

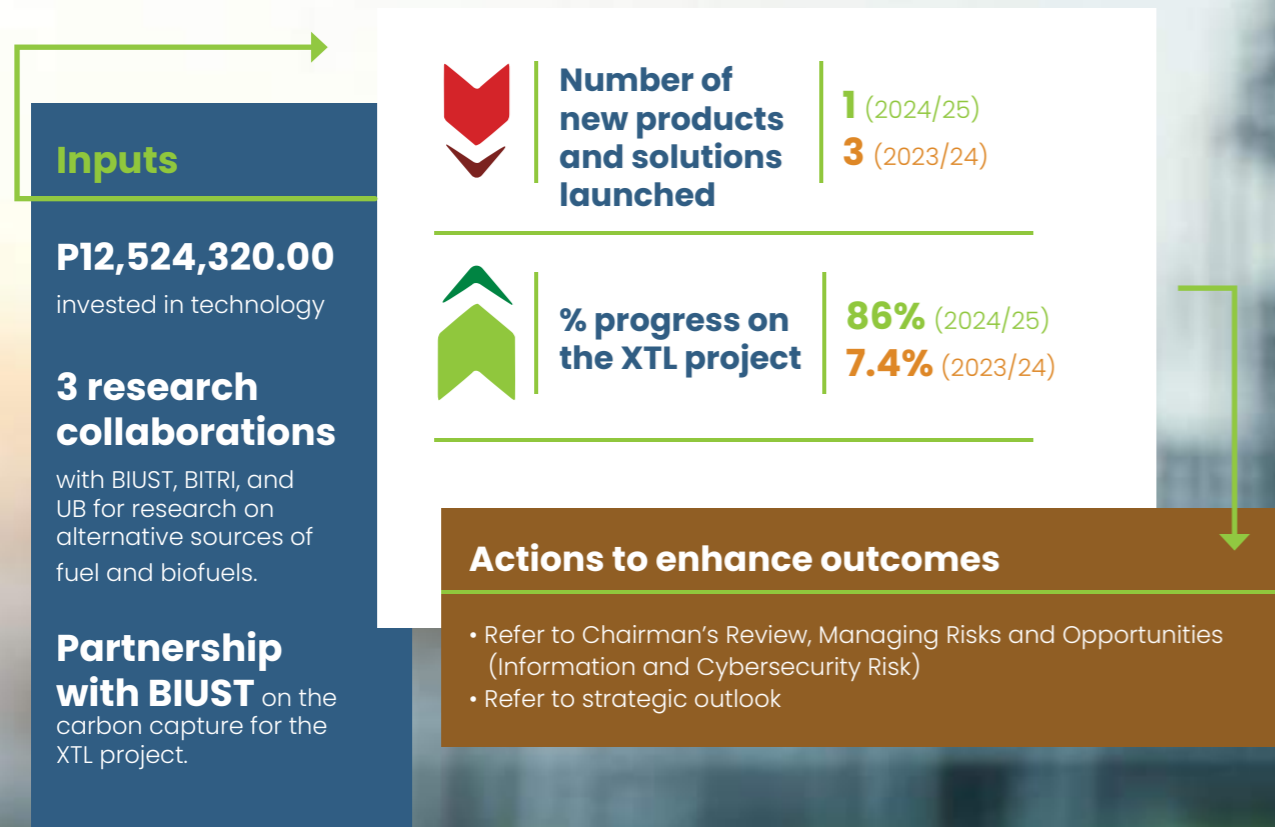
Our manufactured capital refers to the physical infrastructure and assets that enable us to deliver on our mandate of ensuring national fuel security. This includes our network of strategic storage facilities, fuel depots, transport assets, and other related operational infrastructure. These assets are central to our ability to efficiently source, store, and distribute petroleum products nationwide. Throughout the course of the year, we continued to invest in maintaining and upgrading this infrastructure to improve capacity, resilience, and operational efficiency. Manufactured capital remains a key enabler of our long-term strategy, supporting supply continuity, expanding market reach, and ensuring alignment with national energy priorities.



# Performance by Capital (Continued)

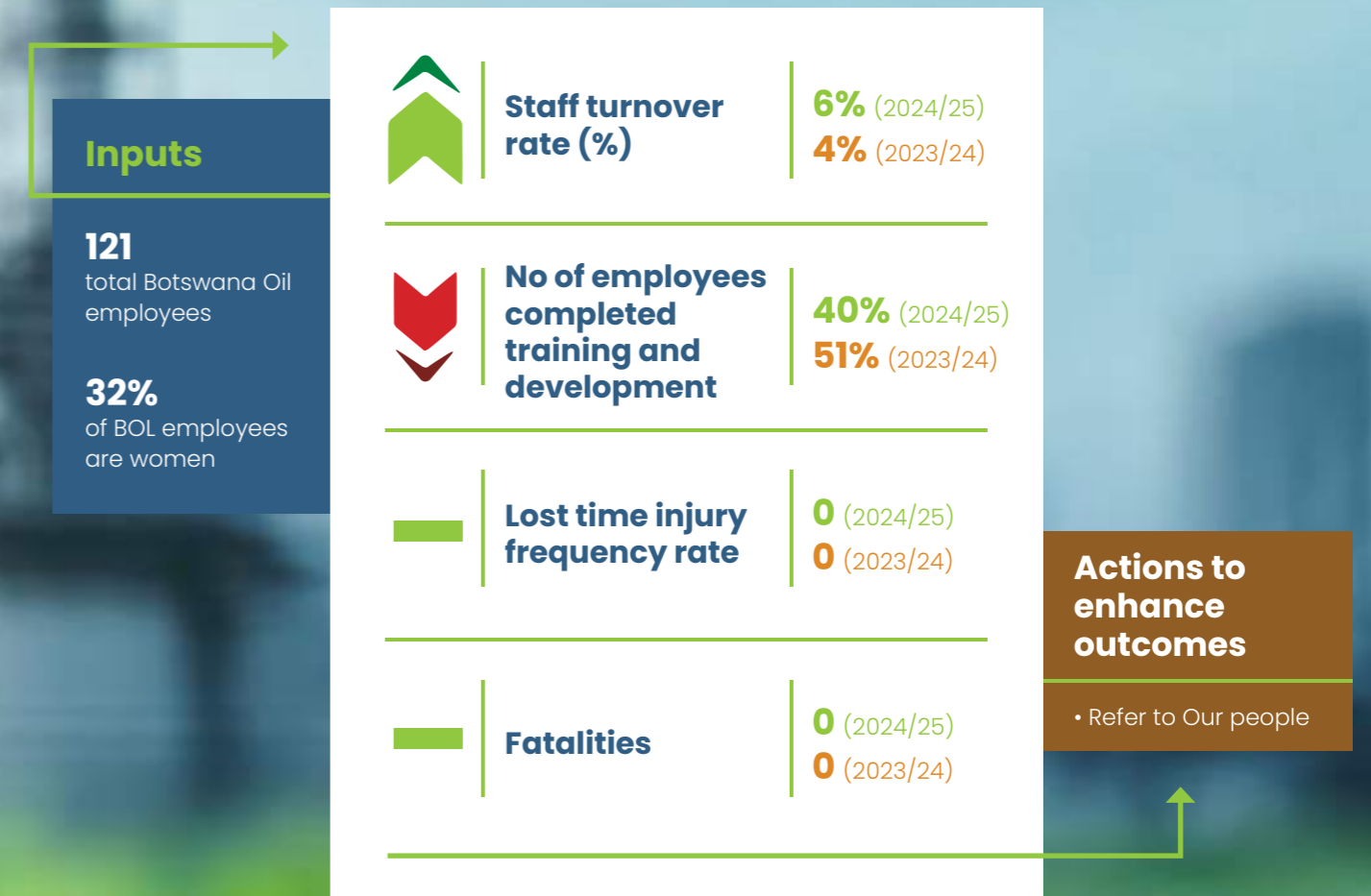
## Intellectual Capital

Our intellectual capital encompasses the systems, processes, industry knowledge, institutional memory, and proprietary information that drive innovation, operational excellence, and strategic decision making. This includes our policies, standard operating procedures, compliance frameworks, and market intelligence capabilities that support effective governance and risk management. We continue strengthening this capital through continuous learning and digital system enhancements that ensure business continuity and efficiency. As we expand our mandate and operational scope, intellectual capital remains critical to maintaining institutional integrity, supporting transformation initiatives, and positioning the company as a capable and forward-thinking national energy provider.



## Human Capital

Our human capital represents the collective skills, experience, values and commitment of our employees who drive the success of our operations and strategic objectives. As a key driver of organisational performance, we place strong emphasis on the continuous development, well-being and empowerment of our workforce through targeted training and development programmes, performance management systems and wellness initiatives designed to enhance employee engagement, productivity, and resilience. In the reporting period, we focused on building internal capacity to support our expanded mandate and infrastructure growth projects. We continue to invest in creating a high-performance culture that values inclusivity, citizen participation and leadership development. Human capital remains central to our ability to deliver value, innovate and respond to the dynamic needs of the energy sector.



# Performance by Capital (Continued)

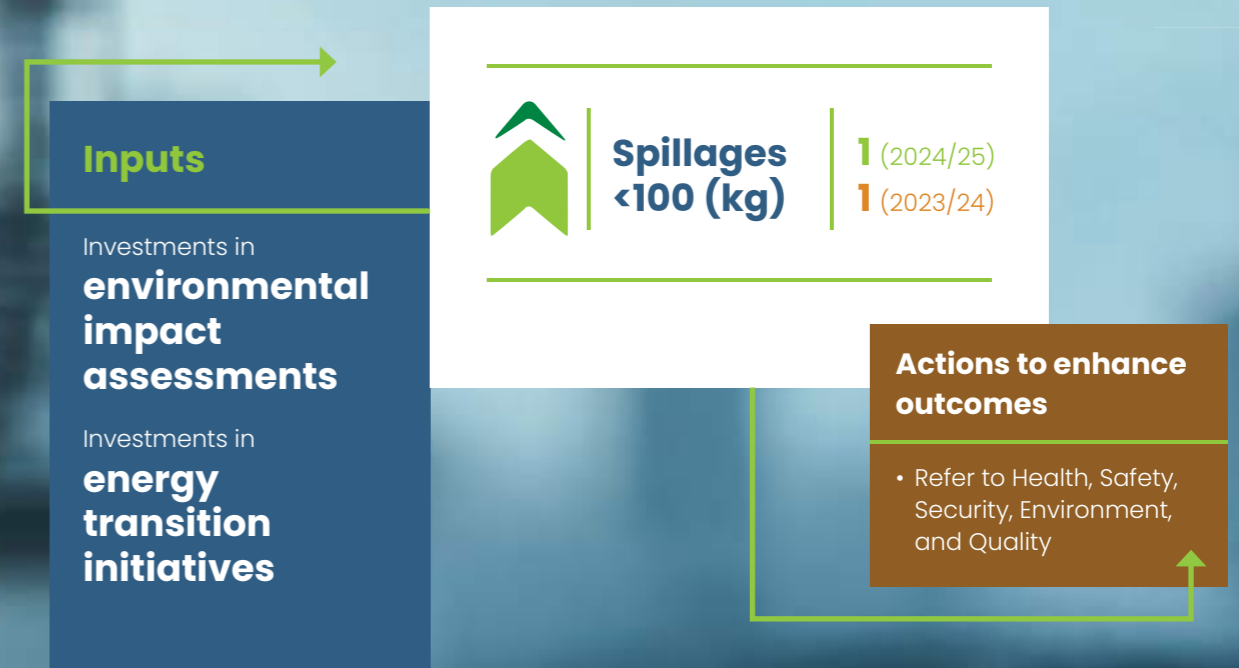
## Social and Relationship Capital

Our social and relationship capital reflects the strength of our connections with stakeholders. These relationships are essential to delivering on our mandate and maintaining our social license to operate. We actively engage with stakeholders through structured consultations, collaborative initiatives, and transparent communication, ensuring alignment with national priorities and mutual value creation. Over the reporting cycle, we strengthened partnerships that support fuel security, citizen empowerment, and economic inclusion, while continuing to invest in community development and corporate social responsibility initiatives. These relationships not only build trust but also enhance our reputation and support long-term business resilience.



## Natural Capital

Our natural capital refers to the environmental resources and ecosystems that support and are impacted by our operations, including land, water, air, and non-renewable energy sources. As BOL, we acknowledge our responsibility to minimise environmental impact and promote sustainable practices across the value chain. This includes complying with environmental regulations, implementing pollution prevention measures, and exploring cleaner, alternative energy solutions. For the reporting period, we continued to monitor our environmental footprint and integrated sustainability considerations into infrastructure development and supply chain operations. Protecting the natural capital is fundamental to ensuring long-term energy security, community wellbeing, and environmental stewardship.



# Engagements with Stakeholders

The company recognises the importance of effective relationship management in fulfilling the mandate. We are committed to fostering and leveraging strong partnerships to achieve our strategic objectives. This involves ensuring that all stakeholders understand the significance of our initiatives and their respective roles in supporting their successful delivery. By maintaining open communication and ongoing engagement, we promote operational efficiency and a reliable stakeholder network, thereby laying the groundwork for long-term, sustainable success.

## Our Stakeholders



### Government and Regulatory Bodies

- Botswana Energy Regulatory Authority (BERA)
- Botswana Accountancy Oversight Authority (BAOA)
- Cabinet ministries and departments (Ministry of Minerals and Energy, Ministry of Finance)
- Authorities
- The Board



### Customers

- International Oil Companies (IOCs)
- Oil Marketing Companies (OMCs)
- Citizen Owned Oil Companies (COOCs)
- Government and government agencies



### Media

- Print media (newspapers, magazines, publications)
- Radio stations for interviews
- Television for interviews on topical issues



### Strategic partners

- Sasol
- PetroSA
- Namcor



### Employees

- 118 employees, 100% Citizen Workforce



### Communities

- Communities that we have embraced as part of our social commitment,



## Legend

Level of engagement	Description	Engagement characteristics
	(Inform): Low- One way communication	Stakeholders are only kept informed through reports, announcements, or public notices. Little or no feedback is sought.
	(Consult): Basic- Feedback sought	Stakeholders are consulted through surveys or meetings, but their input has limited influence on decisions.
	(Involve): Moderate- Active participation	Stakeholders are engaged regularly. Their input is considered and may influence planning and implementation.
	(Collaborate): Advanced- Joint problem solving	Stakeholders are treated as partners. There is continuous dialogue, and decisions are shaped jointly.
	(Empower): High- Shared decision making	Stakeholders have ownership or decision-making power in areas affecting them (e.g., co-design of projects or policies).



## Customers

Our customers represent a fundamental cornerstone of our long-term success and sustainability as Botswana Oil. By proactively understanding and addressing their needs, we are positioned to deliver consistent and reliable energy solutions that support both national economic development and the everyday needs of citizens. This customer-centric approach enhances service delivery, builds stakeholder trust, and reinforces our role as a key enabler of fuel security in Botswana.

### How we engage

- Meetings, letters, emails and contracts
- Seminars
- Exhibitions
- Meetings with the Debswana Managing Director and General Managers for Jwaneng and Orapa, Letlhakane, and Damtshaa (OLDM) Mines.

### Stakeholders' needs and interests

- Renewed strategic partnership (contracts)
- Fulfilment of obligations to supply fuel as per contract.

### Our response

In the first quarter, we held an association meeting of International Oil Companies (IOCs) to discuss the implementation of the 90% import mandate supply volumes, contracts, and logistics.

On 3 October 2024, we launched the 90% import mandate and citizen transporters contracted for the Debswana partnership for the delivery of fuel.

We exhibited at the Botswana Consumer Fair from 26 August to 1 September 2024 and the Botswana Pavilion at the 2025 Mining Indaba to raise awareness about the 90% import mandate, promote the Citizen Economic Empowerment Programme (CEEP), and showcase our product and service offerings, quality standards, and ongoing service innovations.

We published our first Integrated Annual Report for the 2023/24 reporting period to provide our customers with a comprehensive view of our financial and non-financial performance.

Our ExCo visited the Debswana, Jwaneng Mine ExCo for discussions and updates on the mine's contract, performance, future plans as well as CSR and possible partnership opportunities. In addition, the ExCo visited the Botswana Oil Site in the blue area to appreciate its operations and conduct inspections of the area.

We purchased and installed iPads at the Head Office and the Grand Union for customer service measurement. This initiative was to expand the point of contact for customers to share BOL updates, information, and engaged ICT to provide a solution.

### Value Created for Stakeholders

- Fulfilled all contractual obligations despite market challenges.
- Constant dialogue facilitated in the form of meetings, seminars and exhibitions helped our customers align with the shift imposed by the import mandate.

### Level of engagement



## Government and Regulatory Bodies

Our regulatory universe is an essential collaboration in our sustained success and development. By actively engaging with and responding to their policies and requirements, we ensure compliance, foster collaborative relationships, and contribute effectively to national developmental goals. This partnership strengthens governance, supports regulatory frameworks, and reinforces our commitment to upholding fuel security and sustainable energy provision in Botswana.

### How we engage

- Meetings with supporting documentation
- Use scheduled board meetings and engagement
- Engagement meetings

### Stakeholders' needs and interests

- Policy alignment and Compliance
- Efficient management of state-owned assets
- Security of fuel supply
- Strong governance and accountability

### Our response

The Botswana Regulatory Authority (BERA) issued us the 90% import mandate license on 1 April 2024.

Hon Minister Moagi paid a courtesy visit to appreciate the Francistown Depot Expansion Project, which was hosted by the Board Chair and the Projects and Security of Supply Committee (PASS). He also officially opened the Francistown Depot Gantry for loading and offloading by road.

Our ExCo met with the newly appointed Minister of Minerals and Energy, Hon Minister Kenewendo and her leadership team to present on our mandate, value proposition, and beneficiation programmes through the CEEP.

Our gantry was launched on 10 October 2024 and is fully operational.

### Value Created for Stakeholders

- Industry and economic growth.
- Economic empowerment through the Citizen Economic Empowerment Programme (CEEP)

### Level of engagement





## Strategic Partners

We actively engage with key supply partners to strengthen relationships and secure commitments that support our operational goals. These engagements are aimed at reinforcing collaboration and negotiating increased volumes of petroleum products sourced from these partners. Strengthening such ties is essential to ensuring a stable and diversified supply chain, which directly supports our strategic objectives.

### How we engage

- Meetings
- Contract revisions

### Stakeholders' needs and interests

- Strategic alignment
- Commercial viability
- Operational efficiency

### Our response

Published an integrated annual report so our strategic partners have insight into our financial and non-financial performance

### Value Created for Stakeholders

- Increased business volumes for the strategic partners as the company now sources a significantly larger share of the country's fuel requirements.
- Long-term commercial opportunities through sustained supply agreements.

### Level of engagement



## Employees

We are committed to fostering a high-performance culture and positioning ourselves as one of Botswana's most sought-after employers. By cultivating an environment that rewards excellence, innovation, and professional development, we aim to attract, engage, and retain top talent. This focus not only enhances our strategic objective of being a high performing organisation but also drives sustainable growth and reinforces our ability to fulfil our national energy mandate by having an efficient and performing workforce.

### How we engage

- Employee engagement surveys
- Employee wellbeing and wellness days.
- HSSEQ Days

### Stakeholders' needs and interests

- Job security
- Fair compensation and benefits
- Career development and growth opportunities
- Safe and healthy working conditions
- Health and wellness

### Our response

- Activity plans were circulated to notify staff of the upcoming April-June 2024 events and activities.
- The complaints management policy was developed and submitted to the board for consideration.
- Service standards and charter were developed and presented to the Board and approved.
- Marketing processes and procedures have been developed and reviewed by the HSSEQ.
- The Brand Ambassadors Committee named Oil gems were introduced to the BOL team at the Lekgotla meeting held in July 2024.

### Value Created for Stakeholders

- Industry and economic growth.
- Economic empowerment through the Citizen Economic Empowerment Programme (CEEP)

### Level of engagement





## Media

We have built strategic relationships with various media houses to effectively communicate with both internal and external audiences. These partnerships play a critical role in sharing information related to our mandate, projects, corporate social investment (CSI), and sustainability initiatives. Leveraging media platforms enhances our visibility, strengthens public understanding of our work, and reinforces brand awareness and association. This proactive communication approach supports transparency, stakeholder engagement, and our overall reputation in the market.

### How we engage

- How we engage
- Press conferences
- Response to media questionnaires
- Press release and publications
- Television Interviews
- Radio interviews

### Stakeholders' needs and interests

- Stakeholders' needs and interests
- Transparency and openness.
- Access to timely, accurate information.

### Our response

- Our CEO, Mr Meshack Tshakedi, appeared on Botswana Television to discuss Botswana's Strategic Vision on Energy Solutions, focusing on the coal-to-liquids project.
- Botswana Oil was covered in the Noble magazine featuring the Future on Mining Summit presentations and panel discussions.
- On 4 November 2024, our CEO appeared on the EYE television show and was interviewed by Botswana Television. The interview focused on the ULP 93 supply availability and the importance of the import mandate.
- We had an engagement with the media to inform them of the progress of the import mandate since implementation, ULP 93 discontinuation, and CEEP opportunities in the oil and gas value chain

### Value Created for Stakeholders

- Regular updates allowed the media to report factually and promptly on our company activities, reducing misinformation and improving public trust, which promoted access to accurate and timely information.
- Briefings, press releases, and Q&A sessions helped the media gain a deeper understanding of our mandate, projects, and impact, enabling more nuanced and informative coverage and ensuring alignment with public interests.

### Level of engagement



## Communities

Our communities are a vital stakeholder as they are directly impacted by our operations and are key partners in achieving long-term sustainability. Their support and trust contribute to our social license to operate, especially in areas where our infrastructure projects, fuel distribution, or strategic projects are developed. By engaging with and investing in communities, the company helps create shared value through job creation, skills development, and social investment initiatives.

### How we engage

- How we engage
- Meetings
- Exhibitions

### Stakeholders' needs and interests

- Capacity building programmes, technical training and youth empowerment initiatives.
- Regular consultation and open communication to address concerns, provide updates and ensure transparency.
- Responsible use of natural resources and mitigation of pollution or land degradation, especially in project areas
- Community investment.

### Our response

- We visited Lephephe Primary School to attend the school excellence Awards for the Class of 2023 and met with the school headmaster for a needs assessment.
- On 26 June 2024, we provided the Kgatleng District Council with a progress update on the Tshele Hills Project CEEP and CSR Initiatives.
- Community development activities included painting classrooms at Mopipi Primary School project in Orapa and participating in Hika la Ngwanyana Cultural Festival on 20 April 2024.
- We exhibited at the Ghanzi Show and contributed towards fencing of the show ground fields.
- We visited Dikgonnye Primary School and met with the school principal and department heads to conduct a needs analysis and contributed a multi-functional printer and clothes for the co

### Value Created for Stakeholders

- Corporate social investment projects in education and community infrastructure that address the pressing social needs.
- Community engagement and stakeholder inclusion, ensuring that local voices are heard in key decisions affecting them.

### Level of engagement



# Strategic Insights

## Fuelling strategic decisions: Our material matters

Our material matters are the key issues that have a significant impact on our ability to create and sustain value over the short, medium, and long term. Our key role as the national oil company of Botswana, is to ensure the fulfilment of our mandate. Read more on Our Mandate and Strategic Focus. In fulfilling this mandate, it is essential for us to determine our material matters. This process involves identifying and prioritising key risks, opportunities, and areas of stakeholder concern that influence our strategy, performance, and long-term sustainability. By understanding what matters most, we are better equipped to allocate resources effectively, respond proactively to change, and maintain our role as a trusted, reliable and responsible fuel provider.

### Materiality Determination Process

This reporting year, our executive and senior management underwent a double materiality workshop to revalidate our material matters topics for inclusion into the integrated report, this exercise enabled alignment with our strategic focus, stakeholder expectations, and concerns. In addition, we used industry trends and global developments and applied a four-way approach to our determination which was to review, identify potential material matters, assess impact, relevance, and prioritise material issues.



#### Review

Our Exco and Senior Management reviewed our previous period material matters to ensure they were relevant and aligned with our business priorities.



#### Identify Potential Material Matters

Identified a comprehensive list of material matter topics based on internal and external sources.



#### Assess impact and relevance

Evaluated each issue based on potential impact on the company's ability to create value, relevance and stakeholders and link to strategic goals and long term performance.

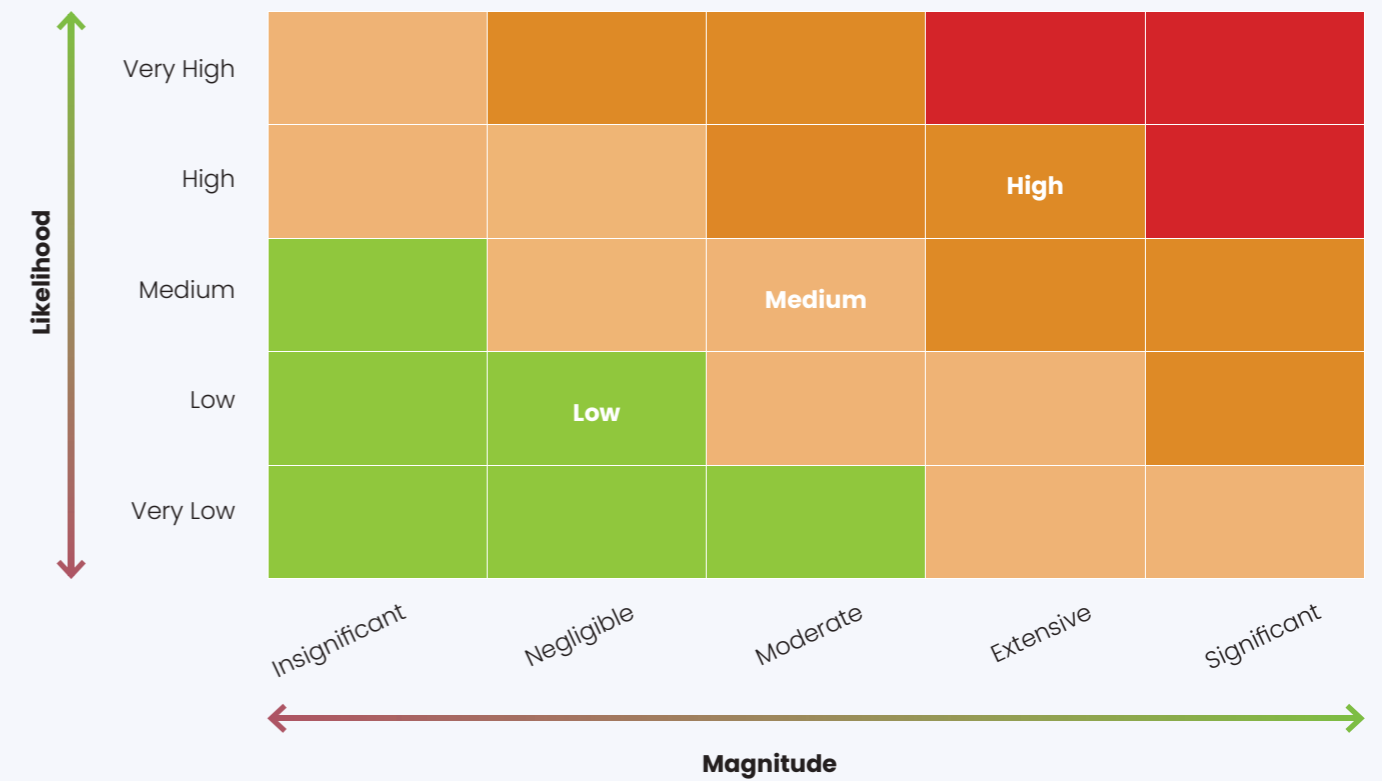


#### Prioritise material issues

Plotted issues on a materiality matrix (impact vs financial materiality) to identify the most critical matters that should inform strategy and reporting.

# Materiality Analysis

Following the revalidation exercise, five of the material topics identified in 2023/24 remain relevant to our company. As we continued assessing our business approach and stakeholders' priorities, we renamed two material matters and added a new topic to reflect the significance of impact and its importance.



Material Matter	Scoring
90% import mandate: Achieving fuel security	6.5
Citizen Economic Empowerment Programme	5.2
ESG & Sustainability	5.2
Operational Resilience	4.9
Strategic Projects	4.3
Relationship with Stakeholders	4.0

# Materiality Analysis (Continued)

## 90% Import Mandate: Achieving Fuel Security

Effective 1 April 2024, we commenced the implementation of the 90% import mandate license marking a significant transition from the previous 50% import allocation. As the backbone of fuel importation, achieving fuel security as a company is critically important as it ensures and allows for uninterrupted delivery of essential economic activities.

### Internal impacts of the material matter

Managing a larger share of the national fuel import ratio requires scaling up operational capacity, including logistics, digital tools, human resources, infrastructure, and supply chain coordination.

The shift necessitates a review and realignment of internal strategies, processes, and key performance indicators to ensure alignment with the increased mandate and stakeholder expectations.

The transition requires a cultural shift within the organisation to embrace new roles, responsibilities, and performance expectations, necessitating change management and internal communication efforts.

### External impacts of the material matter

Consolidation of fuel imports under Botswana Oil induces a system of accountability and responsibility for fuel importation, which better positions the country to ensure a consistent and reliable supply, reducing the risk of stockouts and improving resilience to global supply disruptions

A centralised import system can help stabilise fuel prices and availability, benefiting consumers, businesses, and public services by reducing volatility and uncertainty in the market.

Increased fuel movement and storage raise environmental risks (e.g., emissions, spillages, storage safety), prompting the need for environmental safeguarding and monitoring.

Greater responsibility comes with heightened public and stakeholder scrutiny. Citizens and oversight bodies will expect transparency, efficiency, and accountability in how Botswana Oil manages this expanded mandate.

### Our response to protect value

- We expand and develop fuel depots to handle the increased import volumes efficiently.
- We partnered with and empowered citizen-owned transporters to meet haulage needs while promoting local economic participation.
- We implement strong governance, compliance and risk management frameworks to support transparency and resilience in operations.
- We implemented a culture change programme to ensure a culture and mindset shift. Read more on Our People.

### Strategic Response



### Stakeholders interested in this matter



### Capitals impacted

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Social and Relationship Capital
- Human Capital

## Citizen Economic Empowerment Programme

For the reporting year, we continued with the CEEP and launched citizen transporters who were engaged as part of our partnership with Debswana aimed at strengthening citizen inclusion in the oil and gas value chain. This is achieved through initiatives aimed at ensuring meaningful participation to facilitate growth and sustainability of citizen entities in the economy.

It includes capacity building workshops, supplier development programmes for citizen-owned companies, citizen-owned enterprise development programmes, value chain development, stakeholder engagement with financial institutions, original equipment manufacturers and others.

### Internal impacts of the material matter

Implementing CEEP requires aligning internal strategies, budgets, and operational plans to support citizen participation. This may involve prioritising local suppliers, service providers, and contractors and integrating empowerment targets into procurement and project plans.

Strong governance and oversight are required to monitor CEEP implementation, track impact, and ensure compliance.

### External impacts of the material matter

CEEP promotes citizen-owned businesses' participation in the oil and gas value chain, leading to increased entrepreneurship, local business growth, and job creation.

Demonstrating a commitment to local empowerment enhances public trust and community goodwill, reinforcing the company's social license to operate and reducing social resistance or criticism.

### Our response to protect value

- Create capacity-building and workshop opportunities for citizen entrepreneurs
- Facilitate access to funding for citizen-owned businesses
- Set up transparent tendering and procurement systems that prioritise local participation while ensuring fairness and quality.

### Strategic Response



### Stakeholders interested in this matter



### Capitals impacted

- Social and relationship capital

# Materiality Analysis (Continued)

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- We implemented a culture change programme to ensure a culture and mindset shift. Read more on Our People.

### Strategic Response

### Stakeholders interested in this matter



### Capitals impacted

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Social and Relationship
- Human Capital

## ESG and Sustainability

Given the integral role that Environmental, Social, and Governance (ESG) principles assume within our operational framework and long-term strategic planning, we approach such matters with utmost seriousness. These principles are seamlessly integrated into our daily operations to ensure that we function efficiently and sustainably. Currently, we are in the process of developing a comprehensive ESG strategy focused on minimizing our environmental impact through the adoption of sustainable practices, including emissions reduction, effective waste management, and natural resource conservation.

### Internal impacts of the material matter

ESG considerations enhance risk management by identifying and mitigating environmental, social, and ethical risks that could impact the company's reputation, operations, and financial performance.

Environmental goals such as reducing emissions, engaging in water-conscious activities, managing waste, and adopting energy-efficient practices improve resource efficiency and encourage innovation and the adoption of more efficient technologies and processes across the value chain.

Sustainability would drive the need for a stronger internal governance mechanism, including ESG oversight at the board and executive levels, policy development, and compliance tracking.

### External impacts of the material matter

ESG is a growing focus in investment and partnership decisions. Responsible practices can attract sustainability-minded investors and strengthen relationships with development partners.

Strong sustainability practices contribute to positive social outcomes such as local development, environmental stewardship, and ethical engagement. They also enhance our license to operate, reducing the risk of public opposition or social unrest.

Increasing national and international focus on climate change and social responsibility has led to evolving environmental regulations and governance standards. A robust ESG approach ensures alignment with current and future regulations.

### Our response to protect value

- Strengthen HSSEQ standards across operations, ensuring compliance with local and international ESG regulations.
- Engage communities and stakeholders proactively, supporting social investment and ensuring operational activities respect environmental and cultural heritage zones.
- On the process of implementing an ESG strategy.

### Strategic Response



### Stakeholders interested in this matter



### Capitals impacted

- Natural Capital

# Materiality Analysis (Continued)

## Operational resilience

With strides towards operational resilience, we have embarked on a journey to strengthen our ability to withstand, adapt to, and recover from disruptive events.

### Internal impacts of the material matter

Ensuring uninterrupted operations helps us to maintain revenue streams and reduces our financial losses due to operational disruptions, mitigating unforeseen expenditure and contributing to better financial planning and resource allocation.

A resilient operational framework can boost employee confidence and morale, as staff are assured that the company is well-prepared to handle disruptions and maintain continuity.

### External impacts of the material matter

Demonstrating operational resilience enhances the market's confidence in BOL's ability to manage risks and disruptions. This can positively influence investor sentiment and stakeholder perceptions of the company's stability and reliability.

Operational resilience can minimise downtime caused by disruptions to ensure continuous service delivery, reducing economic disruptions.

Our ability to handle disruptions effectively can demonstrate compliance to our regulators and build trust with our clients, customers, and suppliers through a more stable demand and supply of fuel, thus fostering strengthened relationships and collaboration.

### Our response to protect value

- Diversify fuel supply and routes to reduce dependence on a single corridor and mitigate risks from regional disruptions

### Strategic Response



### Stakeholders interested in this matter



### Capitals impacted

- Intellectual Capital
- Social and relationship capital

## Strategic projects

We are involved in several strategic infrastructure projects, including the Francistown Depot expansion, Ghanzi Depot construction, Tshele Hills Depots, and the prospective XTL Coal-to-Liquid project. Projects that are integral to advancing our mandate of ensuring national fuel security and supporting Botswana's broader economic development objectives.

### Internal impacts of the material matter

Comprehensive risk management is required internally for the company to identify and manage project risks, ranging from environmental compliance to construction delays.

The XTL initiative introduces the need for advanced technological solutions and innovation within the company, prompting internal research, feasibility studies, and knowledge development to assess viability, execution, and environmental impact.

Implementing these initiatives necessitates new technical skills and specialised knowledge across departments. This requires investment in employee upskilling, recruitment of subject matter experts, and building institutional capacity.

### External impacts of the material matter

The development of strategic fuel storage depots increases the country's days cover or the capacity to maintain fuel reserves, ensuring and maintaining fuel reserves, and improving resilience against global supply disruptions.

### Our response to protect value

- Prioritize completion of infrastructure development projects to strengthen national energy security.

### Strategic Response



### Stakeholders interested in this matter



### Capitals impacted

- Manufactured Capital
- Financial Capital

# Materiality Analysis (Continued)

## Relations with stakeholders

Our relationships with our stakeholders directly influence our ability to operate effectively, maintain trust, and deliver long-term value. For Botswana Oil, in particular, strong stakeholder relationships are essential to fulfilling our mandate, managing risks, and aligning with national priorities.

### Internal impacts of the material matter

Strong stakeholder relationships provide valuable insights into public expectations, regulatory requirements, and market needs. Internally, this allows management to make better-informed, responsive decisions that align with strategic objectives and stakeholder priorities.

Engaging effectively with stakeholders requires collaboration across internal departments, encouraging a more integrated, aligned approach to managing external relationships and responding to stakeholder needs.

By maintaining open communication with key stakeholders, we are better positioned to anticipate change, manage reputational risks, and swiftly adjust internal plans or priorities.

### External impacts of the material matter

Positive engagements with the public, customers, and civil society enhance the company's reputation, making it more resilient in times of crisis or public scrutiny, and positioning it as a responsible and accountable national asset.

Strong stakeholder networks, especially with regional and international partners, open access to trade, technical expertise, and market opportunities that drive business growth.

Strong relationships with government and regulators promote mutual understanding and cooperation, enabling smoother policy implementation and more proactive compliance with changing legal frameworks.

## Our response to protect value

- Maintain open and consistent communication with key stakeholders
- Promote stakeholder education and capacity building through training, awareness campaigns, and joint sustainability initiatives.

### Strategic Response



### Stakeholders interested in this matter



### Capitals impacted

- Social and relationship capital

“  
Transforming the Industry  
through the Import Mandate  
”



**BOTSWANA OIL**  
Your Fuel. Your Future

# Managing our Risks and Opportunities

## Enterprise Risk Management

A robust risk management process is essential to the successful delivery of our strategic and operational objectives, especially given the current economic volatility and evolving business landscape. The inclusion of the Debswana business into our operations introduced new risk considerations that needed to be factored into our budgeting process. Additionally, with the expansion of our business through the implementation of the import mandate, our budgeting approach was adapted to ensure adequate resourcing for mitigating associated increased volumes import-related risks.

As a company, we acknowledge that risk is intrinsic to the oil and gas industry and that a balance must be struck between managing risks and exploiting opportunities. Such opportunities undergo the risk management process to ensure compliance with our risk appetite and provide for risk response plans.

Our ExCo, facilitated by our senior management, support our risk management philosophy by promoting compliance with our risk appetite through identifying, assessing, and managing risks within their areas of responsibility, consistent with risk appetite and tolerances; and by overseeing the implementation of risk reduction measures and appropriate internal controls.

## Our Enterprise Risk Management (ERM) Process

Our risk management approach is guided by the principles of ISO 31000:2018 and the King IV Code on Corporate Governance. This systematic framework supports proactive identification, evaluation, mitigation, and continuous monitoring of risks, ensuring that potential threats to the organisation are effectively anticipated and managed.

## Our Key Risks

For the 2024/25 reporting period, the strategic risk register comprised fourteen priority risks that were actively monitored and reported on a quarterly basis. These key risks, which reflect areas with potential impact on the company's ability to deliver its mandate, are outlined below:

1. Failure to meet market demand
2. Failure of HSSEQ Management Systems
3. Failure to maintain adequate strategic stocks
4. Failure to align and meet the expectations of key stakeholders
5. Information and cybersecurity
6. Insufficient margin to cover the budget operational costs
7. Failure to deliver strategic projects
8. Inability to attract and retain talent
9. Inability to meet gross margin growth
10. Business operations inefficiency
11. Counterparty risk
12. Governance, risk, and compliance
13. Inability to generate new revenue streams
14. Failure to facilitate citizen companies' participation

## Failure to meet market demand

This is the risk that BOL may be unable to supply the required volumes of petroleum products as per existing contracts or market expectations.

### Contributing Factors

- Failure to accurately forecast demand.
- Lack of enforcement of import regulations by BERA.
- Inadequate logistics to fulfil volume demand
- Outdated regulated pricing structure
- Constricted global and regional supply

### Key mitigating actions

- Demand and supply forecasting is conducted manually to ensure precision and reliability.
- Regulations are put in place and adhered to.
- An adequate rail and road combination of logistics has been rolled out.
- BOL continues to engage BERA and the Department of Energy DOE on including alternative routes in Botswana's pricing slate, including getting prior approval from alternative sources.
- Term contracts with Sasol and proactive monthly sourcing plans with suppliers from alternative routes.
- Implemented a logistics readiness plan.

### Outlook

- Procurement of a logistics planning tool
- Continuous monitoring, testing, and optimization of sourcing and logistics plans
- Firm up contracts with alternative route suppliers in time for the implementation of the import mandate

## Failure of HSSEQ Management Systems

The possibility that our HSSEQ systems may fail, leading to serious HSSEQ incidents and Business Disruptions / Interruptions.

### Contributing Factors

Failure of HSSEQ management system controls. Non-adherence to policies, processes, and standard operating procedures (SOP) and best practices. Lack of Crisis management & Business continuity Framework. Unsafe acts and conditions around BOL operations.

### Key mitigating actions

Implementation of HSSEQ Management systems and controls. Regular HSSEQ Monitoring and reporting of HSSEQ performance. Emergency Response Plan has been developed and implemented. Asset integrity maintained. Construction of additional storage facilities to provide alternatives and redundancy.

### Outlook

Develop the crisis management and business continuity framework. Conduct annual HSSEQ Audit Plans to evaluate the effectiveness of HSSEQ management systems. Perform regular tests of emergency, crisis, and business continuity plans. Implement HSSEQ Management System (MS) to achieve ISO Certification.

# Managing our risks and opportunities (Continued)

## Failure to maintain adequate strategic stocks

The risk that strategic stock reserves will be insufficient, as outlined in the contract

### Contributing Factors

- Inadequate strategic reserve storage capacity
- Inadequate funding for strategic stock (coastal stock and storage)
- Supply disruption from source (Reliance on one supplier-RSA)
- Delays in the execution of strategic projects
- Utilization of strategic reserves for commercial operations

### Key mitigating actions

- Regular monitoring, reporting, and responding to market trends that may disrupt supply.
- Regular shareholder engagement on adequate funding for the procurement of coastal strategic stock and storage
- Optimal diversified sources of supply

### Outlook

- BOL to source funding from the National Petroleum Fund to facilitate funding of strategic reserves as and when required.
- Deliver infrastructure projects on schedule
- Conclude throughput arrangements from various suppliers at the cost/contact storage to receive own shipment from the source.

## Failure to align and meet the expectations of key stakeholders

The risk that BOL may fail to align and meet stakeholders' expectations through the delivery of the mandate

### Contributing Factors

- Misalignment with the BOL mandate
- Poor strategy execution
- Unfavourable market dynamics
- External dependencies - third-party entities not facilitating BOL

### Key mitigating actions

- Shareholder contract has been signed
- There is board buy-in on the annual strategy, and a review is conducted.
- Continuously monitor product pricing to maintain business sustainability
- Continuous engagements on those key enablers and escalations, where necessary

### Outlook

- Quarterly engagements with the Board to appraise them of the development and seek guidance
- Monitoring and reporting on performance quarterly to the Board
- Implementation of the supply strategy
- Implementation of the stakeholder management plan

## Information and Cybersecurity

The risk that BOL may not be adequately prepared for ICT-related attacks

### Contributing Factors

- Technology vulnerability gaps
- Lack of a business continuity framework
- Lack of capacity to implement the ICT Governance and Management Framework

### Key mitigating actions

- The ICT Security Framework and Policy are being implemented
- ICT security monitoring and alerting tools are in place
- Continuous Vulnerability Assessment & Penetration Tests are conducted
- The ICT Governance and management framework has been developed

### Outlook

- Implement recommendations of the ICT Security Framework, including governance and management framework.
- Regular system updates are conducted to counter attacks
- Conduct bi-annual penetration tests and implement recommendations
- Regular technical training for ICT personnel on cybersecurity
- End-user awareness training on information security and cybersecurity.

## Insufficient margins to cover budgeted operational costs

There is a risk that BOL may not achieve its target gross margin and that the supply margin earned may not be adequate to meet operational costs, leading to BOL not meeting its profitability targets.

### Contributing Factors

- Adverse movement of prices on stock movements
- Adverse international crude oil price fluctuations
- Foreign Exchange Fluctuations
- The current Botswana slate (pricing structure) does not have allowance for supply margin
- Absence of approved import mandate regulations
- Unreliable fuel supply from South Africa and Namibia
- Lack of regulated pricing for alternative routes
- Lack of regulations for the import license, leading to a lack of a firm mandate

### Key mitigating actions

- Negotiating favourable prices of the product (effective sourcing of the product)
- Forward hedging: Daily purchases of ZAR currency to smooth out fluctuations and thus exposure
- Management is engaging IOCs on the procurement of 10% of the market demand
- Monitoring of foreign exchange movements
- Board approved the Treasury Risk Management Policy, which is being implemented.
- Engage BERA on the review of the current pricing slate
- Management of stock holding against loan

### Outlook

- Pursue initiatives to increase market share to 50% by the end of Q3 (new customer acquisition with focus on IOCs.
- Continue engaging BERA on the pricing slate

# Managing our risks and opportunities (Continued)

## Failure to deliver strategic projects

The risk is that strategic storage infrastructure projects may not be delivered on time, at the right quality, and within the budgeted cost to meet the current strategic storage requirements.

### Contributing Factors

- Inadequate funding
- Lack of local contractors with expertise to execute specialised projects
- Inadequate project management capabilities
- Engagement of contractor's incapable of executing specialised projects

### Key mitigating actions

- Regular Shareholder engagements on adequate project funding
- Implementation of project prioritization framework through Project Management Office (PMO)
- Motivations for open international bidding where specialized skill is required, and capacity building is embedded where necessary
- Effective execution of the project management office function in the organisation

### Outlook

- Follow up shareholder on project funding
- Develop and implement project prioritization and ensure adherence to the project management framework
- Capacity building of local contractors on specialized works through the supplier development programme

## Inability to attract and retain talent

The risk is that BOL may not be able to attract and retain suitable, highly skilled, and qualified talent.

### Contributing Factors

- Non-competitive holistic remuneration, reward and retention structures
- Limited career progression opportunities
- Lack of defined inclusive Employee Value Proposition

### Key mitigating actions

- Employee Engagement Surveys
- Implementation of Talent Management and Succession Planning
- Graduate Development Programme
- Align Reward Structures with Strategic Objectives
- Implementation of Culture Transformation

### Outlook

- Review the reward and retention policies, and implementation thereof
- Implement talent management and succession planning framework
- Develop the Human Capital strategy and employee value proposition (EVP)

## Inability to meet gross margin growth

The risk that BOL may not achieve the target margin.

### Contributing Factors

- Adverse movement of prices on stock movements
- Lack of regulations for the import license, leading to a lack of a firm mandate.
- Deficient regulatory pricing slate
- Lack of regulated pricing for alternative routes
- Unreliable fuel supply from South Africa and Namibia

### Key mitigating actions

- Forex hedging
- Using strategic reserves to hedge against consignment stocks valuation

### Outlook

- Request for Debswana consignment stocks to be converted to strategic stocks
- Development of coastal storage

## Business operations inefficiency

Failure to digitise our business processes to improve operational efficiency

### Contributing Factors

- Competing financial priorities
- Lack of a dedicated business processes resource

### Key mitigating actions

- Review of business process

### Outlook

- Implement ICT Strategy roadmap (digitization initiative)
- Review of ICT Strategy

## Counterparty risk

The risk of financial exposure if counterparties (such as COOCs, IOCs, or other fuel vendors, or other service providers) default on their contractual obligations

### Contributing Factors

- Closure and liquidation of COOCs due to adverse market conditions
- Higher account delinquencies

### Key mitigating actions

- Credit policy in place
- Credit Committee established
- Letter of credit used as part of due diligence

### Outlook

- Conduct monthly reviews on age analysis for debtors by the Credit Committee

# Managing our risks and opportunities (Continued)

## Governance, risk, and compliance

The risk that BOL may not meet statutory and regulatory requirements, standards, and best practices.

### 🔍 | Contributing Factors

- Lack of a defined Compliance framework and structure
- Inadequate compliance reviews
- Lack of defined regulatory requirements from BERA

### 🛡️ | Key mitigating actions

- Internal and external audits
- Compliance Officers (Legal & Risk)

### 👁️ | Outlook

- Implement the Governance, Risk, and Compliance (GRC) system

## Inability to generate new revenue streams

The risk is that BOL's profitability may remain stagnant or eroded, leading to going-concern challenges.

### 🔍 | Contributing Factors

- Lack of profitable new ventures
- Growing cost base relative to revenue growth
- Limited funding for implementation of BOL mandate

### 🛡️ | Key mitigating actions

- Development of business cases for new projects

### 👁️ | Outlook

- Development of new business cases for Central Transport Organisation and Aviation
- Continued progress on the Ikaengeng Coal to Liquid Project

## Failure to facilitate citizen companies' participation

The risk is that BOL may not meet the citizen participation targets.

### 🔍 | Contributing Factors

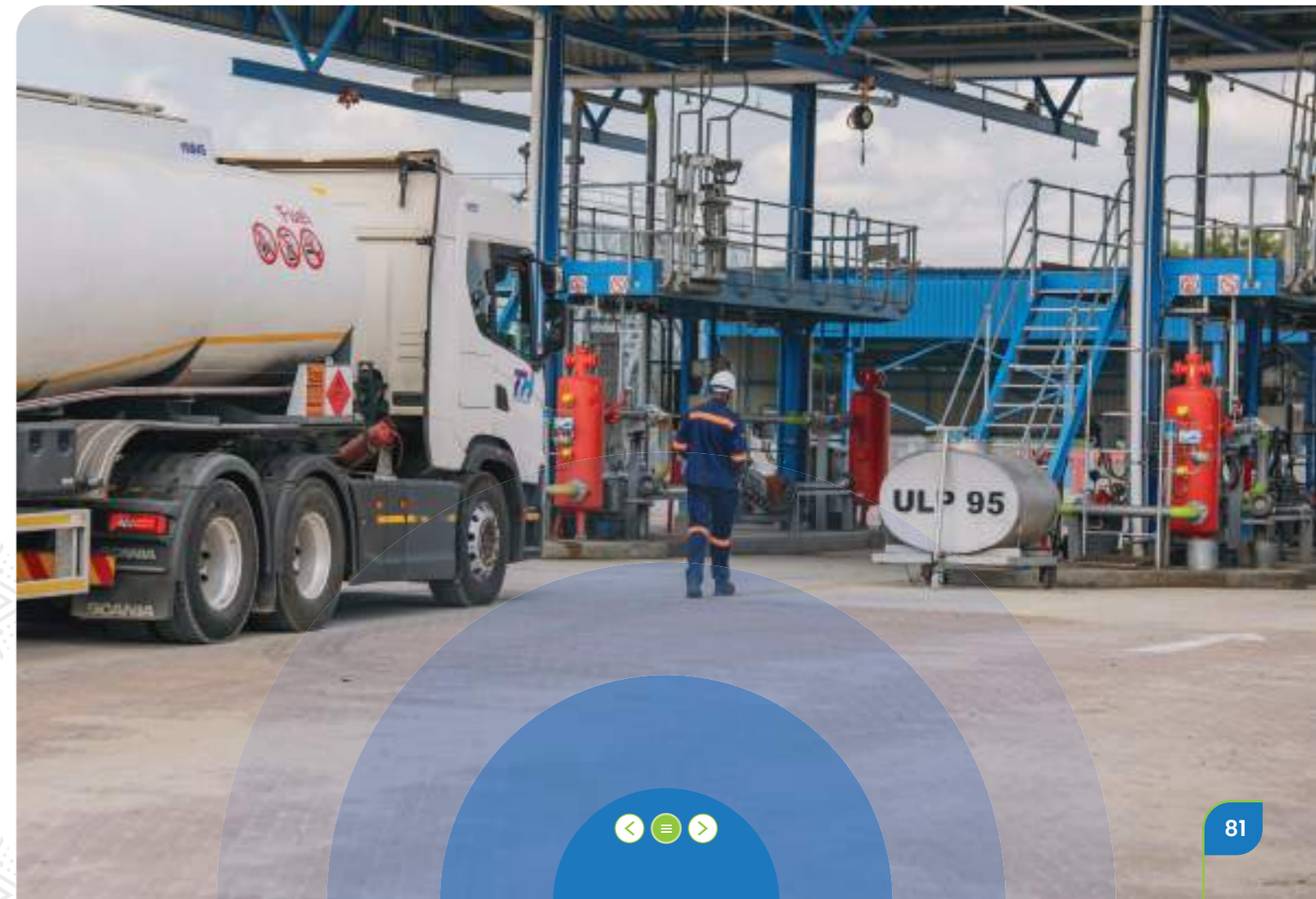
- Inexperience in the market
- Constrained financial resources by citizen companies, leading to a limited number of citizen-owned trucks
- Lack of a supply development framework for the facilitation of citizen participation
- Inadequate funding and personnel for CEEP

### 🛡️ | Key mitigating actions

- Citizen companies' facilitation through training workshops
- Engagements with exporting depots in the region for registration of citizen companies to be able to load at their facility
- Extending financial instruments, i.e., Deed of Cessions

### 👁️ | Outlook

- Work with the United Nations Development Programme (UNDP) to develop and implement a supplier development programme
- Work with the Government to facilitate citizen transporters to deliver the GFM volumes.



# Business Review

## Delivering value through our Core Products and Services

As part of our mandate to ensure the security of fuel supply for Botswana, we supply a range of petroleum products to meet the country's commercial, industrial, and retail energy needs.

At the beginning of our reporting year, our product portfolio included Unleaded Petrol ULP 93 and 95, A1 Jet Fuel, Diesel 50 PPM, and Paraffin. However, in the second quarter of our reporting year, we faced challenges and limited availability of ULP 93 in the market due to ongoing supply constraints, particularly due to aging refineries like Sasol's NATREF, which were undergoing maintenance or shutdowns and could no longer reliably produce ULP 93. On 1 February 2025, we officially discontinued the sale of ULP 93 as announced by the regulator, the Botswana Energy Regulatory Authority (BERA). By the end of the financial year, we had fully transitioned motorists and industries to ULP 95.



 <b>Transportation (Passenger and Freight)</b>	 <b>Power generation</b>	 <b>Agriculture</b>
 <b>Aviation and Tourism</b>	 <b>Mining and construction</b>	 <b>Manufacturing and Industry</b>
 <b>Emergency and Public Works</b>	 <b>Utilities and Public Works</b>	 <b>Retail, Commerce, and Consumers (Private Motorists)</b>
 <b>Health and Social Services</b>	 <b>Other</b>	

### Unleaded Petrol (ULP 95)

- For motor fuel for light vehicles and private transport
- Distributed nationally to ensure retail availability
- Key for public mobility and economic activity

#### Sectors impacted



### A1 Jet Fuel

- Used by domestic and international airlines, charters, and public defence
- Supports tourism, trade, and emergency air services
- Ensures air connectivity and security.

#### Sectors impacted



### Diesel 50PPM

- Fuel for commercial fleets, agriculture, private vehicles, mining, and logistics.
- High demand from industrial sectors
- Strategic for industry, commercial, and private transport

#### Sectors impacted



### Paraffin

- Used by low-income rural households for everyday energy needs such as cooking, heating, and lighting

#### Sectors impacted

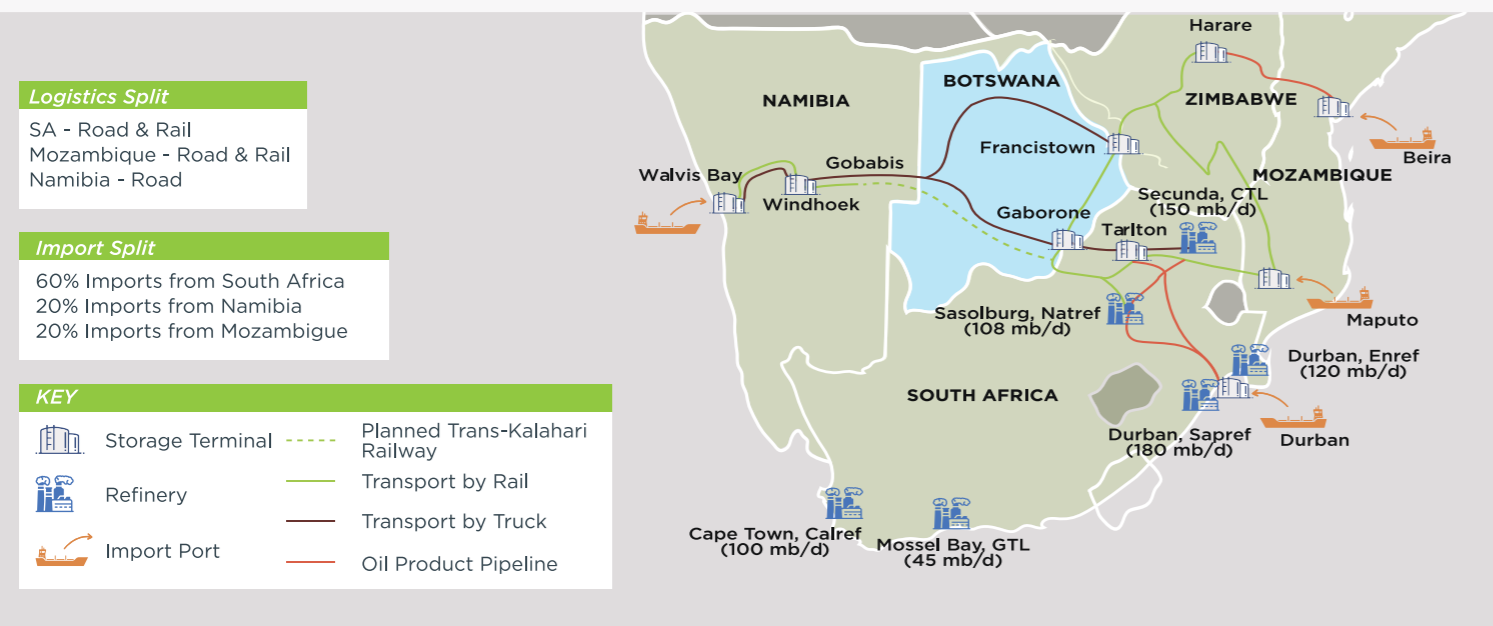
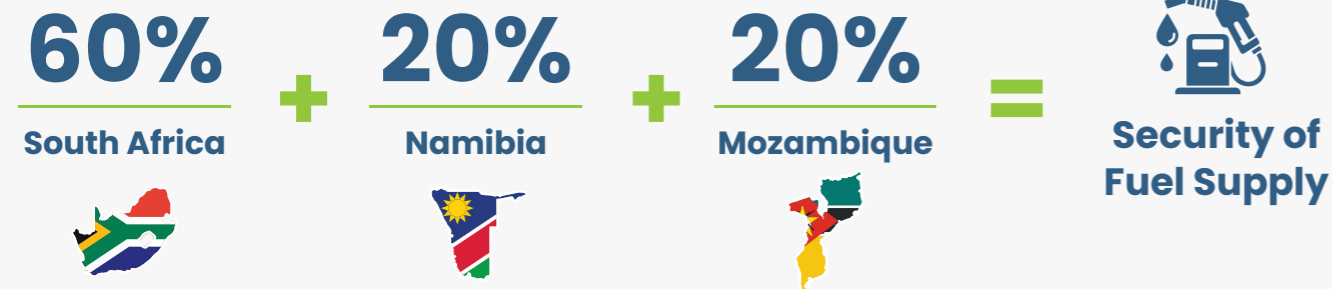


# Value through Strategic Supply Routes

Our supply strategy focuses on ensuring security of supply through diversifying sources and routes of fuel supply. It entails sourcing from different suppliers in various countries sharing borders with Botswana via both rail and road, particularly South Africa, Mozambique, and Namibia.

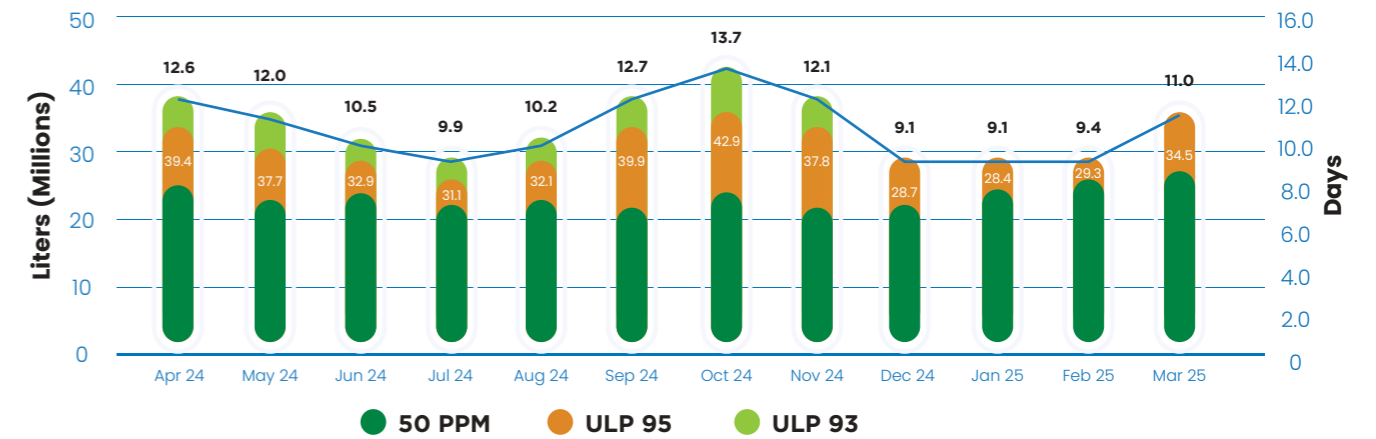
Our model envisages ensuring that volumes sourced from Namibia are delivered and consumed in the western corridor of Botswana (Ghanzi-Shakawe), volumes sourced from South Africa are consumed in the southern part of Botswana, and volumes sourced from Mozambique are delivered and consumed in the northern part of Botswana.

This results in a distribution split of **60% from South Africa, 20% from Mozambique and 20% from Namibia**, in line with the estimated consumption patterns of Botswana in the western, southern and northern regions.

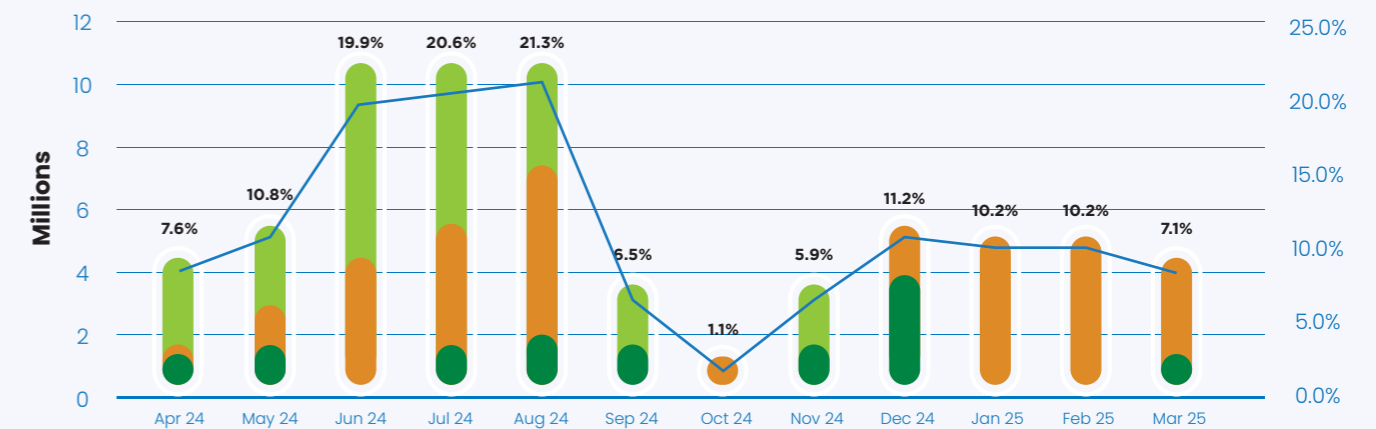


## Leading to our performance

Strategic Stock Movements FY2024-2025

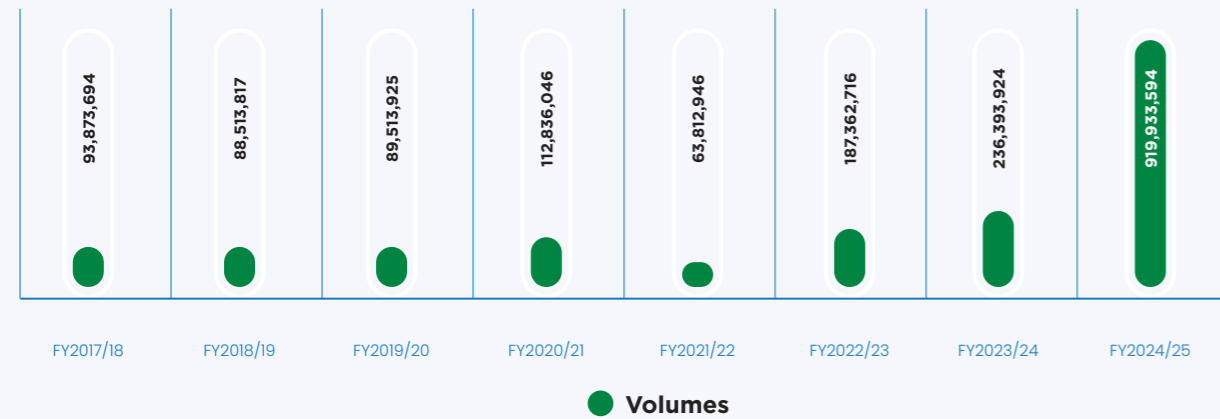


Loan Movement FY2024-2025



# Leading to our performance (Continued)

## Volume Growth Trend



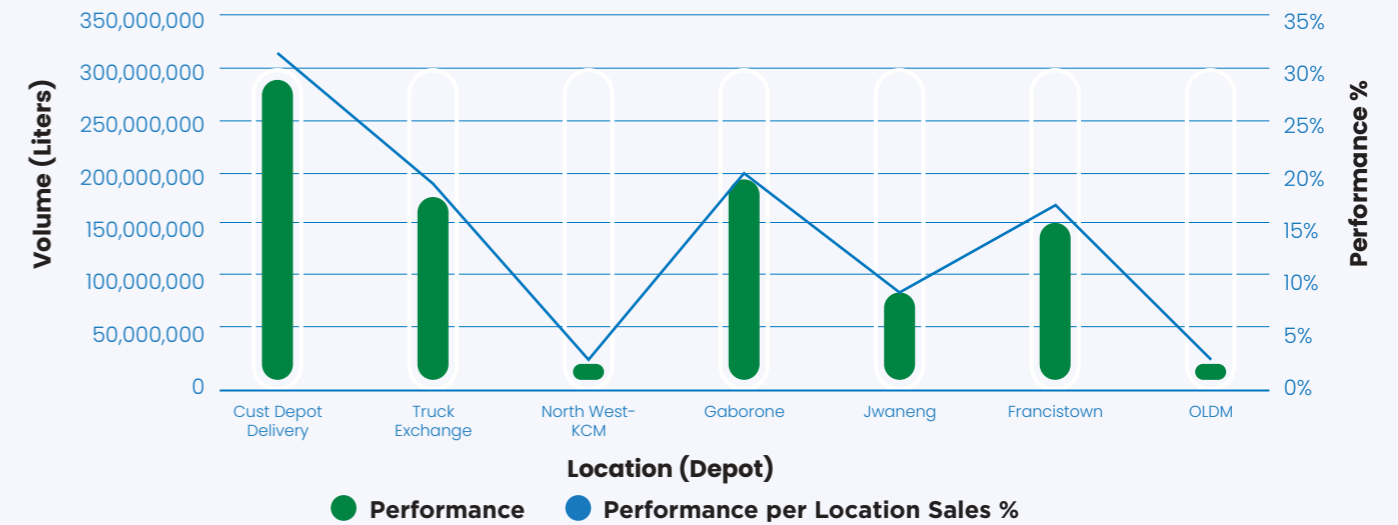
Sales volumes showed some fluctuations in the earlier financial years; however, the overall trajectory reflects strong and accelerating growth. The most notable uplift began in FY 2022/23, largely driven by the Debswana contract, which significantly increased base volumes.

FY 2024/25 marks a transformational scaling milestone for the business, underpinned by structural changes

including the assumption of the 90% import mandate, expansion into new markets through the introduction of Aviation Gas and Jet A1 products, and the takeover of supply and delivery to Government Fleet Management (GFM) sites. These strategic developments collectively repositioned the company as a significantly larger, higher-volume operator.

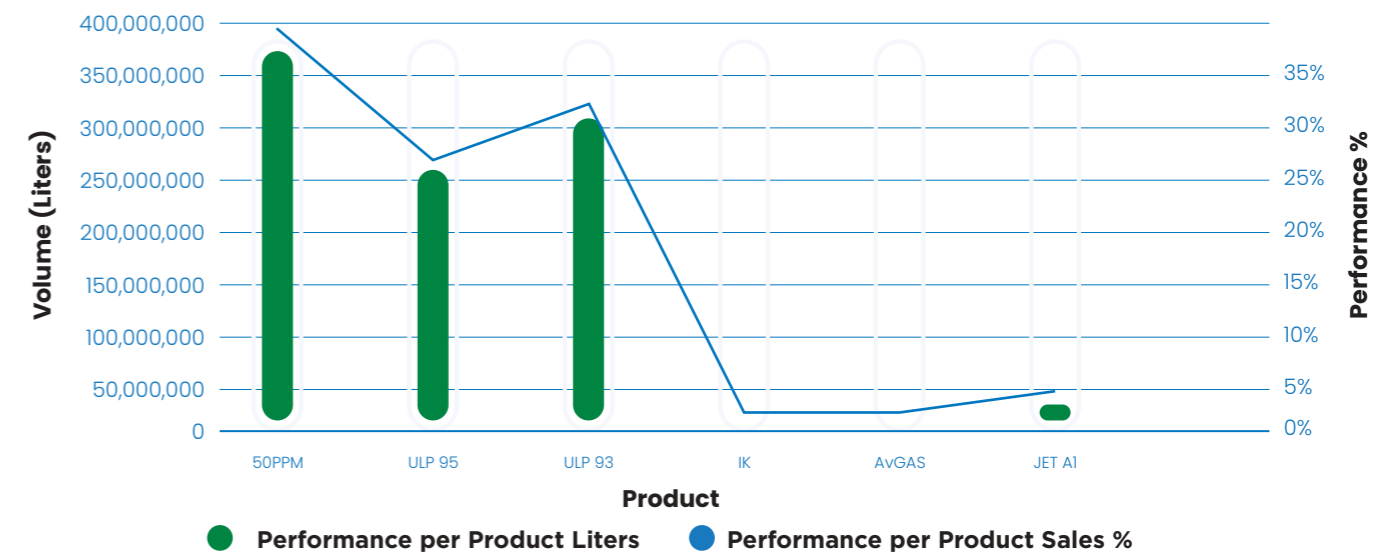
## Sales Volume Analysis

### Performance Per Location



FY 2024/25 represents a step-change year driven by the import mandate, fundamentally reshaping volume distribution, depot utilisation, and contribution by location.

Total volumes reached approximately 920 million litres, and the depot split reflects the operational restructuring required to support national supply responsibility. This demonstrates the scale impact of the import mandate, where larger consolidated shipments and direct deliveries became operationally efficient.



FY 2024/25 product performance reflects:

- Diesel (50PPM) as the primary growth engine, mainly driven by bulk industrial demand and mining sector supply.
- Strategic expansion into new markets through Jet A1 and Avgas.

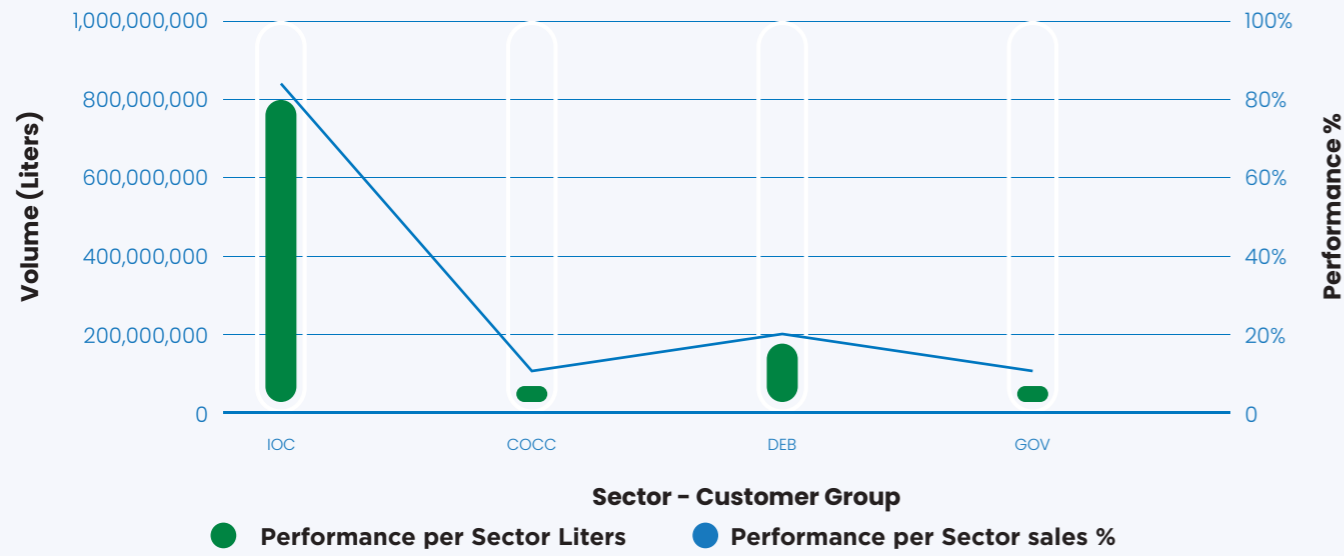
Although aviation products currently contribute a small share of total volumes, they represent an important diversification milestone and position the business for broader, multi-sector growth beyond traditional road fuel markets.



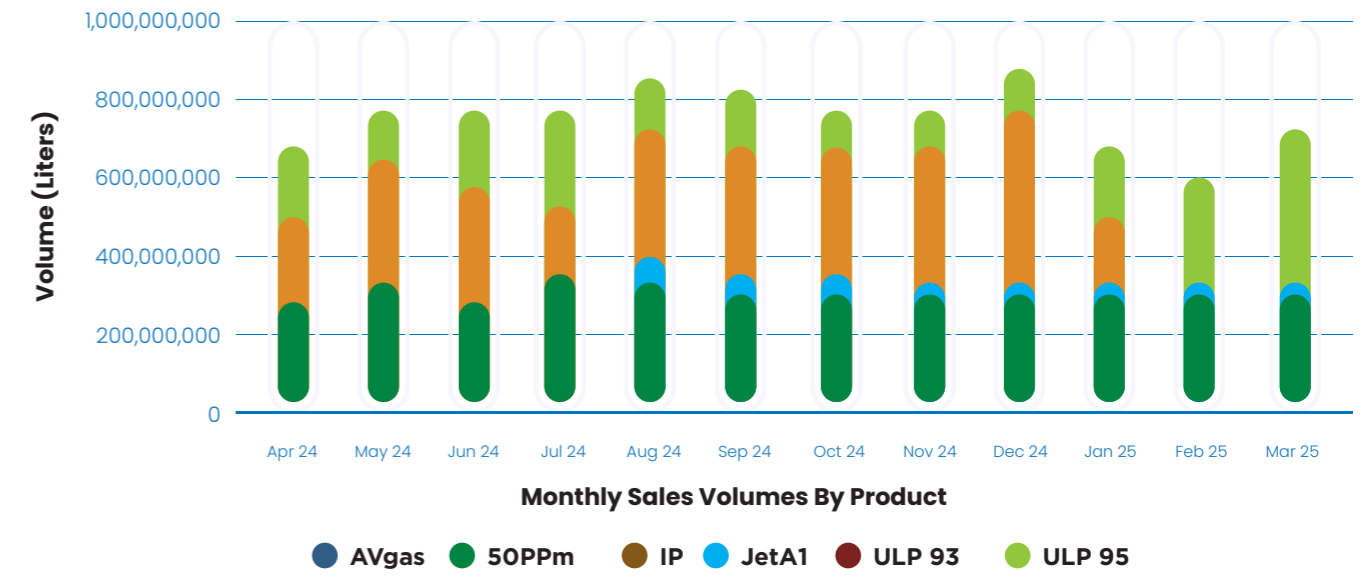
**BOTSWANA OIL**  
Your Fuel. Your Future

# Leading to our performance (Continued)

## Performance Per Sector



## Throughput Volumes FY2024/25



FY 2024/25 performance reflects a structurally transformed business model, with total volumes of approximately 920 million litres heavily concentrated within the IOC sector.

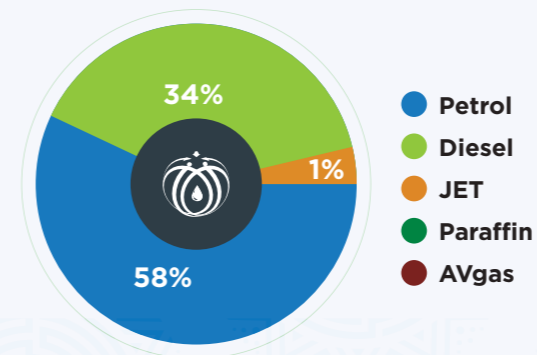
- IOC accounted for 86% of total volumes (789M litres), underpinning the year's exceptional growth and reflecting the impact of the 90% import mandate and consolidated national supply model.
- DEB contributed 10% (95M litres), providing a stable contractual base and serving as a key secondary volume anchor.

• COCC (2%) and Government (1%) segments remain comparatively small but present opportunities for future diversification and growth.

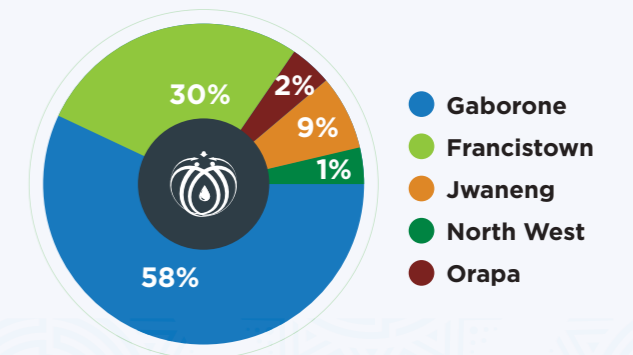
**Overall, the customer mix demonstrates strong scale and throughput efficiency driven by IOC volumes, while also highlighting a concentrated portfolio that presents both stability and customer concentration risk. Strengthening secondary sectors will be important to improve balance and long-term resilience.**

## Revenue Analysis

### Revenue by Product



### Revenue by Depot



# Strategic Partnerships

We are engaged in various strategic partnerships to enhance resource access, secure supply chains, and diversify our sources, ensuring a stable and reliable supply of petroleum products for the nation. These collaborations facilitate technological advancements and knowledge transfer, improving

operational efficiency and innovation. During the fiscal year 2024/2025, BOL partnered with various entities, including engineering and environmental consultants and contractors, to support the delivery of government strategic infrastructure projects.

## Coastal Storage

Constructing additional bulk petroleum storage capacity remains key to ensuring that the country maintains adequate strategic fuel stocks to guard against international fuel supply disruptions.

BOL has therefore identified a piece of land at the port of Walvis Bay measuring 2,190.4 m<sup>2</sup>, and an Expression of Interest (EOI) has been developed and shared with National Petroleum Terminal (Pty) Ltd through their Agents, Colomars Inc. We are currently conducting due diligence on the identified land and its owners. This EOI is non-binding and does not constitute any legal obligation to proceed with the purchase of the land. It serves solely as an outline of our preliminary interest and is subject to approval we are seeking on this memo, the satisfactory completion of due diligence, necessary BOL internal governance approvals including this approval, and shareholder approval as required by BOL's procedures.

## Infrastructure Development

This fiscal year 2024/2025, BOL continued with ongoing infrastructure development projects. Ongoing projects are currently Francistown Depot Expansion and development of a new depot, Ghanzi Government Petroleum Depot. These projects are executed through funding by the Government of Botswana with the support and partnership with the Ministry of Minerals and Energy and the Department of Energy.

The implementation of these projects is done through the engagement of various service providers, consultants and contractors both citizens and non-citizen owned firms and companies. As at the end of fiscal year 2024/2025 the award of contracts for the above projects were 44% to non-citizen owned companies and 56% to citizen owned companies in terms of value.

## Depot Maintenance

Depot maintenance is critical to ensure that the depot facilities are reliable and available to avoid any operational disruptions and enable continuous operations. This is achieved through the deployment of a maintenance strategy that involves both planned

and reactive maintenance techniques. The key performance indicators for maintenance are critical equipment availability and implementation of the planned maintenance programme in which we achieved 100% and 90% respectively.



# Delivering Our Mandate Through Strategic Infrastructure

## Projects and Strategic Projects

A part of our mandate is to manage and maintain state-owned storage facilities and ensure strategic fuel stocks are available to address any disruptions in the fuel supply, ensuring a continuous and reliable fuel supply. To fulfil this mandate, the Government of Botswana recognised the necessity to expand bulk petroleum product storage facilities in the northern, western, and southern regions of the country.

This expansion aims to alleviate the pressure on the existing Gaborone and Francistown depots and ensure sufficient strategic stocks across these consumption areas. On behalf of the Ministry of Minerals and Energy, we are currently developing two key projects: the Ghanzi Depot, the expansion of the existing Francistown Depot. These projects are designed to increase the national strategic reserve capacity from a 15-day cover to a 90-day cover, thereby significantly enhancing the security of the fuel supply and meeting the national strategic reserve objectives.

## Francistown Expansion Project

The northern consumption envelope accounts for approximately 35% of national fuel demand, underscoring the need for a robust and regionally accessible fuel distribution infrastructure. The Francistown Depot currently holds 38 million litres of petroleum products and manages an annual throughput of 54 million litres.

To meet future demand and ensure strategic stock coverage, the depot will undergo a significant expansion, increasing its bulk storage capacity by an additional 60 million litres by 2030.

### Strategic Objectives

- **Security of Supply:** Strengthen national fuel reserves to mitigate supply disruptions and support economic continuity.
- **Regional Equity:** Ensure equitable access to petroleum products across Botswana, particularly in the northeast.
- **Regulatory Alignment:** Support the implementation of the Essential Supplies Regulation, enhancing contingency planning for critical resources.
- **Infrastructure Parity:** Construct a new gantry at Francistown with equivalent functionality to the Gaborone Depot, enabling consistent and efficient fuel distribution.

### Value Creation

This project contributes to long-term national resilience by:

- Enhancing energy security and economic stability
- Supporting regional development and logistics efficiency.
- Aligning with Botswana's 2030 strategic vision for infrastructure and supply chain modernization.

### Forward Outlook

Upon completion, the Francistown Depot will serve as a cornerstone of Botswana's petroleum supply network, reinforcing the country's preparedness for future demand fluctuations and regional growth.

### Scope of the Project

- The project entails expansion of an existing storage capacity from 38 to 98 million litres, Bulk earthworks, reconstruction of bund walls and construction of a road and rail loading/offloading gantries. Also, it entails upgrade of the firefighting system.



## Ghanzi Depot

### Strategic Context

The western consumption envelope accounts for approximately 8% of Botswana's national fuel demand. Despite its relatively modest share, the region remains critical to national energy equity and supply chain resilience. To address this, the Government has initiated the Ghanzi Depot Project, a strategic infrastructure investment aimed at securing fuel availability and enhancing contingency planning in the western corridor.

### Project Overview

- Location: 44 kilometres outside Ghanzi, along Mamuno Road
- Storage Capacity: 30 million litres
- Strategic Coverage: 60-day fuel stock for the western region
- Delivery Model: Engineering, Procurement, Construction, and Management (EPCM)
- Expected Completion: Nov 2026

### Purpose and Strategic Objectives

This project is designed to:

- Ensure Fuel Security: Establish a reliable reserve to mitigate supply disruptions in the western corridor
- Advance Regional Inclusion: Improve access to petroleum products for communities and industries in western Botswana
- Support Regulatory Compliance: Align with the Essential Supplies Regulation to ensure continuity of critical services
- Promote Operational Excellence: Utilise the EPCM model to deliver a robust, scalable, and cost-effective infrastructure solution

### Value Creation and Long-Term Impact

The Ghanzi Depot Project contributes to Botswana's national development agenda by:

- Enhancing energy security and economic resilience
- Supporting regional development and logistics efficiency

- Reinforcing Botswana's 2030 Vision for infrastructure modernization
- Strengthening the country's preparedness for economic and environmental contingencies

### Governance and Implementation

The EPCM framework ensures:

- Transparent procurement and contractor management
- Integrated project delivery across engineering, construction, and commissioning phases
- Alignment with national safety, environmental, and operational standards

### Forward Outlook

Upon completion in June 2026, the Ghanzi Depot will serve as a vital node in Botswana's petroleum supply network. It will complement existing strategic storage facilities and ensure balanced coverage across all consumption zones—contributing to a more secure, inclusive, and future-ready energy landscape.

### Scope Of the Works

The project entails construction of 30 million litre Oil Storage facility, construction of a road loading/offloading gantry with all associated product piping, pumping and electrical works, Firefighting Systems, Administration Block, Workshop & laboratory, Truck Staging Facility and Staff housing.

### Progress made on FY 2024/25

The project is at construction stage with Building works contract which entails roadworks, Admin Block, Workshop and services ongoing while the tank Contractor have commenced construction with site establishment post completion of the Tank Designs. Mechanical and electrical Contract to be floated on the market on the month of June and to be commissioned by December 2026.

- Overall progress of the project as of March 2025 is at 46 % actual vs 79 % complete with major
- Delays emanating from procurement of Civil and structural Work Package as well as Mechanical
- Piping, equipment installation and electrical, control & Instrumentation works.



# Future Projects

## The Ikaengeng Coal to Liquids Project

The Ikaengeng Coal to Liquids (IXTL) Facility is a future initiative facilitated by the company. This project involves the development of a Coal to Liquids (CTL) facility, leveraging Botswana's abundant coal resources, estimated at around 212 billion tonnes, to produce liquid hydrocarbon fuels through coal liquefaction. This process converts solid coal directly into liquid form without any intermediate stages. The project capitalises on proven commercial technologies

for converting coal to both diesel and gasoline and aims to scale these technologies to a size suitable for Botswana's context. As a technologically complex, private sector-led mega project, the Ikaengeng IXTL Project is expected to span multiple years and involves an estimated investment of over BWP40 billion. Characterised by substantial capital investments, advanced technology and multiple stakeholder interfaces, this project represents a significant advancement in Botswana's energy sector.

## Strategic Linkage

This prospective project aims to ensure fuel security by establishing a local production source for liquid fuels, reducing Botswana's dependency on imports and enhancing resilience against external supply disruptions

The project will be utilising the carbon capture method which is a sustainable method of reducing carbon emissions, storing it and reusing it for other processes showing the company's commitment to zero harm.



The project positions BOL as a high-performing and forward-looking organisation by enabling domestic fuel production, reducing import dependency, and supporting national industrialisation, solidifying BOL's role as a strategic enabler of Botswana's energy future.

Citizen participation will be uplifted through prioritising the involvement of citizen owned companies in procurement processes, creating local employment opportunities, and promoting skills development through training research and capacity building initiatives aligned with the CEEP.

## Expected Impact of the Project



**Energy Security & Energy Independence**



**Improved Energy Affordability**



**Meaningful Participation of Citizen Emerging Companies**



**Economic Diversification**



**Value addition to local natural resources**



**High Quality Job Creation**



## Progress made in FY2024/25

Overall progress for the entire project is at 49% actual against the planned 54%. This progress entails:

- A total of 6 bidders shortlisted to submit concept proposals by the end of 30 May 2025.
- Target date for selection of the preferred bidder envisaged to be August 2025.
- Letters supporting the constitution of the Environmental Working Group (EWG) were shared with the Ministry of Minerals and Energy (MME) permanent secretary for conveyance to other support Ministries. The Department of Water and Sanitation nominated one representative for the EWG.
- The tender for the provision of transaction advisory services for the development of the IXTL project is at the negotiation stage. Financial bids were opened on 31 January 2025. The selected bidder envisages commencing work on 1 April 2025.
- A tender for the provision of consultancy services for Carbon Capture Utilisation and Storage (CCUS) Study was floated on 18 September 2024. The closing date for bid submission was 15 October 2024.
- A total of five (5) bidders submitted their proposals. Technical evaluation complete, and three (3) bidders have been shortlisted for financial evaluation. Financial evaluation report under review by the Procurement Unit. The CCUS Study is envisaged to commence in mid-March 2025.
- Negotiations Mandate Memo drafted and ready for discussion with the Ministry of Minerals and Energy and subsequently the Ministry of Finance.
- Proposal on evaluation of concept proposal available and being discussed with Public Procurement Regulatory Authority (PPRA) for guidance and alignment

# Sustainability

## Health, Safety, Security, Environment, and Quality

HSSEQ is fundamental to our operations and is considered a collective priority within our organisation. We have a zero-tolerance approach to incidents, committed to zero injuries, fatalities, workplace illnesses, spills, and pollution. We ensure our commitment by integrating HSSEQ into every business aspect, with the aim of meeting all statutory and international standards.

Our HSSEQ Policy fosters a safety culture rooted in the active engagement and cooperation of all stakeholders, ensuring everyone understands their role in upholding our standards for a safer workplace.

## HSSEQ Performance During the Year

BOL's HSSEQ key performance indicator is to instil leading risk management, HSSEQ, and corporate governance practices.

**0** No fatalities recorded

**0** No lost time injuries

**1** Recordable environmental incident

**We recorded a positive HSSEQ performance in the financial year 2024/25**, with no fatalities and lost-time injuries recorded; this performance is consistent with the past financial year and meets our core target of zero harm. However, one recordable environmental incident of a spillage greater than 100kg was reported in December 2024 along the Boatle and Mogobane landfill. Soil remediation with compliance assurance by the Department of Waste Management and Pollution Control has been undertaken alongside the transporter.

BOL continues to uphold Goal Zero by maintaining Zero Lost Time Injuries (LTI), Zero Fatalities, Zero Spills, and Zero Significant incidents, and strengthens the HSSEQ culture through capacity building events. The following programmes and initiatives were implemented to promote employee health, occupational wellness, and mental well-being across BOL:

- HSSEQ culture day
- HSSEQ Team annual planning session
- Breast cancer awareness month commemoration
- November Challenge for Men's Health
- World Environment Day Standdown and litter-picking exercise
- AIDS Day
- HSSEQ new year inductions

HSSEQ trainings completed during the year include:

- Permit to Work Training
- Defensive Driving Training for new employees
- Emergency Management: First Aid and Basic Fire Fighting
- Root Cause Analysis Technique
- Integrated Management Systems Awareness.

**We have developed and implemented an integrated operating management system based on Occupational Health & Safety, Environment, and Quality, including the necessary organisational structures, accountabilities, policies, and processes to reduce spills and operational environmental footprint.**

Adherence to stringent HSSEQ standards is a priority for us. This commitment reinforces our role in supporting national and global sustainability goals and ensures the safety and well-being of our employees and partners. By prioritising HSSEQ, we help secure a sustainable future for Botswana, contributing to the nation's economic stability and environmental preservation.

## Energy Transition

Read more on strategic outlook



# Our People

## Strategic Workforce Alignment: Fuelling Our Import Mandate

Our human capital strategy is aligned with BOL's strategic imperatives while directly supporting BOL's 90% import mandate and broader transformation and growth ambitions.

### Key focus areas



Following a thorough review of the organisation and functions driving the strategic objective in support of the import mandate, namely, Supply, Commercial, and Operations, BOL introduced twelve new positions and further recommended additional positions to enhance capacity, expertise, and capability to drive operational efficiency, and ensure business sustainability.

These organisational enhancements prepared our workforce for the long-term sustainability and the growing operational demands of BOL. Through targeted talent attraction, talent onboarding, talent management and deliberate leadership capability development interventions, the human capital function played a pivotal role in driving organisational readiness and workforce agility, in building a future-ready BOL.

## Targeted Talent Acquisition and Retention

This year, priorities were attracting the right resources for critical technical roles to directly support import operations. BOL partnered with recruitment agencies for targeted headhunting, attracting talent with deep industry experience and specialized skills crucial for petroleum logistics and supply chain optimization. Concurrently, internal talent development and promotions are pivotal in ensuring well retained institutional knowledge across the business, especially with limited resources in the local labour market. Our retention efforts, including a talent management framework as well as revised remuneration policies, are envisaged to strengthen our employee value proposition in a cut-throat market/industry.

### Empowering Through Skills Development & Capability Building

Targeted development interventions were implemented to boost leadership and technical capabilities. We introduced executive coaching for our Executive Management team, focusing on the following problem areas:

- Leadership effectiveness
- Decision making
- Strategic execution

Technical capability-building initiatives targeted the following areas central to the successful implementation of the 90% import mandate and other flagship projects:



The above-mentioned initiatives were strategically selected to equip staff with methodologies and tools necessary for executing large-scale infrastructure and supply chain projects such as the Ghanzi Depot development, the Francistown Depot expansion, and the takeover of the government fuel fleet management.



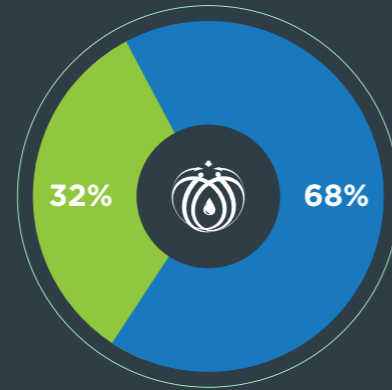
Specialist training was also provided in governance, risk, and compliance to enhance internal oversight capabilities. The Fraud Risk Management programme and Business Continuity Training took place, strengthening the organisation's resilience and risk mitigation position. Despite travel restrictions impacting some international training, we alternatively delivered numerous local and virtual programmes, as a form of mitigation. Being a self-sustaining business in a highly complex and unique industry, BOL needs to constantly learn, empower and prepare for a future-ready state, which requires extensive travel both regionally and abroad. Guided by individual development plans, these initiatives enhanced job performance, fostered cross-functional collaboration, and prepared our team for future roles.

### Fostering a Fair and Inclusive Environment

BOL is deeply committed to diversity, equity, and inclusion (DEI), embedding this pledge in both policy and practice, as articulated in our Conditions of Service. We cultivate a culture that values individual differences, unique capabilities, and the collective strength of our diverse workforce. During this period, our recruitment policy continued to prioritize Batswana citizens and internal talent, achieving a 100% Motswana workforce at all levels, supporting national localization efforts. Our commitment to diversity extends to embracing differences in age, gender identity, disability, ethnicity, and socio-economic background across all aspects of employment, including compensation, development, promotions, and engagement.



**Prohibited use of child or forced labour**



### Building Stakeholder Trust Through Strong Labor Relations

We maintained stable and constructive employee relations, even as a non-unionised organization.

Our Staff Welfare Committee serves as a vital platform, facilitating open dialogue between management and employees on working conditions, welfare, and organisational changes.

Quarterly staff meetings further enhanced transparency, gathered feedback, and provided updates on company performance and strategic initiatives.

Our management of industrial relations matters, in line with internal policies, resulted in minimal disputes, reinforcing trust with our valued employees.

### Organisational culture and employee experience

Our "GearShift" culture transformation programme, #ChangaMaGear, significantly boosted employee engagement and well-being over the past year. Key initiatives included launching an Integrated Culture Framework with employee wellness days, integrity campaigns, and a recognition programme. The high participation in the Employee Engagement Survey, which highlighted areas for improvement in communication, leadership effectiveness, and visibility, demonstrates our community's commitment. Ongoing efforts in the current period aim to further embed the desired culture and elevate engagement. Prioritizing employee well-being, we continued annual health screenings, wellness weeks, gym memberships, and partnered with a medical services provider for mental health support. Proactive risk mitigation and comprehensive HSSEQ programmes resulted in no workplace fatalities and consistently low safety incidents, reinforced by recruitment and exit medical examinations.

### Workforce planning, performance management, and recognition

During the reporting period, the Human Capital function implemented structured manpower planning and succession initiatives to ensure continuity and organisational readiness across priority functions. Management undertook a comprehensive review of critical roles with emphasis placed on functions directly supporting the 90% Import mandate and large-scale initiatives such as the 'Aviation Takeover' and the expansion of storage infrastructure. BOL launched its Graduate Development Programme as part of the implementation of our Talent Management framework. The programme seeks to build a pool of capable future leaders and technical specialists who can progressively assume substantive roles and advance BOL's strategic aspirations and the industry at large.

To ensure fairness and consistency in performance outcomes, performance calibration processes were introduced, allowing for more balanced evaluations and mitigating rating inflation. A structured recognition framework was also rolled out to celebrate high-performing individuals and teams. BOL also aligns employee performance with recognition through performance-based increases geared towards rewarding higher-performing team members. Training in performance contracting, including conducting effective one-on-one sessions, was delivered.

BOL also began introducing the 360-degree feedback assessment tool as part of its broader effort to embed in a competency-based culture.

## Human capital risks and future priorities

During the reporting period, BOL identified several critical human capital risks that could impact its ability to achieve strategic objectives.

### Risks and concerns

- Gaps in the succession pipeline for critical and leadership roles
- High staff turnover in niche technical areas
- Shortages of skills in the local oil and gas industry
- Low levels of employee engagement and non-compliance with the performance management process.

### Amplifiers

- Limited talent pool
- Intense competition from international oil companies and the private corporate world
- Evolving technical demands associated with major projects, including the 90% import mandate.

### Mitigators

- BOL prioritised Talent Management framework rollout,
- Launched a Graduate Development Programme,
- Instituted controls relating to recruitment, performance calibration, and employee recognition frameworks were strengthened with a view to implement.

Moving forward, the emphasis will be on leadership development through executive coaching, focused upskilling in energy regulation and digitalization, and ongoing efforts to cultivate a high-performance and inclusive culture. Human capital priorities will involve embedding a culture of high performance and broadening strategic workforce planning to address future energy sector demands as well as a key focus on talent pool readiness initiatives to ensure wider business continuity. BOL's human capital function aims to realign efforts towards attaining a holistic and inclusive overall employee value proposition to support the ever evolving, demanding expectations of BOL and its stakeholders.

# Positive Social Impact (CSR)

**We have enhanced social performance within the communities where we operate through partnerships with the private sector, public organisations, academia, and communities in line with our CSR and Sustainability Policy to create positive socio-economic and sustainable societal impacts.**

In areas around our infrastructure sites, such as the Ghanzi and Francistown Depot Expansion projects, community leadership, local government officials, and structures were used to maintain strong relations. This includes facilitation and recruitment of artisans from the areas of influence to work on infrastructure projects. Leadership of the communities in Francistown were invited to the official opening of the road loading and offloading gantry to appreciate and be part of the outcome of their communities' contribution to the development of the area and the country.

We established a training workshop in which artisans were taught new skills, with others given opportunities to retool their technical skills in coded welding. The training was also extended to 7 local artisans within the community, not contracted to work in the project, as part of skills development and empowerment of the community members to earn qualifications to improve their employability.

## Social investment decision making

Our CSR & Sustainability Policy is aligned with the Sustainable Development Goals (SDGs) and the Environment, Social and Governance (ESG) Principles. The main purpose of the collaboration with the communities was to ensure BOL's contribution provides sustainable solutions that benefit the community and are beneficial to more people within

the community. Monthly and quarterly reports on progress of implementation of the initiative were done extensively for management and board updates. Project implementation committees and plans were established, which included representation of BOL and community members. Tracking of the deliverables through meetings enabled us to assess the progress of implementation. The impact was realized based on the feedback received through interactions with the leadership.

## CSR collaborations and partnerships

### Memorandum of understanding (MoU) with the Botswana University of Science and Technology (BIUST)

#### Impact and achievement:

During the year, the Department of Mechanical, Energy, and Industrial Engineering hosted an exhibition to showcase students' projects as part of the final year assessment. BOL sponsored prizes and adjudicated on the students' projects.

### BIUST Annual Graduation Ceremony

#### Impact and achievement:

The best overall student in the department won a P10,000 cash prize. The prize is intended to nurture and promote academic excellence and contribute to the development of skills for careers in the industry.

### Sandveld Ranchers Association (SRA) sponsors and exhibitions at the annual agriculture shows

#### Impact and achievement:

To share information on BOL and how farmers' associations can consolidate their resources and collaborate to invest in cluster mobile filling stations to improve access to fuel and reduce production costs.

### Mbasuva Horse Riding in Charleshill

#### Impact and achievement:

Supported to promote horse riding as a youth development programme initiative to reduce unemployment and to raise funds to develop a professional horse racing track.

### Mopipi Primary School project in Orapa

#### Impact and achievement:

Painting of classrooms and maintenance at the school as part of BOL's initiative to develop the community.

**As we work to transform ourselves into an energy company, sustainability remains at the centre of our social capital.**

**Our priority for the next financial year will be more impactful, sustainable initiatives that will add long-lasting societal benefits for the communities.**

We look to increase collaborations with industry practitioners from both public and private sectors across the value chain, engaging in various projects to expand the number of beneficiaries, enhance socio-economic development, and empower communities. As BOL, we focus on building legacy projects that can serve and benefit the community over a longer period, partnering with community leaders to foster ownership and safeguard investments, ensuring continued community growth and resilience. Deliberate initiatives will be introduced to include people with disabilities and improve participation and benefits for youth and women.

# Our Commitment to Good Governance

Botswana Oil Limited is committed to upholding the highest standards of corporate governance, ethical conduct, and accountability. Our governance framework is designed to promote responsible leadership, effective oversight, and the creation of sustainable value in alignment with Botswana's national energy security and development priorities.

The Board of Directors acknowledges its fiduciary duty to provide strategic direction, monitor organisational performance, and ensure that BOL is managed ethically, transparently and efficiently.

BOL's vision "to be a significant player in the oil and gas industry" is underpinned by a commitment to regulatory compliance, stakeholder engagement and the cultivation of enduring relationships that supports our long term vision that we hope to extend even beyond our borders.

## Corporate Governance and Code of Conduct

The Board has established of a governance framework that reflects and aligns with the principles and recommended practices of the King IV Report on Corporate Governance (King IV), adapted to the Botswana context and BOL's operational realities. This framework guides the conduct of the BOL Directors, Management, and employees ensuring adherence and alignment with good corporate governance and industry best practice standards.

BOL's Code of Conduct articulates clear behavioural expectations, decision-making procedures, and compliance obligations. It serves as a foundational document for ethical conduct, leadership and accountability both in decision making and in interactions with stakeholders thus reinforcing BOL's commitment to integrity in all engagements. The Board actively promotes ethical conduct and ensures adherence to the Code in daily decision-making across all levels of delegation within BOL.

## Compliance and Regulatory Integrity

BOL operates in a regulated environment, as such, compliance is a cornerstone of our business and is critical to maintaining the trust of our stakeholders and ensuring we protect their interests through our governance and risk management practices. The Board and Management are jointly responsible and committed to cultivating a strong culture of compliance, ensuring business activities are conducted in compliance with applicable laws, regulations, standards, policies, and contractual obligations. These obligations extend to our stakeholder or all persons acting for or on behalf of BOL.

The Board of Directors and Executive Management take appropriate measures by ensuring the provision of adequate resources, such as governance arrangements and appropriate governance structures, in place for effective compliance management, monitoring, and oversight, equipping Employees to undertake their compliance responsibilities.

The Compliance Management Framework articulates structures, processes, and practices that provide guidelines for effective compliance oversight and accountability. Assessments were used to prioritize the focus of monitoring, training, and advisory support and training empowering employees to fulfil their compliance responsibilities confidently and competently.

We maintain zero tolerance for non-compliance within BOL. Disciplinary measures are applied consistently and fairly, ranging from warnings to termination and, where necessary, legal action. Where non-compliance or breaches are by Board Members, the matter is addressed in accordance with the BOL Board Code of Conduct.

## Governance and accountability

In addition to ensuring that an appropriate Compliance Policy is in place to manage compliance risks, the Board is responsible for overseeing its implementation. The Board further warrants that compliance issues are resolved effectively and expeditiously and ensures that there is no potential conflict of interest. Activities of the compliance function are subject to independent review, which is guaranteed by the Board.

BOL's Executive and Senior Management are accountable for the implementation of Compliance Policy and its integration into BOL's daily operations. This is done through promoting and enforcing high standards of compliance through regular training and evaluation of employees against standards relevant to their roles. to foster awareness and informed application.

The Legal Department, plays a pivotal role in developing and maintaining the Compliance Management Framework, ensuring that adequate governance arrangements including maintenance of compliance registers and monitoring tools are in place to enable effective management of compliance risks across BOL. Periodic compliance reports are submitted to the Executive Management and the Governance Committee to support informed oversight.

## Ethics Hotline

To reinforce our commitment to integrity, ethical conduct, and the fight against wrongdoing, a secure Ethics/Tip Off Anonymous Hotline has been established. The hotline enables stakeholders to anonymously report misconduct through multiple channels including via telephone, cell phone, email, or website.

The hotline serves as a deterrent. And safeguard ensuring that concerns relating to misconduct, misappropriation or malpractice are heard and addressed appropriately. In cases of serious misconduct, reports may be escalated directly to the Board, enhancing accountability and trust in our governance processes.



# Board in action FY2024/25

## Key milestones and achievements

The Board has positively influenced performance during the reporting period by providing effective control and guidance through quarterly management reports, promoting accountability, ensuring the quality of submissions, and driving the timely implementation of planned initiatives. This was achieved through the following:

- Approval of the annual strategic plan, audit, and risk plans, as well as continuous monitoring of the implementation of strategic objectives and initiatives through its various delegated committees.
- Approval of the annual budget and ongoing oversight of organisational expenditure to ensure alignment with key strategic priorities within the approved budget parameters.

- Approval of key governance and operational policies to strengthen internal controls, enhance efficiency, ensure compliance, and manage risk effectively. These included the approval of the revised Information and Security Policy, Procurement Policy, Dividend Policy, and the revised Investment Policy.
- Approval of recruitment for key positions through its delegated committee(s), aimed at strengthening capacity to meet the 90% import mandate.
- Review and approval of financial statements and statutory submissions to ensure accurate and fair representation of BOL's financial performance.

## The Board successfully led the fulfilment of BOL's 5-year strategy, marked by the following key milestones:

Notable achievements	Description
<b>Financial Turnaround</b>	Transitioned BOL from a loss-making entity to a profitable business.
<b>Dividend Policy and Payout</b>	Developed a Dividend Policy and, for the first time since inception, declared and paid a dividend of P10 million.
<b>Import Mandate Implementation</b>	Successfully executed the first year of the 90% import mandate, reinforcing national supply security.
<b>Citizen Empowerment</b>	Developed a Citizen Economic Empowerment Programme (CEEP) and onboarded citizen transporters to promote citizen participation in the petroleum sector
<b>Infrastructure Expansion</b>	Launched the Francistown Gantry and commenced construction of the Ghanzi Depot following a successful tender award
<b>Operational Integration</b>	Seamlessly implemented the supply takeover of the GFM/CTO business and aviation fuel operations.

## Policies reviewed and approved during the year

- Dividend Policy
- Procurement Policy
- Corporate Social Responsibility and Sustainability Policy
- Complaints Management Policy
- HSSEQ Policy
- Quality Policy
- Training and Development Policy
- Information Security Policy

## Legal risks

The financial year 2024/25 was focused on operationalising the 90% petroleum fuel import mandate. This initiative effectively designated BOL as the primary supplier of petroleum products to all International Oil Companies (IOCs) and bulk consumers in Botswana. This marked a strategic shift in BOL's supply model from a willing-buyer-willing-seller model to a regulated supply model with the national fuel security objectives.

The implementation of the BERA (Amendment) Act, BERA Regulation, and Petroleum Products Quota Allocation Order and the sudden shift in the operational landscape resulted in market resistance and limited stakeholder understanding. To mitigate these challenges, a comprehensive stakeholder management strategy was devised and implemented to clarify the legislative framework and facilitate smoother adoption.

Delays in contracting processes, particularly with the IOCs, emerged as a key challenge. To address this issue, BOL adopted an interim measure in the form of short-term contracts and/or monthly term sheets. Moreover, the volume and complexity of contractual arrangements by BOL increased significantly due to the adoption of various delivery models and diversification of supply routes required to effectively execute and meet the mandate. To address these operational challenges and legal complexities, BOL implemented targeted training programmes and strengthen its internal capacity through strategic recruitment of relevant personnel. These interventions ensured that the organisation remained agile and compliant while effectively managing legal risks associated with the transition.

## Stakeholder issues

During the financial year, no significant instances of non-compliance were reported. Market reports indicated supply challenges due to product rationing and disruptions from principal suppliers in South

Africa. Alternative supply channels and suppliers were identified and reinforced to ensure supply security and adequacy. A shortage of ULP 93 occurred in the market, resulting in an inability to meet market demand during the first and second quarters. The Board advocated for the termination of the ULP 93 product line, which was ultimately phased out in the fourth quarter.

## Engagement with stakeholders

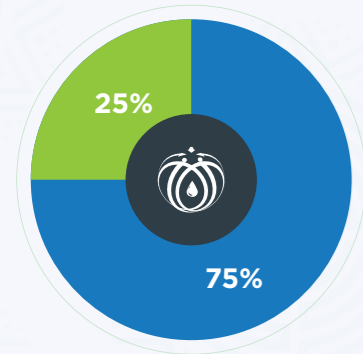
The legal department carried out the majority of the engagements, with a specific focus on regulatory contractual challenges and implementation. Through the establishment of a compliance framework, the legal team was able to identify critical compliance risk areas, especially concerning the implementation of the BERA (Amendment) Act and Regulations. A comprehensive stakeholder engagement strategy was devised and reported to the Board and the Governance Committee to ensure that feedback received is properly addressed and that strategic objectives are achieved.



# Board Composition

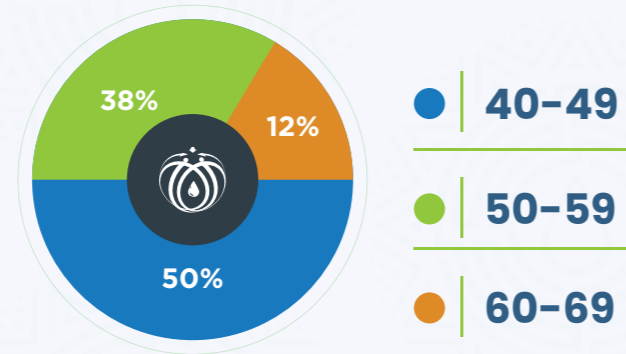
The BOL Board comprises a balanced mix of gender, age (ranging from 40 to 65), skills, knowledge, and experience, providing the diversity and independence necessary to effectively support the achievement of BOL's strategic objectives and robust oversight. Majority of the members are independent Non-Executive Directors which enhances objectivity and supports sound decision making. This composition ensures that the Board is equipped to discharge its responsibilities in line with the principles of ethical and effective leadership as recommended by King IV. The following table illustrates the Board's composition across key dimensions:

## Gender

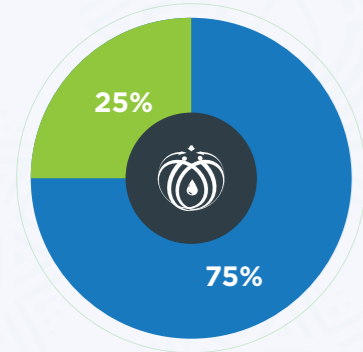


**8 Males**  
**2 Females**

## Age



## Tenure



**0-49 years (6)**  
**4-7 years (2)**

## Skills and Expertise



## Changes to the Board

The tenures of Gothatamang Kootlole, an additional member of the Human Resource Committee, and Agnes Khunwana, an additional member of the Finance, Audit, and Risk Committee, came to an end in June 2024 after 3 years of serving in their respective committees. Mr Lehuka Maseng was appointed in the third quarter as Member of the Board with ICT expertise.

## Board Committees

In accordance with the BOL Constitution and Board Charter, the Government of Botswana, as the sole Shareholder of Botswana Oil Limited, has appointed a Board of Directors responsible for ensuring the effective and efficient performance of BOL's mandate. The Board is responsible for establishing and overseeing BOL's strategic direction of the Company. It provides leadership and guidance on corporate governance particularly during periods of transformation and ensures that BOL's resources are mobilized and allocated in a manner that supports sustainable value creation.

To enhance its effectiveness and ensure focused oversight, the Board has delegated specific responsibilities to its committees. These Committees operate under approved charters and are composed primarily of Independent Non-Executive Directors. Each Committee is mandated to provide in-depth oversight and guidance on key governance areas, including finance, audit, risk and compliance, human capital, governance, and projects and security of supply strategy.



## Board Committee Reports

### Finance, Audit, and Risk Committee

The Finance, Audit, and Risk Committee (FARC) is a subcommittee of the Board whose role within Botswana Oil Limited is to assist the Board of Directors in discharging its responsibilities to exercise due care, diligence, and oversight in relation to BOL's risk management, finance, and audit practices.

The FARC follows a structured approach to assess the effectiveness of internal controls and risk management systems. As part of its oversight role, the FARC identifies, evaluates, and monitors mitigations of key risks facing the organisation through understanding the company's operational, financial, compliance, and strategic risks. The FARC reviews reports from both the internal audit function and external auditors, with particular attention to the effectiveness of controls, governance practices, and the integrity of financial statements.

The FARC regularly engages with executive management to discuss financial performance, audit findings, risk management updates, and internal control assessments to improve financial transparency and integrity. This continuous interaction enhances transparency and strengthens the company's internal control and assurance framework. Annually, the Board's performance, including that of the FARC committee, is evaluated. The evaluation is based on objective criteria, including business performance and accomplishment of long-term strategic objectives. Continuous improvement measures and ongoing capacity-building initiatives for Committee members remain a key focus area.

In line with King IV principles, the Committee oversees the functions of the Chief Finance Officer and Internal Auditor and reviews the expertise, resourcing, and experience of the two functions. An assessment of the performance of the Internal Auditor and Chief Finance Officer was conducted:

- The Committee is satisfied with the performance of the Internal Auditor, Mr. Patrick Mmusi.
- The Committee is also satisfied with the performance of the Chief Finance Officer, Mrs. Olivia Ramaselwana.

The Committee is satisfied with the quality of the external audit and is of the view that the design and implementation of internal financial controls are effective. No material weaknesses in the design,

implementation, or operation of such controls were identified during the year under review.

Furthermore, the Committee reviewed the company's combined assurance framework and concluded that the arrangements in place are adequate and effective in providing a comprehensive, risk-based approach to assurance across all lines of defence.

Based on its oversight activities during the reporting period, the Committee is satisfied that Botswana Oil Limited maintained sound financial reporting practices, effective risk management processes, and robust internal controls throughout the year.

### Governance Committee

The Governance Committee is a subcommittee of the Board, whose role within Botswana Oil Limited is to assist the Board of Directors in providing oversight of, inter alia:

- Corporate governance practices, principles, guidelines, and related policies,
- Integrity & Ethics
- Composition, induction, and evaluation of the Board and Committees
- Nominations of candidates for appointment to the Board and Committees
- Shareholder agreement and other shareholder requirements
- Stakeholder management programmes
- BOL's corporate social responsibility programmes
- HSSEQ management policies and practices
- Technical advisory on governance matters emanating from another committee.

The Governance Committee is responsible for providing oversight on the development and review of corporate governance frameworks and policies, including the Compliance Policy, the Board Code of Conduct, and the Board and Board Committee Charters.

Processes of the Governance Committee require that the Committee consult with relevant committees to ensure cohesive governance in BOL. As an example, the Committee is required to consult with the other board committees as it reviews its governance charters. Through reporting to the Board, the Committee further ensures that all sub-committees remain abreast of developments by the GC committee.

### Human Resources Committee

The Human Resources Committee (HRC) is a committee appointed by the Board to provide oversight and guidance on matters related to human resources, talent management, and organisational development within Botswana Oil Limited.

The Committee reviews and approves performance assessments of the Executive Management following assessments by the CEO. It also advises and makes recommendations to the Board on any matter related to its mandate to ensure alignment with best practice.

The Committee also reviews and recommends to the Board the recommendations submitted by management regarding the organisational structure, General Conditions of Service, and other HR policies. This is done through quarterly reports by Management and the Committee to the Board.

Regular reviews and recommendations for approval of policies and processes are conducted to ensure the inclusion of issues relating to culture, diversity, and alignment with best practices within BOL.

### Projects and Supply Security Committee (PASS)

The Projects and Supply Security (PASS) Committee is appointed by the Board to oversee BOL's major and critical projects (strategic infrastructure projects) and the security of petroleum product supplies and any other products supplied under the BOL mandate.

The committee reports to the Board quarterly or whenever there are material issues that need to be reported. Steps are taken by the PASS committee to monitor and assess the progress and outcomes of approved projects to ensure compliance with governance standards. Projects are classified as mega and critical projects based on the Strategic plan and the direction of a specific financial year, to be monitored by the committee through quarterly management reports on progress. Through the quarterly reporting, the committee also reviews strategies to accelerate the implementation of the mega and critical projects to ensure that they are delivered on time, within budget, and of the requisite quality. In relation to the supply strategy, the committee periodically reviews and approves it to ensure the security of supply mandate is adequately met.

Key considerations for priority categorization include:

- The project complexity and novelty to the business
- the project value (any project that is above P50 million is eligible for consideration by the Committee)
- The risk profile – high-risk projects would be monitored by the committee
- the project urgency, especially those delegated by the Shareholder and National Strategic projects

## Committee's focus areas for FY2024/25

Committee	Focus Area	Performance
<b>Finance, Audit and Risk Committee (FARC)</b>	<ul style="list-style-type: none"> <li>Development of a BCM Policy and Framework</li> <li>Appointment of new External Auditors</li> <li>Review of the Pricing Slate to include alternative routes</li> <li>Review of the Investment Policy</li> <li>Development of a Dividend Policy</li> <li>Development and investment in coastal storage</li> <li>Onboarding of Assets transferred from the Government to BOL</li> </ul>	<ul style="list-style-type: none"> <li>P10 million issued as dividend.</li> <li>Revised Investment Policy</li> <li>3-year Appointment of Grant Thornton as external auditors</li> </ul>
<b>Governance Committee (GC)</b>	<ul style="list-style-type: none"> <li>Review of the Board and Committee Charters.</li> <li>Oversight on the Implementation of the Corporate Social Responsibility and Sustainability Policy.</li> <li>Ethics reports in view of the Import mandate.</li> <li>Compliance with HSSEQ standards.</li> <li>Oversight on the implementation of the ICT Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Revised Information Security Policy.</li> <li>Revised Health Safety, Security and Environmental Policy</li> <li>Revised Quality Policy</li> <li>Approved the Corporate Social Responsibility and Sustainability Policy</li> <li>Complaints Management Policy</li> </ul>
<b>Human Resources Committee (HRC)</b>	<ul style="list-style-type: none"> <li>Oversight on the Implementation of the Culture Blueprint and alignment strategy.</li> <li>Talent Management and Succession Planning.</li> <li>Recruitment and retention strategy</li> <li>Oversight on the implementation of the Graduate Programme</li> </ul>	<ul style="list-style-type: none"> <li>Training and Development Policy.</li> <li>Recruitment of key strategic positions with staff head count increasing from 114 to 125 at the end of the financial year.</li> </ul>
<b>Projects and Supply Security Committee (PASS)</b>	<ul style="list-style-type: none"> <li>Implementation of the import mandate and supply progress.</li> <li>Strategic Projects progress</li> <li>Ensuring security of supply through exploring alternative supply routes</li> <li>Development of a Citizen Economic Empowerment Strategy and implementation of the programme to encourage participation within the petroleum industry</li> </ul>	<ul style="list-style-type: none"> <li>Revised Procurement Policy.</li> <li>Francistown Gantry Launch.</li> <li>Successfully lobbied for the discontinuation of ULP 93.</li> <li>Successful onboarding of Citizen Transporters</li> <li>Commencement of construction of the Ghanzi Depot.</li> <li>Supply takeover of GFM and Aviation fuel</li> </ul>

## Board Remuneration

BOL's approach to Board remuneration is structured to attract and retain individuals with requisite expertise and experience to guide the organisation effectively. The Remunerations is designed to be transparent and fair compensation aligned with strategic responsibilities of Board members of similar State-Owned Entities.

The Board's Remuneration and Benefits Policy is primarily guided by Government Presidential Directives, as issued and amended from time to time to guide the compensation framework for State Owned Entities. This ensures that remuneration is competitive, consistent with national standards, and reflective of the governance responsibilities inherent in a state-owned enterprise of BOL's stature.

The policy is approved by the Ministry of Minerals and Energy in its capacity as the sole shareholder. Its application is limited to the director's tenure on the BOL Board. It also incorporates enhancements aligned with sector-specific practices, particularly in relation to tools of trade necessary for the effective discharge of Directors' duties within the energy and mining sectors.

The Board compensation structure includes:

- Board fees, which are fixed annual payments for participation in board meetings and general oversight responsibilities.
- Committee fees, which constitute additional compensation for the increased responsibility and service specialized committees.
- Allowances, which are reimbursements for legitimate expenses incurred during execution of Board duties, such as travel and accommodation.

**This remuneration framework supports the principles of responsible and ethical leadership, ensuring that Board members are fairly compensated while maintaining accountability to stakeholders and the public sector governance mandate.**

	Retainer	Main Board	Special Board	Pass Committee	Finance Audit & Risk Committee	Human Resources Committee	Governance Committee	TOTAL
<b>DIRECTOR</b>	<b>(BWP)</b>							
M.M Makgatlhe (Board Chairperson)	50,000	38,000	19,000					107,000
N.Z. Mothebe	44,000	34,000	17,000	34,000			42,500	171,500
J.M. Mookodi	44,000	34,000	17,000			42,500	42,500	180,000
K.G Matswiri	44,000	34,000	17,000	34,000	34,000			163,000
Adv. O. P. Batshabile	44,000	25,500	17,000	17,000			42,500	146,000
M. Sibanda	44,000	34,000	17,000			42,500		137,500
C.S. Botlhole- Mmopi	44,000	25,500	8,500		34,000			112,000
L. Maseng	40,333	34,000	17,000	25,500		8,500		125,333

## Board Attendance Report for the year

Board Member	Mainboard	FARC	HRC	GC	PASS
M.M. Makgatthe	6/6				
N.Z. Mothebe	6/6			5/5	4/4
M. Sibanda	6/6		5/5		
J. M. Mookodi	6/6		5/5	5/5	
K.G. Matswiri	6/6	4/4			4/4
O. P. Batshabile	6/6			5/5	4/4
C.S. Botlhole-Mmopi	4/6	4/4			
L. Maseng	3/3		2/3	3/3	
Kootlole			1/1		

## Board Member Profiles



### Martin Makgatthe

Board Chairperson  
Independent Non-Executive Director

- Bachelor of Arts in Economics from the University of Botswana.

Mr. Martin Makgatthe possesses extensive experience in the capital markets sector, having contributed to the establishment and development of the Botswana Stock Exchange, as well as pioneering efforts in both the asset management and stock brokerage industries. He has served on various boards within the private and

public sectors, including the Presidential Task Team on Vision 2036 (as Deputy Chairman), the Vision 2016 Council (as Chairman), Botswana Post, the Botswana Stock Exchange, the Central Securities Depository Botswana, and Botswana Building Society. Currently, he is an Independent Non-Executive Director and Chairperson of Letshego Financial Services Botswana and also serves as a Trustee of the Sir Ketumile Masire Foundation. Mr. Makgatthe is the founder and Chief Executive Officer of the stock brokerage firms Motswedi Securities and Motswedi Securities Lesotho.



### Adv. Pearl Batshabile

Board Member  
Independent Non-Executive Director

- Bachelor of Laws (LLB) degree from the University of Pretoria (RSA)
- Master of Laws (LLM) from the University of Pretoria (RSA)

Adv. Batshabile has been duly admitted as an Advocate in the High Courts of Botswana and maintains her own private practice, Batshabile Advocate Chambers. Her legal career commenced at Shapiro and Shapiro Inc., subsequently known as

Shapiro and Ledwaba Inc. (RSA), and she has served as a legal advisor for Arts Revelations Co. (RSA) as well as a legal assistant at Adv. Sidney Pilane Chambers prior to completing her pupillage there. Additionally, she has worked as an administrator for Momentum Health Care Medical Aid (RSA). Adv. Batshabile is also the founder of #bookdrive, an initiative dedicated to donating exercise and hardcover books to government primary schools across Botswana. To date, she has donated over 500 books to Goo-Tau Primary School in 2021.



## Board Member Profiles (Continued)



### Ms. Setshedi Botlhole Mmopi

Board Member  
Independent Non-Executive Director

- BCom (Accounting) from the University of Botswana.

Ms. Botlhole-Mmopi is admitted as a Fellow member of the Association of Chartered Certified Accountants (FCCA). She has extensive experience in the oil industry, having progressed to the helm of finance management at BP Botswana over a nine-year period. She worked as CFO within the mining and banking sectors, culminating at

Botswana Post, where she also served as Head of Mail Business. Setshedi is a seasoned professional with a strong background in various aspects of fiscal management, as well as business and transformational leadership. She is currently self-employed.



### Mr. Nchena Mothebe

Board Member  
Non-Executive Director

- Master of Business Administration (MBA) from the Graduate School of Business, University of Cape Town
- Bachelor of Engineering (Electrical and Electronics) Degree from the Birla Institute of Technology, Mesra, Ranchi, India.

Mr. Mothebe is a licensed Professional Engineer (Electrical and Electronics) registered with the Engineering Registration Board (ERB) of Botswana, a Chartered Engineer, and

a member of the Institute of Engineering Technology (IET), United Kingdom. Mr. Mothebe possesses over thirty years of extensive experience in the energy sector. Currently, he serves as the Deputy Permanent Secretary for Green Technology and Energy Security at the Ministry of Mineral Resources, Green Technology and Energy Security. In this capacity, he provides technical expertise in formulating energy sector policies aimed at promoting sustainable utilization and economic benefit.



### Mr. Motsile Sibanda

Board Member  
Independent Non-Executive Director

- Master of Arts in Human Resource Management from the University of Leeds (UK)
- Bachelor of Social Sciences (Public Administration & Political Science) from the University of Botswana.

Mr. Sibanda is a seasoned Human Resources practitioner with extensive experience in executive management across various industries, including the public service,

banking, consulting, and mining sectors. Currently, he serves as the Director of Human Resources within the education sector. Mr. Sibanda's comprehensive expertise and technical proficiency in people management will enable him to contribute effectively as a member of the Board, providing coaching and technical guidance to ensure Botswana Oil fulfils its mandate. He became a member of the Botswana Oil Board on April 1, 2021. His extensive knowledge and experience in people practices, fostering a high-performance culture, and corporate governance are further enriched by active participation on other Boards in the pension industry and capital markets entities.



### Mr. Kenneth Matswiri

Board Member  
Independent Non-Executive Director

- MSc in Strategic Management from the University of Derby
- Bachelor of Social Science in Economics and Supply Chain Management from the University of Natal, Pietermaritzburg.
- Management Development Programme at the University of Stellenbosch Business School.

Mr. Matswiri is the founder and Chief Executive Officer of Thermo Radiators Botswana, an electromechanical enterprise specializing in the manufacture, repair, and refurbishment of radiators for earth-moving equipment and heavy plant machinery. His key stakeholders include Debswana, Komatsu, and Barloworld Equipment. Additionally, he serves as the Managing Director of Growth Properties, a property development corporation, which manages a well-established fuel station in Tsabong and the Corner Bakery. Furthermore, he is also a Director of Value Chain Group, a transport and logistics company with a primary focus on refrigerated transport and side tippers.



### Mr. Judge Mookodi

Board Member  
Independent Non-Executive Director

- Bachelor of Engineering in Plant Engineering from Nottingham Trent University,
- HND qualification in Mechanical Engineering from Portsmouth University,
- Diploma in Strategic Management from the University of Derby.

Mr. Mookodi's professional experience encompasses serving as the Chief Executive

Officer of the Botswana Football Association, as well as holding key managerial positions including General Manager at Cadbury Botswana, General Manager at Opti Feeds, Operations Marketing Manager at Coca-Cola, and Market Development Manager at Segwana KBL.

# Executive Management



**Mr. Meshack Tsheledi**  
Chief Executive Officer

- MSc in Engineering Management, University of Missouri, USA
- BSc in Chemical Engineering, University of Missouri, USA
- BSc in Economics from Missouri University of Science and Technology, USA
- Certificate in Fundamentals of Supply Chain Management, Centurion Institute of Technology and Management

Mr. Tsheledi's career began in 2002 when he joined Debswana Diamond Company as a Junior Process Engineer. He later transitioned to Kgalagadi Breweries, taking on the role of Strategic Planning Manager. In 2004, he moved into the consultancy field as a Consultant at X-pert Botswana. Meshack then returned to Kgalagadi Breweries and Botswana Breweries, where he held various key positions, including National Supply Chain Manager and Group Supply Chain Director. In 2010, he became the General Manager at MRI Botswana and in 2013, he was appointed Group Supply Chain Director for SABMiller Africa, overseeing Zambian Breweries, National Breweries and Hendricks Beverages. After returning from Zambia, Meshack joined Botswana Oil Limited in 2015 as General Manager for Corporate Policy, Strategy and Business Planning. He then moved to the Botswana Investment and Trade Centre (BITC) as Chief Operations Officer before returning to Botswana Oil as Chief Executive Officer.



**Ms. Olivia Ramaselwana**  
Chief Financial Officer

- Bachelor of Commerce Degree (Accounting), University of Botswana
- ACCA (FCCA), Financial Training College, United Kingdom
- Fellow of the Botswana Institute of Accountancy (FCPA)

Ms. Ramaselwana began her career in 1997 at Price Waterhouse, where she started as a Trainee Auditor and worked her way up to Senior Audit Assistant by 2000. In 2002, she moved to BP Botswana as a Business Analyst and held a series of roles, including Business Planning Analyst, Final Reporting Accountant, Assistant Finance Manager and Financial Controller. She also served on the Botswana Oil Industry Pricing Committee from 2005 to 2010. In 2011, Olivia joined Puma Energy as a Financial Controller and in 2012, she moved to G4S Botswana in the same capacity. With over 20 years of experience in finance, including 14 years in the petroleum sector, Olivia is currently serving as the Chief Finance Officer at Botswana Oil Limited.



**Ms. Latelang Chakalisa**  
Chief Legal Officer

- Executive Master of Business Administration, Sheffield Hallam University (UK)
- International Executive Development Programme (IEDP), University of Cape Town
- Bachelor of Laws (LLB), University of Botswana
- Post Graduate Diploma in Strategic Management, University of Derby (UK)
- Master of Laws (LLM) Candidate, University of Botswana.

Ms. Chakalisa has over 20 years' experience across regulatory compliance, corporate governance, legal and enterprise risk management, mergers and acquisitions, policy development, and stakeholder engagement, gained in regulated and capital-intensive environments. She began her career at the Attorney General's Chambers in the Civil Litigation Division, before joining Stanbic Bank in the Credit function, where she supported risk and financing structures.

She later joined the Botswana Stock Exchange, serving for seven years as Corporate Affairs Manager (Head of Legal and Board Secretary) and as a member of the Listings and Trading Executive Committee, contributing to listings, corporate actions, and market regulation. In her current role at BOL, she supports Board and executive decision-making on strategy, mergers and acquisitions, governance, regulatory and policy matters, and legal risk management, with direct engagement across key stakeholders.



**Mr. Onkutule Masima**  
General Manager of Supply

- Master's degree in business leadership (MBL), University of South Africa
- Bachelor of Accountancy Degree, University of Botswana
- Executive Development Programme, University of Witwatersrand (WITS)

Mr. Masima began his career in 1999 as a trainee in operations management and gained experience at several Consumer-Packaged Goods companies, including AVIS (Depot Manager), Kgalagadi Breweries Limited (National Planning Manager and Depot Manager) and Hemamo Group (General Manager), between 1999 and 2004. He then spent over 14 years at Mascom Wireless, starting as Commercial Manager and advancing to Chief Commercial Officer. In this role, he led various commercial segments, including Distribution, B2C and B2B and played a key role in developing and leading the mobile money offering. In February 2019, Onkutule was appointed Country General Manager and Resident Director at Altron Botswana, where he worked in the ICT and Financial Hardware industry until August 2022. He is currently serving as the General Manager of Supply at Botswana Oil Limited.

# Executive Management



**Mr. Otto Motsopa**  
General Manager of Operations

- Msc in Project Management, University of Witwatersrand (WITS)
- Bachelor of Engineering in Electrical and Electronics, University of Botswana

Mr. Otto Motsopa is a seasoned engineering professional with over 20 years of experience spanning electrical engineering, mining, and business solutions. He holds a Bachelor of Engineering in Electrical and Electronics from the University of Botswana and a Master of Science in Project Management from the University of Witwatersrand (WITS).

He began his career at AR Edwards and Associates as an Electrical Engineer before joining ABB Botswana as a Project Engineer, where he gained valuable industry experience. Otto later moved to Debswana as an Electrical Engineer, and subsequently returned to ABB Botswana in the same role.

His career progressed significantly upon rejoining Debswana, where he served as a Project Electrical Engineer for capital projects. He was later appointed Lead Engineer for the Jwaneng Underground Mine development studies, and in 2021, he was promoted to Principal Electrical Engineer.

In September 2023, Otto transitioned into the oil and gas sector, taking on the role of General Manager – Operations at Botswana Oil Limited. In this capacity, he oversees critical engineering functions ensuring the delivery of technical services and strategic projects, leads strategic operational initiatives and contributes to the advancement of Botswana's energy infrastructure.



**Mr. Gamu Mpfu**  
Chief Strategy and Sustainability Officer (Acting)

- Master's Degree in Economics, Macquarie University, Sydney, Australia
- Bachelor of Arts in Social Sciences majoring in Economics and Statistics, University of Botswana
- Various training courses locally and internationally which include Enterprise Risk Management, Financial Modelling for Strategic Projects, Trading and Commodity Swaps.

Mr. Mpfu began his career at the National Aids Coordinating Agency (NACA) as an Assistant Statistician in 2001. He joined the Ministry of Minerals, Energy and Water Resources (MMEWR) a year later as an Assistant Energy Officer. While working for the Government of Botswana, he was involved in managing the Oil and Gas sector including providing advice on petroleum industry related matters. In 2010, Gamu was appointed the Principal Energy Economist based at the Ministry of Minerals Energy and Water Resources Headquarters where he formed part of a team that was tasked to implement the country's Power Build Programme. Gamu was one of the team members assigned to establish the National Oil Company of Botswana (Botswana Oil Limited). He joined Botswana Oil Limited in 2014 as New Ventures Manager, and he is currently the Acting Chief Strategy and Sustainability Officer.



**Mr. Tshepo Ramaselwana**  
Chief Human Capital Officer

- Bachelor of Commerce in Human Resource Management and Industrial Psychology (North West University, RSA)
- Post Graduate Certificate in Management (Henley Business School, RSA)
- Post Graduate Diploma in Management (North West University, RSA)
- Certified Organisation Development Coach (CODC)

Mr. Ramaselwana is a highly motivated Executive Leader with over 20 years of corporate working experience, being proficient at planning, directing, controlling and leading the Strategic Human Resources function, having operated in several industries being, Education, Mining, Petroleum, Management Consulting/Services and most recently, Financial Services. He has experience in all facets of the Human Resources management sphere, through mergers & acquisitions, change management and supporting efficient operations throughout challenging times. He believes in harnessing the knowledge and skills that he has accumulated over time while navigating through Organisational transformations, resulting in highly engaged and high-performing teams. Mr. Ramaselwana is a champion at identifying and anticipating impactful People Strategies of the future and beyond, while gearing to meet the dynamic and ever-evolving needs of diverse teams. Since joining BOL Mr. Ramaselwana has ensured business continuity while gearing the BOL Human Capital function for overall culture transformation. Focus has been on providing clarity about future proofing the organisation through deliberate tangible metrics and solutions that produce tangible results.



# Senior Management



**Boitumelo Mphare Aqual**

Senior Manager –  
Procurement



**Callaghan Motlaleng**

Senior Manager –  
Hydrocarbon Sourcing



**Mpho Victoria Mokgosi**

Senior Manager – Marketing  
and Communication



**Tebogo Erick**

Senior Manager –  
Supply Planning



**Mothusi Moalosi**

Senior Manager –  
Procurement Oversight  
Unit(POU)



**June Tele**

Senior Manager –  
Finance and Administration



**Thabo Simon**

Senior Manager –  
Commercial



**Tshegofatso Kenosi**

Senior Manager –  
Operations



**Kabelo Lanka**

Senior Manager – Project  
Management Office



**Thebe Phirinyane**

Senior Manager –  
Engineering



**Merapelo Tsie**

Senior Manager –  
Treasury



**Kabelo Ngwako**

Senior Manager –  
ICT



**Patrick Mmusi**

Senior Manager –  
Internal Audit



**Phatsimo Moeti Joel**

Senior Manager –  
HSSEQ and Risk

# King IV Code Application

We are committed to upholding the highest standards of corporate governance in accordance with the King IV Report on Corporate Governance. We adopt an “apply and explain” approach to King IV principles, ensuring that governance practices are embedded in our daily operations and strategic decision-making.

Principle	Status (Applied/ Not Applied)	Comments
1. The Board should lead ethically and effectively.	Applied	The Board sets the tone and leads the Company ethically, effectively, and responsibly. Board members make individual declaration of interests at the beginning of every Board meeting and annually, which assists the Board in ensuring ethical decisions are made in the best interest of the Company as a whole.
2. The Board should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	Applied	The BOL Board Code of Conduct provides guidance to members regarding ethical and behavioural considerations and/or actions as they perform their duties and obligations in line with the Board Charter. In addition, the Company has taken proactive steps to assess and strengthen its ethical environment. A key initiative in this regard was the Fraud and Ethics Survey, conducted to evaluate employee perceptions, identify ethical risks, and promote a culture of integrity and accountability.
3. The Board should ensure that the organisation is and is seen to be a responsible corporate citizen.	Applied	BOL’s Citizen Economic Empowerment Programme (CEEP) Strategy reflects the Board’s commitment to citizen participation in the petroleum sector. The onboarding of citizen transporters ensures that local businesses benefit from the company’s operations, reinforcing BOL’s image as a responsible corporate citizen. The Board approved the Corporate Social Responsibility and Sustainability Policy, which formalises the company’s approach to social and environmental responsibility.

Principle	Status (Applied/ Not Applied)	Comments
4. The Board should appreciate that the organisation’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	Applied	With the oversight of the Board, BOL successfully executed its five-year strategy in the financial year 2024/25, turning the company from a loss-making to a profit-making entity. The Board oversees a structured risk management framework to manage risks and opportunities and further approved the Business Continuity Management Policy. Sustainability is embedded through the Board approved CEEP Strategy and citizen transporter onboarding, and the CSR and Corporate Social Responsibility and Sustainability Policy.
5. The Board should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation’s performance, and its short, medium and long-term prospects.	Applied	The Board is engaged on a quarterly basis on the Company’s performance and any risks to its short, medium and long-term prospects through management reports. The Integrated Report for the financial year 2023/24 was published in June 2025 and shared with relevant stakeholders. All publications are available on the BOL website.
6. The Board should serve as the focal point and custodian of corporate governance in the organisation.	Applied	The Board operates in accordance with the BOL Constitution and Corporate Governance Framework. The Board Charter and Board Committees Terms of Reference are reviewed and approved on an annual basis in order to continuously improve corporate governance in the Company.
7. The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	Applied	The Board comprised of nine (9) directors, seven (7) of which are independent. The Board has a diverse background in terms of qualifications, age, gender, skills, experience and knowledge.
8. The Board should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.	Applied	The Board is guided by the Board Charter and Committee Terms of Reference which delineate composition, meeting frequency and roles. The Charter and Terms of Reference are subject to annual review to uphold their relevance.

## King IV Code Application (Continued)

Principle	Status (Applied/ Not Applied)	Comments
9. The Board should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	Applied	The BOL Charter provides for the evaluation of the performance of the Board, its Committees and Directors every two years. The external board evaluation is scheduled for the next financial year 2025/26. Newly appointed Directors complete a comprehensive onboarding programme centred on BOL's operations. Board Members are offered ongoing training on governance, ethics, financial and risk management.
10. The Board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	Applied	The Board has in place a delegated authority to management. The Board approves the appointment of senior management and, through the Board HR Committee, ensures adequate succession is in place for key roles. The Board assesses performance of Executive Management and remuneration thereof.
11. The Board should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	Applied	The Board provides oversight of the management of enterprise risk, and compliance risk. The Board governs risk in a way that supports the Company in setting out its strategic objectives.
12. The Board should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	Applied	The Board has overseen the implementation of the ICT Strategy relating to data quality, security and privacy, and system and infrastructure availability.
13. The Board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	Applied	The Board recognises that compliance management is critical to BOL's mandate and operating in a highly regulated environment. Through the Compliance Management Policy & Framework, the Board remains committed to upholding a strong compliance culture anchored in ethical conduct, transparency, and adherence to applicable legislation and regulatory requirements.

Principle	Status (Applied/ Not Applied)	Comments
14. The Board should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	Applied	The Board is committed to responsible, fair, accountable and transparent remuneration policy. The Board reviewed and provided oversight on remuneration, including executive remuneration.
15. The Board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	Applied	The Finance, Audit and Risk Committee assists the Board in fulfilling oversight responsibilities in internal and external audits, financial reporting and financial risk management.
16. In the execution of its governance role and responsibilities, the Board should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	Applied	The Board on an ongoing basis engages with various stakeholders including the shareholder, customers, employees and community. Focus areas over the last year was improving the Company's relationship with stakeholders, which included approving the Dividend Policy, Corporate Social Responsibility and Sustainability Policy and Complaints Management Policy.



# Consolidated Annual Financial Statements

for the year ended 30 June 2025



## CORPORATE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2025

### Registration number

BW00001348552

### Country of incorporation and domicile

Botswana

### Nature of Business

Botswana Oil Limited serves as the Government of Botswana's transformation agent and is mandated to ensure security and efficiency of supply of petroleum products for Botswana, to manage state-owned strategic fuel reserve facilities and to facilitate participation of citizen emerging companies in the petroleum sector.

### Directors

Mr Martin Motsomi Makgatlhe  
Mr Meshack Tshakedi  
Ms Caroline Setshedi Botlhole-Mmopi  
Mr Motsile Stephen Sibanda  
Mr Nchena Zico Mothebe  
Ms One Pearl Batshabile  
Mr Judge Mogogi Mookodi  
Mr Kenneth G Matswiri  
Mr Lehuka Maseng

### Office

Chairman  
Member/CEO  
Member  
Member  
Member  
Member  
Member  
Member  
Member

### Changes

Appointed June 2024

### Place of Business

Plot 54373  
Petroleum House Matante Mews  
Central Business District  
Gaborone

### Company Secretary

Desert Secretarial Services (Pty) Ltd  
Plot 64518  
Fairgrounds Office Park  
Gaborone

### Auditor

Grant Thornton  
Plot 50370  
Fairground Office Park  
Gaborone

### Bankers

Stanbic Bank of Botswana Limited  
Access Bank Botswana Limited  
Absa Bank Limited  
First National Bank Botswana Limited  
Bank Gaborone Limited

(The financial statements are expressed in Pula, the currency of Botswana)

## STATEMENT OF DIRECTORS' RESPONSIBILITY

FOR THE YEAR ENDED 31 MARCH 2025

The directors of Botswana Oil Limited are responsible for the financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual financial statements as issued by International Financial Reporting Standards board.

The company maintains systems of internal controls, which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of company assets. The directors are also responsible for the design, implementation, and maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of the directors to indicate that any significant breakdown in the functioning of these systems has occurred during the year under review.

The going concern basis has been adopted in preparing the annual financial statements. The directors have no reason to believe that the company will not be a going concern in the foreseeable future based on forecasts and available cash resources.

Our external auditors conduct an examination of the financial statements in conformity with International Standards on Auditing, which include tests of transactions and selective tests of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Board of Directors.

The annual financial statements set out on pages 138 to 176 were authorised and approved for issue by the Board of Directors on 20 February 2026 and are signed on its behalf by:



Acting Chief Executive Officer  
Latelang Chakalisa



Director  
Nelson Nareetsile

# INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2025



Grant Thornton  
Acumen Park, Plot 50370  
Fairgrounds, Gaborone  
P O Box 1157  
Gaborone, Botswana

T +267 395 2313

[linkedin.com/company/Grant-Thornton-Botswana](https://www.linkedin.com/company/Grant-Thornton-Botswana)  
[facebook.com/GrantThorntonBotswana](https://www.facebook.com/GrantThorntonBotswana)

## To the Shareholder of Botswana Oil Limited

### Opinion

We have audited the annual financial statements of Botswana Oil Limited set out on pages 138 to 176, which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, and statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including material accounting policy information.

In our opinion, the annual financial statements give a true and fair view of, the financial position of Botswana Oil Limited as at 31 March 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the annual financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements of the current period. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our opinion thereon, and the report below is not intended to constitute separate opinions on those key audit matters.

We have assessed the audit and concluded that certain audit matters should be communicated.

# INDEPENDENT AUDITORS REPORT

FOR THE YEAR ENDED 31 MARCH 2025



Key audit matter	How the matter was addressed in our audit
<p><b>Revenue recognition</b></p> <p>The principle of revenue recognition under IFRS 15 "Contract with Customers" are inherently complex and requires judgement to ascertain whether the company has discharged their performance obligations.</p> <p>Hence this matter is considered key.</p>	<p>We gained an understanding of different process and controls established by the entity towards recording revenue.</p> <p>We evaluated the appropriateness of the accounting policies applied in recognizing revenue and assessed their compliance with IFRS 15 – Revenue from Contracts with Customers.</p> <p>We assessed the design and implementation of key controls over the revenue process, including those relating to the recording and authorization of sales and related receipts.</p> <p>We performed substantive testing on revenue transactions, tracing to supporting documentation to verify that revenue was recognised in the correct accounting period.</p> <p>Obtained delivered product volumes and recomputed sales using approved rates from regulators.</p> <p>We performed cut-off procedures around yearend to confirm that transactions were recorded in the appropriate financial period.</p>
<p><b>Capitalisation, Recognition and Fair Valuation of Government-Granted Assets under Property, Plant and Equipment</b></p> <p>During the year, the client recognised assets granted by the government as part of its operational infrastructure. These assets were capitalised under Property, Plant and Equipment (PPE) and recognised at fair value in accordance with IAS 16 – Property, Plant and Equipment and IAS 20 – Accounting for Government Grants.</p> <p>The fair values for initial recognition of these properties are determined by valuation experts and involve significant management judgement in applying valuation techniques, which are inherently subject to estimation uncertainty.</p> <p>We considered the valuation of these assets to be a matter of most significance to the current year audit due to magnitude of balances combined with significant assumptions associated with determining the fair values.</p>	<p>We reviewed the Property, Plant and Equipment schedule for the current year, including a detailed listing of government-granted assets, and ascertained that they were properly recorded, classified and reconciled to the fixed asset register.</p> <p>Inspected grant agreements to confirm that legal ownership of the assets has been transferred and that the assets meet the recognition criteria under IAS 16 and IAS 20.</p> <p>Experts appointed by the management determined the fair values of the properties. We assessed the competence and capabilities of the valuer by verifying qualifications and experience. We held discussions with these experts to gather an understanding of the various inputs, assumptions, estimates and process used in arriving at the values. We compared the valuation approach used by the valuer to ensure that it is aligned to industry approach.</p> <p>Reviewed management's assessment of the useful lives applied to government-granted assets at initial recognition and evaluated the assumptions and methodology used in determining these useful lives for reasonableness and compliance with IAS 16 – Property, Plant and Equipment.</p>

# INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2025



## Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Botswana Oil Limited annual financial statements for the year ended 31 March 2025", which includes the document titled "Botswana Oil Limited Annual Report 2024/2025" which is expected to be available to us after the report date. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Annual Financial Statements

The Directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and for such internal control as the Directors determine is necessary to enable the preparation of the annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial Statements, the Directors are responsible for assessing the Company's ability 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 Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are 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 International Standards on Auditing 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 these annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual financial statements, 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.

# INDEPENDENT AUDITORS REPORT

FOR THE YEAR ENDED 31 MARCH 2025



## Auditor's responsibilities for the audit of the Annual Financial Statements (Continued)

- 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 Company'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 Company'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 annual financial statements 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 Company and/or company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent 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 related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the annual financial statements of the current year 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.

*Grant Thornton*

**Grant Thornton**  
Firm of Certified Auditors  
Practising Member: Madhavan Venkatachary (CAP 0017 2026)

26 February 2026

**Gaborone**

## STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2025

	Note(s)	2025 P	2024 P
<b>Non-Current Assets</b>			
Property, plant and equipment	8	1,929,399,448	16,033,160
Intangible assets	9	1,340,006	2,238,295
Right of use	10	4,297,983	4,629,071
Deferred Tax Asset	15	-	2,168,684
		<b>1,935,037,437</b>	<b>25,069,210</b>
<b>Current Assets</b>			
Inventories	11	193,924,811	91,961,164
Trade and other receivables	12	1,515,829,560	225,971,338
Investments	13	21,448,872	10,526,300
Cash and cash equivalents	14	973,613,323	1,145,894,458
Current tax receivable	16	57,270,611	-
<b>Current Assets</b>		<b>2,762,087,177</b>	<b>1,474,353,260</b>
<b>Total Assets</b>		<b>4,697,124,614</b>	<b>1,499,422,470</b>
<b>Equity</b>			
Stated capital	17	113,127,939	113,127,939
Capital reserves	18	948,863,997	948,863,997
Retained earnings		263,659,644	27,862,452
		<b>1,325,651,580</b>	<b>1,089,854,388</b>
<b>Non-Current Liabilities</b>			
Lease liability	19	2,202,913	2,620,681
Deferred Tax Liability	16	23,291,271	-
Capital grants	20	1,912,192,324	-
		<b>1,937,686,508</b>	<b>2,620,681</b>
<b>Current Liabilities</b>			
Lease liability	19	2,466,162	2,435,277
Shareholder's product loan	21	47,922,023	18,889,697
Government advances	22	62,269,266	67,764,353
Trade and other payables	23	1,321,129,075	313,763,245
Current Tax Payable	16	-	4,094,829
		<b>1,433,786,526</b>	<b>406,947,401</b>
<b>Total Liabilities</b>		<b>3,371,473,034</b>	<b>409,568,082</b>
<b>Total Equity and Liabilities</b>		<b>4,697,124,614</b>	<b>1,499,422,470</b>

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Note(s)	2025 P	2024 P
Sale of petroleum products	1	12,325,911,834	3,083,922,120
Cost of sales	2	(11,962,702,342)	(2,971,828,206)
<b>Gross profit</b>		<b>363,209,492</b>	<b>112,093,914</b>
Other operating income	3	140,428,938	23,866,629
Administrative expenses	4	(286,425,805)	(135,764,899)
<b>Profit from operations</b>		<b>217,212,625</b>	<b>195,644</b>
Finance cost	5	(806,074)	(891,560)
Finance income	6	65,136,735	69,983,091
<b>Profit before income tax expense</b>		<b>281,543,287</b>	<b>69,287,174</b>
Income tax	7	(35,746,095)	(15,597,742)
<b>Profit for the year</b>		<b>245,797,192</b>	<b>53,689,432</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>245,797,192</b>	<b>53,689,432</b>

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Note(s)	2025 P	2024 P
Profit before income tax expense		281,543,287	69,287,174
<b>Adjustments for:</b>			
Interest on lease liability	5	446,005	443,131
Interest earned	6	(64,964,027)	(69,161,568)
Profit on disposal of assets	8	(43,493)	(272,899)
Taxation	16	(71,651,580)	(11,809,915)
Depreciation and impairment	8 & 9	128,614,691	5,134,520
Amortisation of Grants received		(122,687,719)	-
Product loan-drawn from Government reserves	21	29,032,326	(46,543,245)
Realised foreign exchange loss on bank balances		(13,253)	2,707
<b>Cash flows before working capital changes</b>		<b>180,276,237</b>	<b>(52,920,087)</b>
(Increase)/decrease in inventories	11	(101,963,647)	(2,625,309)
(Increase)/decrease in trade and other receivables	12	(1,289,858,222)	38,425,001
Increase/(decrease) in trade and other payables	23	1,007,365,830	(22,126,250)
<b>Net cash utilised by operations</b>		<b>(204,179,802)</b>	<b>(39,246,645)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant and equipment	8	(3,739,779)	(6,796,243)
Acquisition of intangible assets	9	-	(380,315)
Proceeds from disposal of assets		107,442	1,159,827
(Increase)/decrease in BIFM investment	13	(10,922,572)	(3,636,907)
Investment relating to bank guarantees	13	-	36,800,736
Interest received	6	64,964,027	69,161,568
<b>Net cash (utilised)/generated from investing activities</b>		<b>50,409,118</b>	<b>96,308,666</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of lease liability	19	(2,582,612)	(2,482,539)
Interest on leases	19	(446,005)	(443,131)
Proceeds from Government for projects and maintenance	22	18,450,531.00	138,599,726
Utilisation of Government funds on projects and maintenance	22	(60,052,485.00)	(176,482,925)
Outflow of funds for procurement of Government strategic fuel	22	(72,981,855)	(422,332,500)
Inflow of funds for procurement of Government strategic fuel	22	109,088,722	51,396,660
Cash injection by the shareholder	18	-	677,194,678
Dividends paid		(10,000,000)	-
<b>Net cash generated from financing activities</b>		<b>(18,523,704)</b>	<b>265,449,969</b>
Net (decrease)/increase in cash and cash equivalents		(172,294,388)	322,511,990
<b>Unrestricted cash and cash equivalents at the beginning of the year</b>		<b>1,145,894,458</b>	<b>823,385,175</b>
<b>Effects of exchange rate movement on cash balance</b>		<b>13,253</b>	<b>(2,707)</b>
<b>Unrestricted cash and cash equivalents at the end of the year</b>		<b>973,613,323</b>	<b>1,145,894,458</b>

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Stated capital P	Capital reserves P	Accumulated loss P	Total equity P
Balance as at 1 April 2023	113,127,939	271,669,319	(25,826,980)	358,970,278
Profit/(loss) for the year	-	-	53,689,432	53,689,432
Contribution for the year	-	677,194,678	-	677,194,678
<b>Balance at 31 March 2024</b>	<b>113,127,939</b>	<b>948,863,997</b>	<b>27,862,452</b>	<b>1,089,854,388</b>
Balance as at 1 April 2024	113,127,939	948,863,997	27,862,452	1,089,854,388
Profit/(loss) for the year	-	-	245,797,192	245,797,192
Dividends paid			(10,000,000)	(10,000,000)
<b>Balance at 31 March 2025</b>	<b>113,127,939</b>	<b>948,863,997</b>	<b>263,659,644</b>	<b>1,325,651,580</b>

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

## 1. GENERAL

Botswana Oil Limited ("BOL"/ the "Company") is a company fully owned by the Government of Botswana under the Ministry of Minerals and Energy (MME). The address of its registered office and principal place of business is disclosed in the corporate information section of the financial statements. The company undertakes bulk sale of petroleum products to customers. The current customer base consists of citizen-owned companies and international oil companies active in the local market.

The company's financial statements were approved and authorised for issue by the Board of directors.

## 2. BASIS OF PREPARATION

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and comply with IFRS as issued by the International Accounting Standards Board (IASB). The financial statements are prepared on a going concern basis and under the historical cost convention except where disclosed otherwise. The principal accounting policies applied in the preparation of the company financial statements are set out below. These policies have been consistently applied in the last year, unless otherwise stated.

The financial statements are presented in Botswana Pula, which is the company's functional and presentation currency.

### 2.1 New standards and Interpretations

International Financial Reporting Standards and amendments effective for the first time for March 2025 year end and are applicable to the company		
Number	Effective date	Impact on these Financial Statements
<b>Amendment to IAS 21: The Effects of Changes in Foreign Exchange Rates</b>  The amendment requires an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.	Annual periods beginning on or after 1 January 2025	No impact on these financials statements
<b>Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use</b>  The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.	Annual periods beginning on or after 1 January 2022	No impact on these financials statements, as the company does not produce any assets

# SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 2.1 New standards and Interpretations (continued)

International Financial Reporting Standards and amendments effective for the first time for March 2025 year end and are applicable to the company		
Number	Effective date	Impact on these Financial Statements
<b>IFRS 18 Presentation and Disclosure in Financial Statements</b>  IFRS 18 introduces significant changes to numerous requirements, primarily how an entity:  <ul style="list-style-type: none"> <li>• Presents its statement of profit or loss, including the classification of income and expenses and new mandatory subtotals</li> <li>• Aggregates and disaggregates information disclosed in financial statements</li> <li>• Discloses information about management-defined performance measures.</li> </ul>	Annual periods beginning on or after 1 January 2027	No Impact on these financial statements
<b>Amendments to IFRS 7 Financial Instruments: Disclosures</b>  IFRS 7 requires entities to provide disclosures in their financial statements that enable users to evaluate:  <ul style="list-style-type: none"> <li>• The significance of financial instruments for the entity's financial position and performance.</li> <li>• The nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.</li> </ul>	Annual periods beginning on or after 01 January 2026	No Impact on these financial statements
<b>Amendments to IAS 10 Statement of Cash flows</b>  Amendments are regarding adjustments to current liabilities, which also affect the cash flows, so these should be adjusted to net profit. intangible assets written off are to be added back because they are non-cash items that do not result in the outflows of cash flows such as profit on sale of assets, dividend or interest income, etc	Annual periods beginning on or after 01 January 2026	No Impact on these financial statements

## SUMMARY OF MATERIAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

### Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Botswana Pula, which is the company’s functional and presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

### Property, plant and equipment and intangible assets

Property Plant & Equipment are tangible items that are held for use in the production or supply of goods or services, for rental to others or for administrative purposes; and are expected to be used during more than one period.

Costs include costs incurred initially to acquire or construct an item of property plant and equipment or to acquire or develop intangible assets, and costs incurred subsequently to add to, replace part of, or service it.

Property, plant and equipment are carried at costs less accumulated depreciation and after accounting for any impairment losses. Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment which is as follows.

Item	Useful lifetime
Leasehold improvements	Over the operating lease period
Buildings – Porta cabins	10 years
Plant and Machinery	7 years
Furniture and fixtures	7 years
Motor vehicles	5 years
Office equipment	7 years
IT equipment	4 years
Buildings	40 years
Depot equipment	Average of 30 years

### Useful lives and residual values of property, plant and equipment

The Company annually assesses the appropriateness of the useful life and residual value estimates. The estimated residual values of the property, plant and equipment have been determined by the Company’s directors based on their knowledge of the industry.

## SUMMARY OF MATERIAL ACCOUNTING

### POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### De-recognition of property, plant and equipment

Property plant and equipment is de-recognised where:

- the right to receive cash flows from the asset has expired
- it has been sold
- the company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

### Intangible assets

Intangible assets are identifiable, non-monetary assets without physical substance. Like all assets, intangible assets are expected to generate economic returns for the company in the future. As a long-term asset, this expectation extends for more than one year. These consists internally and externally generated assets.

The cost may include development costs or acquisition costs of the new software and costs incurred subsequently to enhance the software. Costs of software development are recognised as capital work in progress (WIP). The Work-in-progress is capitalised at the date when the economic benefits of the intangible asset start to accrue to the company. The capitalised asset will follow the depreciation policy of the existing intangible asset.

Intangible assets are carried at costs less accumulated amortization and after accounting for any impairment losses. WIP is only amortized once completed and transferred to an asset. Amortization are provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property which is as follows;

Item	Useful lifetime
SAP Oil-In-One Software	5 years
Software	5 years

The residual values and useful lives of property, plant and equipment and intangibles are reviewed at each reporting date. If appropriate, adjustments are made and accounted for prospectively as a change in estimate. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

The amortisation of intangible assets is included in administrative expenses of the statement of comprehensive income (SOI).

### De-recognition of intangible assets

Intangible assets de-recognised when:

- it is disposed of
- when no future economic benefits are expected from its disposal.
- the company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### Impairment of non-financial assets

In respect of assets that are subject to depreciation or amortisation, the company assesses at each reporting date whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated. An asset's recoverable amount is the higher of its fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying values exceed the estimated recoverable amounts, the tangible assets concerned are written down to their estimated recoverable amounts. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). The right of use asset is measured at cost less accumulated depreciation and impairment losses.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term which is 3 years. The Company also assesses the right-of-use asset for impairment each year end for any indicators.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are any changes of in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### Measurement and recognition of leases as a lessee (continued)

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Right-of-use assets and lease liabilities have been presented on the face of the balance sheet as separate line.

### Related party transactions

Related party transactions involve the transfer of resources, services, or obligations between related parties, regardless of whether a price is charged. In the case of BOL, a related party can be the shareholder being the Government of Botswana through the Ministry of Minerals and Energy (MME).

Prior to entering into any transactions, the drawn contract is reviewed by the company's Head of Legal & Company Secretary. The company's board members then give the final approval.

BOL's policy is to disclose all transactions carried out with the related parties including those with key management personnel as per IAS 24 requirements.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first in, first-out (FIFO) basis and is the net of the invoice price, insurance, freight, customs duties and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to complete the sale.

The company also accounts for tank losses that may occur due to different factors such as leaks or evaporation in the cost of sales as stock written off.

Stock in transit losses that are within the tolerable range as per contractual agreements with transporters are recognised as stock losses in cost of sales. If losses are above tolerable range this is invoiced to the supplier and written off to cost of sales. The recoveries are treated as other income.

### Investment funds

The Company initially and subsequently recognises its investments in debt and equity securities, and related derivatives, as financial assets at fair value. Financial assets designated at fair value at inception are those that are managed, and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy.

The company has an investment of its employee's gratuity with a professional fund manager Botswana Insurance Fund Management (BIFM). The investment is a Capital Preservation Fund in Unit trust and was effected on the 1st of September 2018 at a fee rate of 0.45% VAT exclusive. Subsequent to initial investment the investment accumulates monthly interest that increases its value, and this interest varies depending on the performance of the market.

There are no losses as the investment is that of capital preservation.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### Trade and other receivables

#### Recognition and classification

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. They are due within 14 days or upon exhaustion of credit limit are classified as current financial assets. Other receivables are non-trade amounts due to the company from different transactions that may occur during the year of operation like prepayments and VAT. Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables.

#### Initial and subsequent measurement

They are measured initially at fair value plus transaction costs and subsequently at amortised cost using the effective interest method, adjusted for any loss allowances.

They have been classified in this manner because their onboarding terms give rise, on specified dates to cash flows that are solely payments of principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

#### Impairment loss allowance

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT, security deposits and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable less provision for impairment.

The company makes use of a provision matrix to determine expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors and are of short term.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in profit or loss as a movement in credit loss allowance.

#### Definition of default

The company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the company, in full (without taking into account any collateral held by the company).

## SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Irrespective of the above analysis, the entity considers that default has occurred when a financial asset is more than 90 days past due unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### Cash and cash equivalents

The company considers cash and cash equivalents as cash in hand, deposits held at call with banks, 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 immaterial risk of changes in value, and bank overdrafts.

These are initially measured at fair value and subsequently measured amortised cost. Cash and cash equivalents are classified as low risk as they are held with highly reputable financial institutions hence subject to immaterial risk changes.

Gains on cash earned as interest on call and fixed deposits are recognised through the profit and loss as interest income in the statement of comprehensive income (SOI).

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank borrowings.

#### De-recognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is de-recognised where:

- the right to receive cash flows from the asset has expired;
- the company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.

#### Write off policy

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the entity's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in profit or loss.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### Stated capital

Ordinary shares are classified as equity and stated at the fair value of the consideration received on note (16) of the financial statements.

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.

### Capital reserves

Capital reserves represent cash received from the shareholder through Security of Supply Margin ("SSM") for working capital purposes.

There is no requirement for BOL to issue any shares in exchange for the funds received nor repay them to the Government. The presentation and disclosures are treated as capital reserves in as the funds are in substance a capital contribution and they are non-reciprocal in nature.

These amounts are recorded in a separate reserve account within equity.

### Government grants

Government grants are recognised when there is reasonable assurance that:

- the Institute will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

Government grants related to assets, including non-monetary grants at fair value, are presented in the statement of financial position by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset.

Repayment of a grant related to an asset is recorded by increasing the carrying amount of the asset or reducing the deferred income balance by the amount repayable. The cumulative additional depreciation that would have been recognised to date as an expense in the absence of the grant is recognised immediately as an expense.

### Government advances

Government advances represent the funds received from the Botswana Government for the implementation of Government projects, sourcing of strategic reserves and maintenance of Government depots.

The funds received from the Government are recognised in the balance sheet as liabilities for either Government advance product purchasing or Government advance projects.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other payables are de-recognised when the obligation under the liability is discharged, cancelled or expires.

### Shareholder's product loan

#### Recognition and classification

One of Botswana Oil Limited's mandate is to manage strategic reserves on behalf of the Ministry of Minerals and Energy (MME). Product has to be rotated in order to maintain and uphold its quality. Botswana Oil Limited is allowed to borrow up to 10% of the strategic stocks to sweeten the product. The company recognises the loan in the month it was incurred and is classified as a current liability as the loan is payable within 30 days. The repayment is done as a product.

#### Initial and subsequent measurement

The loan is measured at fair value using the prevailing unit rate (also known as slate) from Botswana Energy Regulation Authority (BERA) at month end. A loan revaluation gain or loss is recognised on the statement of comprehensive income under cost of sales with a corresponding adjustment to the carrying amount of the shareholders product loan.

#### Employee benefits

- a) The company operates a defined contribution retirement fund. The company's contributions to the fund are charged to the statement of comprehensive income in the year to which they relate.

Severance benefits are payable in terms of the Employment Act to all employees not belonging to the retirement fund. These benefits are recognised when they accrue to the employees.

- b) The company has a money market fund on employee's gratuity with Botswana Insurance Fund Management (BIFM). The company's contributions to the fund as per rate of contract agreed with employees are charged to the statement of comprehensive income in the year to which they relate, and a payable is created.

The company recognises the investment balance as an asset in the books of accounts as the fund is maintained and signed off by BOL management. A liability to date is also shown in the books of accounts as the company recognises its contractual obligation to its employees. Movement in the funds of monthly contributions expense and net interest earned are also recognised as part of the investment. BOL recognises that it is liable to the employees for the gratuity despite investment with 3rd parties, that the investment does not exonerate it from its obligations.

- c) Other employee entitlements like annual leave, and bonuses are recognised when they accrue to employees as well. The company recognises a liability and expense for bonuses based on contractual and constructive obligations. These liabilities are short term in nature and are presented under current liabilities.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### Revenue recognition

Sales revenue, and other income are recognised based on the satisfaction of performance obligations which occurs when control of goods or service transfers to a customer.

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns, relevant levies. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

### Sales of goods - fuel

The entity sells Petrol, Diesel, Illuminating Paraffin, Avgas and Aviation fuel to its various customers through different dispensations. This being:

1. Pick up from BOL depots where customers pick up product through their own pre-approved trucks. The sale is recognised when the product has been loaded to the customers' tankers at the product uplift point at which point the risk and rewards of ownership is transferred to the buyer. The quantity of the product is determined as per the facility manager's report at loading point and the tankers will be sealed before departure. There are no unfulfilled obligations that would affect the buyers' acceptance of the product.
2. Truck exchange being the process of swapping a truck a designated/ agreed location between BOL and the customer to the customer's retail sites. The designated area being BOL truck stops across the regions. The sale is recognised when the truck has been handed at the designated truck stop after the checks and quantities have been verified that being the point of transfer of risk and rewards of ownership is transferred
3. Pipe line transfer being the use of pipe line to transfer product from BOL depot tanks directly to the neighboring depot tank
4. Direct delivery being the process of swapping a truck a designated/ agreed location between BOL and the customer to the customer's retail sites. The designated area being BOL truck stops across the regions. The sale is recognised when the truck has been handed at the designated truck stop after the checks and quantities have been verified that being the point of transfer of risk and rewards of ownership is transferred.

The company follows the five-step model to be applied to all contracts with customers. The model is as follows:

1. **Identify the contract with the customers:** All customers sign a Deal-sheet or be issued a Bulk Fuel Order before the product is issued.
2. **Identify the performance obligations:** Fuel supplied are agreed in the Deal-sheets or Bulk Fuel.
3. **Determine the transaction price:** Supply price is regulated through Unit Rates issued by Botswana Energy Regulatory Authority (BERA).
4. **Allocate the transaction price:** Unit Rates stipulate price per product.
5. **Recognise revenue when a performance obligation is satisfied:** Revenue is recognised either when the customer picks the product from the Depot, during truck exchange, pipeline transfer and direct delivery.

### Other Income

#### a. Sales of Services - Management fee - Fuel procurement

The entity sources fuel on behalf of the Government to replenish the Government Reserve Stocks managed by the entity. These costs are borne by the Government through the Ministry of Minerals and Energy. The entity earns a supply margin for the service provided.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### Other Income (continued)

#### b. Investment Income

The company earns interest from short-term investments with various financial institutions. This is a way of capitalising excess cash while preserving capital. These investments have a short-term maturity period. Investment income is recognised from the contractual agreement date with the financial institution and derecognised upon maturity.

These are initially measured at fair value and subsequently measured at amortised cost Interest earned at the agreed bank rate is accrued for monthly to date of maturity through statement of comprehensive income and a corresponding entry to the short-term investment.

#### c. Coal to liquids project (XTL) reimbursements

The company is executing a coal to liquid feasibility study on behalf of the Government and this project cost is funded through the National Domestic Development Fund (DDF) through MME. The practice is for the funds to be advanced to BOL each year before actual expenditure is incurred as per approved budget by the Government.

BOL recognises these funds as other income in the year they are to be spent as per approved budget. This revenue is set off by the expenditure recognised through the company's statement of comprehensive income. Where funds have not been received a monthly accrual equivalent to the expense is recognised as other income with a corresponding entry to related party receivables.

#### d. Project Management Office (PMO) reimbursements

The company is executing depot infrastructure projects on behalf of the Government and this project cost is funded through the (DDF). The approved budget of these projects includes manpower cost for the PMO personnel. The practice is for the funds to be advanced to BOL each year before actual expenditure is incurred as per approved budget by the Government.

BOL recognises these funds as other income in the year they are to be spent as per approved budget. This revenue is set off by the expenditure recognised through the company's statement of comprehensive income. Where funds have not been received a monthly accrual equivalent to the expense is recognised as other income with a corresponding entry to related party receivables.

### Cost of sales

Cost of sales represents the purchase cost of fuel for resale, duties, levies and includes all overheads appropriate to the sale.

### Current and deferred income tax

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, in other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited in other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, in other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

### Financial risk management

#### 1. Capital risk management

The company's objectives when managing its working capital are to safeguard the company's ability to continue as a going concern in order to provide benefits for stakeholders. In managing capital, the Company strives to provide maximum benefits to stakeholders at the lowest possible cost. There were no borrowings during the year under review. There are no externally imposed capital requirements and there have been no changes to what the company manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

The company continues to manage its working capital which is current assets net of current liabilities. The current ratio was 1.91:1 to 1.14:1 with current assets and current liabilities of P1,516,730,946 and P1,330,869,283 respectively. All this is due to an increase in receivables of Government entities and the company has since made a provision. The company continues to improve its cash by investing excess cash with low-risk financial institutions. Robust debtors' collection measures were applied however Government related entities showed some hurdles which necessitated a bad debt provision. Engagements with suppliers for reasonable credit terms continues, while some have provided some are still on negotiations and this led to early settlement to release credit hence eroding working capital.

### 2. Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and cash flow interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The Board of Directors regularly reviews these risks and approves the risk management policies, which cover the management of these risks.

#### a. Market risk

##### (i) Foreign currency risk

The company principally operates in Botswana and uses the pula as the reporting currency. The company is exposed to foreign exchange rate fluctuations arising primarily with respect to United States Dollar, Great British Pound and South African Rand. Foreign exchange risk arises from import of fuel. However, as the financial instruments held in foreign currencies are denominated in the functional currencies of the respective trading partners, the company's risk to foreign currency fluctuations is largely mitigated through the operation of such natural hedges.

Balances exposed to foreign currency risk are trade payables to foreign suppliers for fuel procurement and foreign account bank balances.

On 31 March 2025 the company's financial assets and liabilities denominated in foreign currencies are:

#### Bank balances

	Debit/(Credit) 2025	Debit/(Credit) 2024
	P	P
United States Dollar	6,074	17,347
South African Rand	579,110	1,262,465
	<b>585,184</b>	<b>1,279,812</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### (i) Foreign currency risk (continued)

#### Trade payables

	Debit/(Credit) 2025	Debit/(Credit) 2024
	P	P
United States Dollar	(255,668,184)	(21,578,223)
South African Rand	(516,801,618)	(177,973,966)
Britain Pound	(11,175)	-
<b>Total</b>	<b>(772,480,977)</b>	<b>(199,552,189)</b>

As at 31 March 2025, if the Botswana Pula had strengthened/weakened by 10% against the USD with all other variables held constant, post-tax profit for the year would have been P607 (2024: P1,735) and P25,566,818 (2024: P2,157,822) higher/lower, mainly as a result of foreign exchange gains/losses on translation of USA dollar denominated payables and bank balances respectively.

As at 31 March 2025, if the Botswana Pula had strengthened/weakened by 10% against the ZAR with all other variables held constant, post-tax profit for the year would have been P57,911 (2024: P126,247) and P51,680,162 (2024: P17,797,397) higher/lower, mainly as a result of foreign exchange gains/losses on translation of South African rand denominated payables and bank balances respectively.

### (ii) Cash flow and fair value interest rate risk

The company's exposure is limited to cash flow interest rate risk arising from the cash and cash equivalents held with banks and their investment in money market funds. The cash flow varies according to movements in underlying market rates. The balances held with counter parties are callable at the option of the company and are exposed to an immaterial risk of change in value. The counterparties are generally with financial institutions of high repute only. These include subsidiaries of international and regional institutions.

Amount subject to cash flow interest rate risk.

	2025	2024
	P	P
Stanbic Bank Botswana Limited	666,065,752	691,030,355
First National Bank Botswana Limited	307,431,898	6,495,289
Access Bank	664	439,548,019
ABSA Bank	115,009	8,820,794
BIFM Gratuity Investment	21,448,872	10,526,300
Lease Liability	(4,669,975)	(5,055,958)
<b>Total</b>	<b>990,392,220</b>	<b>1,151,364,799</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### (ii) Cash flow and fair value interest rate risk (continued)

Fluctuations in interest rates impact on the value of short-term cash investments and financing activities, giving rise to interest rate risk. Surplus funds are invested in a manner to achieve maximum returns while minimizing risk. An increase/decrease of 1% in the interest rate in short-term cash deposits would increase/decrease interest income by P9,903,922 (2024: P11,513,648).

### (iii) Price risk

The pricing structure of the oil industry is based on the slate which is regulated by the Botswana Energy Regulatory Authority (BERA). It is a volatile structure as it is influenced by different elements. The price risk the company is exposed to relates to its inventory and product loan.

As disclosed in Note 20 of the financial statements, the amount outstanding quantity of fuel loaned from the Government strategic reserve at the year-end date was P47,922,023 (2024: P18,889,697). The value of drawdowns on this loan is determined with reference to the value of fuel drawn from Government reserves measured at the published slate price per litre on the day of drawdown. Subsequently, the value of this liability will fluctuate based on changes in the published slate price per litre. During the current financial year, the company accounted for a (gain)/loss of P15,255,950 (2024: P39,588,084) through an decrease of this liability because of decreases in the published slate price per litre subsequent to the initial drawdown. The company mitigates this risk by closely monitoring price movements to decide on closing inventory.

The maximum amount subject to price risk as at 31 March 2025

	2025	2024
	P	P
Closing Inventory	193,924,811	91,961,164
Shareholder's product loan	(47,922,023)	(18,889,697)
<b>Total</b>	<b>146,002,788</b>	<b>73,071,467</b>

Fluctuations in slate price per litre of the subsequent month impacts on the value of opening inventory and shareholder's loan, giving rise to price risk. An increase/decrease of 1% in the slate price increase/decrease the value of stock and loan by P1,460,028 (2024: P730,715).

### (iv) Credit risk

The financial assets of the company which are subject to credit risk consist mainly of cash resources and debtors. Cash resources are placed with reputable financial institutions. The main financial institution where the company places its funds at is Stanbic Bank Botswana which has a credit rating of AAA as per Fitch's ratings. The company's policy is to hold cash resources in subsidiaries of rated United Kingdom and South African Banks. The company does not have MATERIAL credit risk from its trade receivables as it ensures that sales of petroleum products and services are made to customers with good credit history as identified through the vetting process that uses the services of a credit risk agency. The utilization of credit limits is regularly monitored by management.

For some trade receivables the company may obtain security in the form of guarantees, which can be called upon if the counterparty is in default under the terms of the agreement.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### Impairment of financial assets

The company applies IFRS 9 simplified approach to measuring expected credit losses.

Financial assets are considered impaired if there is objective evidence of impairment as a result of one or more occurred loss events that have an impact on the estimated future cash flows of the financial asset.

At each reporting date management considers each debtor to determine if it is recoverable, or whether its recovery is doubtful. Each debtor is assessed individually, and a provision is made for those where indications exist that recovery is uncertain or where clear evidence exists that the outstanding amount will not be recovered.

The loss allowance on trade receivables is determined as the lifetime expected losses. This lifetime expected credit losses are estimated using a provision matrix. The provision matrix has been developed by making use of past default experience of debtors and focuses on the near future. It also considers the impact of socio, political and economic factors on the expected receivables. These are grouped based on the shared risk characteristics. International Oil companies are grouped together while Citizen Oil companies are grouped together.

Trade receivables are credit impaired if they exceed 150 days of non-payment based on payment terms.

Cash and cash equivalent and investment are not expected to be impaired as the investment is capital preserved while cash is kept on high creditable banks. Fixed deposits are done on contractual rates which will not be affected by market rate fluctuations.

The credit risk loss assessment in note 12 shows that there was a loss allowance raised in 2025 of P7,017,846 The allowance raised is 1% (2024:0%) of the trade receivable balance. The provision as compared to prior year is due to the introduction of the Government Fleet Management (GFM) customer contract which was onboarded this current financial year. The Board has delegated responsibility for the oversight of credit risk to the CEO and the heads of business units through the credit risk committee.

### Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of complex models and MATERIAL assumptions about future economic conditions and credit behavior (e.g., the likelihood of customers defaulting and the resulting losses).

A number of MATERIAL judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Choosing appropriate models and assumptions for the measurement of ECL.
- Establishing groups of similar financial assets for the purposes of measuring ECL.

The expected loss rates are based on payment profiles of sales. The historical loss rates are adjusted to reflect the current and forward-looking information on macro-economic factors, consideration was made based on the country's GDP and it is assessed to be stable. As a result, the impact of macro economic factors is considered to be immaterial. Further, due to short term nature of receivables, it is anticipated that no MATERIAL changes impacting credit losses will occur in the short term.

## SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

The maximum amount subject to credit risk as at 31 March 2025

	2025	2024
	P	P
Trade receivables (net)	991,843,370	129,055,332
<b>Other receivables</b>		
Amounts due from related parties	468,071,743	61,401,627
Cash and cash equivalents	973,613,323	1,145,894,458
Investments	21,448,872	10,526,300
<b>Total</b>	<b>2,454,977,308</b>	<b>1,346,877,717</b>

The company monitors the outcomes of regulatory inspections and reports with respect to these counter parties. The company is not aware of any facts and circumstances which would indicate that the counterparty is exposed to such risks beyond those normally associated with such relationship and there has been no increase in significant risk since initial recognition.

The company's management considers all financial assets which were fully performing and past due for each of the reporting dates under review as being of good quality.

### (v) Liquidity risk

Liquidity risk arises when the company is unable to meet its payment obligations in a timely manner when they become due. This can arise as a result of poor cash flows, inability to obtain financing. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

The company manages its liquidity needs by carefully managing cash outflows due in day-to-day business and by ensuring that borrowing facilities could be made available at short notice from their principal banker Stanbic Bank Botswana Limited. The entity currently has sufficient cash flows to manage its operations.

Management continues to monitor actual cashflows against budgets and does rolling forecasts to be alert of any risk that may occur. There are cash saving policies in place to be implemented as measures against liquidity risk. The table below analyses the company's financial liabilities based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and does not include statutory liabilities.

### As of 31 March 2025

	Less than 1 year	Between 1 and 5 years	Total
	P	P	P
Trade and other payables (excl statutory liabilities)	1,277,246,669	-	1,277,246,669
Lease liability	2,466,162	2,202,913	4,669,075
Government advances	62,269,267		62,269,267
	<b>1,341,982,098</b>	<b>2,202,913</b>	<b>1,344,185,011</b>

## SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

As of 31 March 2025

	Less than 1 year P	Between 1 and 5 years P	Total P
Trade and other payables (excl statutory liabilities)	279,096,158	-	279,096,158
Lease liability	2,435,277	2,620,681	5,055,958
Government advances	67,764,353	-	67,764,353
	<b>349,295,788</b>	<b>2,620,681</b>	<b>351,916,469</b>

### Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities approximates their carrying amounts at the balance sheet date.

The entity makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### Fair value estimation of financial assets

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly as prices or indirectly derived from prices.

Level 3 - Inputs for the asset or liability that are not based on observable market data.

The fair values of quoted investments held by BIFM are based on the current bid prices. If the market for a financial asset is not active (and for unitized securities) the Fund establishes fair value by using valuation techniques. These may include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis.

As at 31 March	2025 P	2024 P
Investments (level 2)	21,448,872	10,526,300
Valuation of Depot machinery and Land	1,912,192,322	-
	<b>1,933,641,194</b>	<b>10,526,300</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

### 1. Revenue

	2025 P	2024 P
Fuel-Diesel	4,983,075,361	2,332,721,971
Fuel- Petrol	7,138,199,681	737,665,815
Fuel-A1 Jet Fuel	156,181,102	3,463,526
Fuel-Avgas	22,221,012	-
Fuel-Illuminating Paraffin	15,252,809	-
	<b>12,314,929,965</b>	<b>3,073,851,312</b>

### Management fees on product related works:

Management fees from replenishing strategic reserves	3,339,664	2,425,070
Management fees Debswana	7,642,206	7,328,080
Throughput Income	-	317,658
	<b>10,981,869</b>	<b>10,070,808</b>

<b>Total Sales Revenue</b>	<b>12,325,911,834</b>	<b>3,083,922,120</b>
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### All BOL revenue is recognised at a point in time:

Revenue from sale of petroleum products has been further disaggregated as follows:

Sales to Government owned entities	186,798,525	22,175,831
Sales to commercial customers	12,128,131,440	3,051,675,482
	<b>12,314,929,965</b>	<b>3,073,851,312</b>

### 2. Cost of sale

	2025 P	2024 P
Finished goods	(11,819,126,928)	(2,935,178,839)
Inventory gain	2,096,985	3,570,852
Price movements fluctuations on loaned stock repayments	18,057,938	(39,588,084)
Slate (under)/over recovery	(165,245,717)	673,716
Price movement fluctuations on stock (loss)/gains	(15,451,424)	9,442,735
Loss in transit	(12,491,765)	(2,960,203)
Realised gain/ (loss) on forex	23,242,729	(7,814,135)
Unrealised gain on forex	6,215,840	25,752
	<b>(11,962,702,342)</b>	<b>(2,971,828,206)</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 3. Other operating income

	2025 P	2024 P
Profit on disposal of assets	43,492	272,899
Tender fee	74,760	1,079,151
XTL reimbursement	5,159,429	9,796,209
HRDC claim trainings	787,504	765,285
Disposals of scraps	8,715	45,971
Project recovery income	11,667,319	11,888,788
Miscellaneous income	-	18,326
Deferred Income Amortisation	122,687,719	-
	<b>140,428,938</b>	<b>23,866,629</b>

### 4. Profit/(loss) from operations is stated after charging the following items:

	2025 P	2024 P
Auditors' remuneration - audit fees	(569,463)	(689,000)
Advertising and marketing costs	(8,018,116)	(4,740,823)
Administration costs	(17,471,877)	(7,174,014)
Consultancy fees	(8,542,850)	(13,037,802)
Depreciation amortisation and impairment costs	(128,614,691)	(5,134,520)
Health safety security and environmental costs	(1,973,595)	(1,306,337)
ICT costs	(5,759,480)	(4,526,490)
Professional costs	(3,925,566)	(1,386,996)
Training and travel costs	(12,237,278)	(9,691,054)
Utility costs	(4,127,424)	(2,078,356)
Employee costs include:		
Salaries and allowances	(74,414,403)	(70,822,403)
Gratuity expense	(12,786,293)	(8,987,140)
Defined contribution pension expense	(3,998,080)	(3,180,803)
Severance	(44,332)	(31,613)
Leave costs	(3,942,357)	(2,977,548)
	<b>286,425,805</b>	<b>135,764,899</b>

### 5. Finance income and costs

	2025 P	2024 P
Interest on lease liability	(446,005)	(443,131)
Facility bank charges	(360,069)	(448,429)
	<b>(806,074)</b>	<b>(891,560)</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 6. Finance income

	2025 P	2024 P
Interest income	64,964,027	69,161,568
Exchange gains - realised	69,950	410,780
Exchange gains- unrealized	102,758	410,743
	<b>65,136,735</b>	<b>69,983,091</b>

### 7. Income tax expense

Current income tax

The entity is liable to income tax at the rate of 22%.

### Reconciliation of accounting profit before tax

Major components of the tax expense	2025 P	2024 P
<b>Current tax</b>		
Basic company tax	10,286,140	15,904,744
<b>Deferred tax</b>		
Originating and reversing temporary differences	25,459,955	(307,002)
	<b>35,746,095</b>	<b>15,597,742</b>
<b>Reconciliation of the tax expense</b>		
Reconciliation between accounting profit and tax expense		
Accounting profit from continuing operations	281,543,287	69,287,174
Tax at the applicable rate (22%)	<b>61,939,523</b>	<b>15,243,178</b>
<b>Tax effects of adjustment on the taxable income</b>		
Non-deductible rental payments		26,962
Depreciation on passenger motor vehicles excess cost	59,607	5,239
Corporate social responsibility and donations	719,359	312,187
Prior year land depreciation reversal	-	10,176
Fines and penalties	18,904	-
Deferred Income- capital in nature	(26,991,298)	
	<b>35,746,095</b>	<b>15,597,742</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 8. Property, plant and equipment

#### Year-ended 31 March 2024

	Porta- Cabins	Plant and equipment	Motor vehicles	Furniture and fittings	IT equipment	Leasehold improvements	Office equipment	Land	Capital Works In Progress	Total
	P	P	P	P	P	P	P	P	P	P
At cost	373,348	284,587	4,351,402	3,856,284	6,115,808	3,003,132	195,169	6,984,500	535,397	25,699,627
Accumulated depreciation	(318,762)	(281,658)	(630,189)	(2,652,019)	(3,477,787)	(2,143,508)	(162,544)	-	-	(9,666,467)
<b>Net book value</b>	<b>54,586</b>	<b>2,929</b>	<b>3,721,213</b>	<b>1,204,265</b>	<b>2,638,022</b>	<b>859,624</b>	<b>33,109</b>	<b>6,984,500</b>	<b>535,397</b>	<b>16,033,160</b>

#### Year-ended 31 March 2024

	Porta- Cabins	Plant and equipment	Motor vehicles	Furniture and fittings	IT equipment	Leasehold improvements	Office equipment	Land	Capital Works In Progress	Total
	P	P	P	P	P	P	P	P	P	P
Opening net book amount	64,510	5,837	1,466,098	537,279	2,034,437	31,330	28,037	6,984,500	641,758	4,809,286
Additions	-	-	3,655,902	564,634	1,424,991	600,949	14,370	-	535,397	6,796,243
Transfers	-	-	-	313,773	(10,163)	338,148	-	-	(641,758)	-
Disposals	-	-	(2,595,330)	(176,634)	(518,263)	-	(16,933)	-	-	(3,307,160)
Write-ups	-	-	71,125	-	-	-	-	-	-	71,125
Impairment of assets	-	-	-	3,000	-	-	-	-	-	3,000
Depreciation charge	(9,924)	(2,908)	(650,010)	(208,270)	(749,491)	(110,803)	(9,660)	-	-	(1,741,066)
Depreciation on disposals	-	-	1,773,428	170,483	456,510	-	16,811	-	-	2,417,232
<b>Closing net book value</b>	<b>54,586</b>	<b>2,929</b>	<b>3,721,213</b>	<b>1,204,265</b>	<b>2,638,021</b>	<b>859,624</b>	<b>32,625</b>	<b>6,984,500</b>	<b>535,397</b>	<b>16,033,160</b>

There is no PPE with restricted title or pledged as security.

#### Year-ended 31 March 2025

	Buildings & Porta Cabins	Plant and equipment	Motor vehicles	Furniture and fittings	IT equipment	Leasehold improvements	Office equipment	Leasehold and freehold land	Industrial Buildings	Depot Machinery	Capital Work In Progress	Total
	P	P	P	P	P	P	P	P	P	P	P	P
At cost	2,213,096	284,587	5,826,917	4,039,046	7,165,255	3,003,132	232,028	175,694,500	8,002,283	1,582,567,383	274,846,793	2,063,875,020
Accumulated depreciation	(509,422)	(284,566)	(1,658,775)	(2,885,569)	(4,206,959)	(2,282,710)	(170,026)	(7,619,714)	(16,671)	(114,841,160)	-	(134,475,572)
<b>Net book value</b>	<b>1,703,674</b>	<b>21</b>	<b>4,168,142</b>	<b>1,153,477</b>	<b>2,958,296</b>	<b>720,422</b>	<b>62,002</b>	<b>168,074,786</b>	<b>7,985,612</b>	<b>1,467,726,223</b>	<b>274,846,793</b>	<b>1,929,399,448</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 8. Property, plant and equipment (continued)

#### Year-ended 31 March 2025

	Buildings & Porta Cabins	Plant and equipment	Motor vehicles	Furniture and fittings	IT equipment	Leasehold improvements	Office equipment	Leasehold and freehold land	Industrial Buildings	Depot Machinery	Capital Work In Progress	Total
	P	P	P	P	P	P	P	P	P	P	P	P
Opening net book amount	54,586	2,929	3,721,213	1,204,265	2,638,021	859,624	32,625	6,984,500	-	-	535,397	16,033,160
Additions	1,839,748	-	1,475,515	182,762	1,493,876	-	36,859	168,710,000	8,002,283	1,582,567,383	274,311,396	2,038,619,822
Disposals	-	-	-	-	(444,429)	-	-	-	-	-	-	(444,429)
Impairment of assets	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge	(190,660)	(2,908)	(1,028,586)	(233,550)	(1,109,653)	(139,202)	(7,482)	(7,619,714)	(16,671)	(114,841,160)	-	(125,189,586)
Depreciation on disposals	-	-	-	-	380,480	-	-	-	-	-	-	380,480
<b>Closing net book value</b>	<b>1,703,674</b>	<b>21</b>	<b>4,168,142</b>	<b>1,153,477</b>	<b>2,958,296</b>	<b>720,422</b>	<b>62,002</b>	<b>168,074,786</b>	<b>7,985,612</b>	<b>1,467,726,223</b>	<b>274,846,793</b>	<b>1,929,399,448</b>

There is no PPE with restricted title or pledged as security.

During the current year, the Government of Botswana transferred the ownership and control of oil depots across the nation to the company. The company recognised these at fair value on the date of transfer with a corresponding liability under capital Grant as per IAS 20

### 9. Intangible assets

#### Year-ended 31 March 2025

	Other software	SAP oil in one	Capital work in progress	Total
	P	P	P	P
At cost	1,400,110	11,084,633	-	12,484,743
Accumulated depreciation	(767,808)	(10,376,929)	-	(11,144,737)
	<b>632,302</b>	<b>707,704</b>	<b>-</b>	<b>1,340,006</b>

#### Year-ended 31 March 2025

	Other software	SAP oil in one	Capital work in progress	Total
	P	P	P	P
Opening net book amount	431,183	1,373,166	433,946	2,238,295
Additions	-	-	-	-
WIP capitalised	433,946	-	(433,946)	-
Depreciation charge	(232,828)	(665,461)	-	(898,289)
Depreciation on disposals	-	-	-	-
	<b>632,301</b>	<b>707,705</b>	<b>-</b>	<b>1,340,006</b>

SAP Oil in One ERP had a carrying amount of P707,705 at the reporting date with a remaining amortisation period of 9months.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 9. Intangible assets (continued)

#### Year-ended 31 March 2024

	Other software	SAP oil in one	Capital work in progress	Total
	P	P	P	P
At cost	966,163	11,084,633	433,946	12,484,743
Accumulated depreciation	(534,980)	(9,711,468)	-	(10,246,448)
	<b>431,183</b>	<b>1,373,165</b>	<b>433,946</b>	<b>2,238,295</b>

#### Year-ended 31 March 2024

	Other software	SAP oil in one	Capital work in progress	Total
	P	P	P	P
Opening net book amount	166,047	2,038,627	430,095	2,634,769
Additions	192,276	-	188,039	380,315
WIP capitalised	184,188	-	(184,188)	-
Depreciation charge	(111,328)	(665,461)	-	(776,789)
Depreciation on disposals	-	-	-	-
	<b>431,183</b>	<b>1,373,166</b>	<b>433,946</b>	<b>2,238,295</b>

### 10. Right of use assets

	2025	2024
	P	P
At cost	11,669,656	9,473,927
Accumulated depreciation	(7,371,673)	(4,844,856)
<b>Net book amount</b>	<b>4,297,983</b>	<b>4,629,071</b>

Reconciliation of the right of use asset

	2025	2024
	P	P
Opening balance NBV	4,629,071	7,265,679
Additions- leased office	2,195,729	-
Additions- Motor vehicle leased	-	51,181
Disposal	-	-
Depreciation charge	(2,526,817)	(2,687,789)
<b>Closing net book value</b>	<b>4,297,983</b>	<b>4,629,071</b>

There is no right of use assets with restricted title and or pledged as a security.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 11. Inventories

	2025	2024
	P	P
Fuel inventory	74,511,431	60,460,424
Fuel supplies in transit	119,413,380	31,500,740
	<b>193,924,811</b>	<b>91,961,164</b>

Reconciliation of stock movement

	2025		2024	
	QTY in litres		QTY in litres	
	P	P	P	P
Opening Stock	6,818,861	91,961,164	7,898,718	89,335,855
Sales	(919,933,593)	(11,725,473,576)	(236,384,734)	(3,046,121,909)
Receipts	907,184,291	11,565,760,450	233,282,847	3,008,822,212
Drawdown	8,931,924	109,088,722	3,600,000	51,396,660
Tank losses	148,477	2,096,985	297,571	3,570,852
Product loan balance/ (payment)	2,504,412	31,077,686	(4,247,317)	(46,543,246)
Stock in transit	9,697,737	119,413,380	2,371,776	31,500,740
<b>Closing stock</b>	<b>15,352,109</b>	<b>193,924,811</b>	<b>6,818,861</b>	<b>91,961,164</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 12. Trade and other receivables

	2025 P	2024 P
<b>Financial Assets</b>		
Trade receivables	835,711,362	121,728,098
Trade receivables- Government entities	163,149,854	7,327,234
Government project funds receivable	76,138,960	-
Diseconomies of scale recoveries from the Government	274,895,898	51,605,419
Railage and storage and handling receivable	117,036,885	-
Levies receivable	26,276,273	-
IN transit losses receivable	3,384,918	-
XTL Recoveries	-	9,796,208
<b>Gross Financial Assets</b>	<b>1,496,594,150</b>	<b>190,456,959</b>
Loss allowances	(7,017,846)	-
<b>Financial Assets</b>	<b>1,489,576,304</b>	<b>190,456,959</b>
<b>Non- Financial Assets</b>		
Value added tax receivables	9,923,150	5,517,782
Upfront payments to contractors to facilitate project commencement	10,359,865	22,704,076
Advance receivable to suppliers of petroleum products	496,350	3,735,038
Other receivables- prepayments	5,473,891	3,557,483
	<b>26,253,256</b>	<b>35,514,379</b>
<b>Categorization of trade and other receivables</b>		
At amortised costs	1,489,576,304	190,456,959
Non-Financial assets	26,253,256	35,514,379
<b>Total Trade Receivables</b>	<b>1,515,829,560</b>	<b>225,971,338</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 12. Trade and other receivables (continued)

#### Expected credit loss rate

	2025		2024	
	Estimated gross carrying amount P	Loss allowance (Life time expected) P	Estimated gross carrying amount P	Loss allowance (lifetime expected) P
Less than 30 days past due – 0.01% (2024:0%)	779,681,209	2,600	121,070,500	-
31- 60 days past due 0.34% (2024: 1.3%)	52,129,973	53,568	608,432	-
61- 90 days past due 1.31% (2024: 0%)	2,563,302	318,446	-	-
91-120 days past due 4.33% (2024: 0%)	1,071	1,514,772	49,166	-
121-150 days past due 19.99% (2024: 0%)	480,304	3,699,539	-	-
More than 151 days pastdue-19.99% (2024: 0%)	438,665	(1,239,050)	-	-
	<b>835,294,524</b>	<b>4,349,874</b>	<b>121,728,098</b>	<b>-</b>

#### Government Receivables

Less than 30 days past due – 0.01% (2024:0%)	120,090,224	230	7,327,234	-
31- 60 days past due 0.34% (2024: 1.3%)	28,986,088	1,314	51,605,419	-
61- 90 days past due 1.31% (2024: 0%)	27,340,257	7,445	-	-
91-120 days past due 4.33% (2024: 0%)	38,615,886	90,721	-	-
121-150 days past due 19.99% (2024: 0%)	23,066,020	961,084	-	-
More than 151 days pastdue-19.99% (2024: 0%)	423,201,151	1,607,178	9,796,208	-
	<b>661,299,626</b>	<b>2,667,972</b>	<b>68,728,861</b>	<b>-</b>

### 13. Fixed deposit investments

	2025 P	2024 P
Employees gratuity invested at Botswana Insurance Fund Management (BIFM)	21,448,872	10,526,300
	<b>21,448,872</b>	<b>10,526,300</b>

The company has an investment of its employee's gratuity with a professional fund manager Botswana Insurance Fund Management (BIFM). The purpose of this investment is to earn interest which can be used to settle the gratuity accrual relating to employees upon demand

### 14. Cash and cash equivalents

	2025 P	2024 P
Cash at bank	973,613,323	1,145,894,458
	<b>973,613,323</b>	<b>1,145,894,458</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 15. Deferred tax Asset

	2025 P	2024 P
Lease Liability	(1,027,197)	(1,122,189)
Non-residential fee adjusted	(890,379)	(890,379)
Provision for bonus	-	(1,725,094)
Accelerated capital allowances (PPE)	(401,749,609)	-
<b>Total deferred tax asset</b>	<b>(403,667,185)</b>	<b>(3,737,662)</b>
<b>Deferred tax liability</b>		
Right of use assets	425,273,563	1,018,396
Unrealised exchange gains	1,390,092	96,036
Intangible assets	294,801	396,957
Accelerated capital allowances (PPE)	-	57,589
<b>Total deferred tax liability</b>	<b>426,958,456</b>	<b>1,568,978</b>
Deferred tax asset	<b>(403,667,185)</b>	<b>(3,737,662)</b>
Deferred tax liability	<b>426,958,456</b>	<b>1,568,978</b>
<b>Total net deferred tax liability/(asset)</b>	<b>23,291,271</b>	<b>(2,168,684)</b>

The company's management is certain that the deferred tax asset will be recoverable using the estimated future taxable income based on the approved business plans and budgets

### 16. Current tax liability

Current tax	10,286,140	15,904,744
Self-Assessed Tax payments	(61,055,676)	(4,787,105)
Withholding tax credits	(6,501,075)	(7,022,810)
<b>Total tax payable</b>	<b>(57,270,611)</b>	<b>4,094,829</b>

### 17. Stated and issued capital

123 127 938 (2024: 123 127 938) ordinary shares of no par value fully paid up	113,127,939	113,127,939
	<b>113,127,939</b>	<b>113,127,939</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 18. Capital reserves

Capital reserves represents cash received from the shareholder through Security of Supply Margin ("SSM") fund to the value of P948,863,997 for working capital purposes.

The SSM was introduced by the Government in response to a cabinet memorandum which was seeking to capitalise BOL. The SSM was introduced in the pricing of slate and was measured at P0.175 per litre on all regulated petroleum products.

This margin was collected at retail level by fuel suppliers over a 5-year period with the intention of collecting P1.04 billion to be utilised to fund projects which are aimed at facilitating efficiency and security of supply of petroleum products for Botswana."

As there is no requirement for BOL to issue any shares exchange for the funds received and there is no contractual obligation on BOL to repay these funds to the Government, the presentation and disclosures is treated as capital reserves as the funds are in substance a capital contribution and they are non- reciprocal in nature. These amounts are recorded in a separate reserve within equity.

### 19. Lease liability

#### Minimum lease payments due

	2025 P	2024 P
Within one year	2,424,833	2,713,020
In second to fifth year inclusive	2,555,026	2,811,230
<b>Rental lease payments</b>	<b>4,979,859</b>	<b>5,524,250</b>
Less : future finance charges	(310,784)	(468,292)
<b>Present value minimum lease payments</b>	<b>4,669,075</b>	<b>5,055,958</b>
Non- current liability	2,202,913	2,620,681
Current liability	2,466,162	2,435,277
	<b>4,669,075</b>	<b>5,055,958</b>

#### Movement in lease liability

Balance at the beginning of the year	5,055,958	7,487,306
Additional liability	2,195,729	51,181
Lease rental payment	(3,028,617)	(2,925,660)
Interest on lease liability	446,005	443,131
<b>Balance at end of year</b>	<b>4,669,075</b>	<b>5,055,958</b>

The entity entered into a commercial lease for two office premises. The lease period for one of these contracts is four years with an option to renew while the lease period for the other is 2 years. Future minimum rentals payable under non - cancellable leases as at year end are as stated above. The company also entered into a lease agreement for 6 vehicles. This was to facilitate the smooth running of the additional activities arising from the supply contract with Debswana. Two of these cars shall be leased for 5 years whilst four of the cars shall be leased over 3 years. BOL entered into a land lease agreement with Botswana Innovation Hub (BIH) for 37 years and there is no option for renewal. An upfront payment amounting to P6 543 500 was made to the lessor and hence no lease liability was recognised as a result of this arrangement

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 20. Capital grants

	2025 P	2024 P
Government grant	1,912,192,324	0

Botswana Oil Limited serves as the Government of Botswana's transformation agent and is mandated to ensure security and efficiency of supply of petroleum products for Botswana. On the 16th of January 2023 Botswana Oil Limited (BOL) received a letter from the Ministry of Minerals and Energy (MME) with reference to a Presidential Directive CAB 30 (B)/2022 authorising the Transfer of Ownership of Government Bulk Infrastructure to BOL at a value of P1.00 per asset. This was to aid in the mandate execution.

This transfer is recorded as a Grant and depreciated over the lease period and life expectancy of the assets as the land cannot be used for any other works except of fuel depots.

The assets were recognised by the company using the fair value of the assets independently determined by external experts.

### 21. Shareholder's Product Loan

	2025 P	2024 P
Product loan	47,922,023	18,889,697
	<b>47,922,023</b>	<b>18,889,697</b>

#### The movement of the product loan is reflected below:

	2025		2024	
	QTY in litres P		QTY in litres P	
Balance as at beginning of year	1,357,410	18,889,697	5,604,726	65,432,943
Utilisation by BOL	277,921,740	3,671,494,831	82,497,042	962,997,627
Replenishment to the strategic reserves	275,417,328	(3,627,011,081)	(83,144,358)	(1,049,128,956)
Draw down	-	-	(3,600,000)	-
Measurement adjustment to cost of sales	-	(15,451,424)	-	39,588,084
<b>Balance at the end of the year</b>	<b>3,861,822</b>	<b>47,922,023</b>	<b>1,357,410</b>	<b>18,889,697</b>

The measurement adjustment at each month-end resulted in a (loss)/gain of P15,255,950 (2024: P39,588,084) representing the impact of the slate prices at each measurement date with the carrying value in the accounting records for the outstanding quantities. This amount has been credited to Cost of Sales in the Statement of comprehensive income. BOL and the Ministry of Mineral Resources, Green Technology and Energy Security (MMGE) has an agreement where according to clause 6.6 of this agreement limits the quantity to be borrowed up to a maximum of 10% of the storage capacity.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 22. Government advances

	2025 P	2024 P
Strategic Reserves Procurement	44,744,573	8,637,706
Depot Projects and Maintenance	17,524,693	59,126,647
	<b>62,269,266</b>	<b>67,764,353</b>

#### The movement in government advances is reflected below:

	2025		2024	
	Strategic Reserves procurement P	Depot maintenance and Govt P	Strategic Reserves procurement P	Depot maintenance and projects P
Balance at the beginning of the year	8,637,706	59,126,647	379,573,546	97,009,846
Utilisation	(72,981,855)	(60,052,485)	(422,332,500)	(176,482,925)
Cash injection	109,088,722	18,450,531	51,396,660	138,599,726
<b>Balance at the end of the year</b>	<b>44,744,573</b>	<b>17,524,693</b>	<b>8,637,706</b>	<b>59,126,647</b>

The Government advance procurement loan represents the specific amounts received by BOL to procure strategic reserve stocks on behalf of the Government directly and or through COOC's (Citizen Oil Owned Companies) in order to facilitate these companies to participate in the petroleum sector. BOL earns management fees as a result of the sourcing on behalf of the Government Strategic Stock Reserves. The advance does not attract interest.

BOL received funding through the Department of Energy towards specific projects during the year. Expenditure relating to these projects for the year has been charged off to the relevant Government assets accounts at the year end. The advance balances as at year end represents the amounts remaining to be spent for the projects going forth.

### 23. Trade and other payables

	2025 P	2024 P
<b>Financial liabilities</b>		
Trade payables	1,115,270,813	249,368,893
Accruals	1,375,102	3,669,024
Slate liability	123,066,939	15,338,961
Retention	25,382,667	6,636,951
Fuel levies	13,395,340	4,082,329
	<b>1,278,490,861</b>	<b>279,096,158</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 23. Trade and other payables (continued)

	2025 P	2024 P
<b>Non-financial liabilities</b>		
Payroll accruals	26,229,191	22,099,872
Debswana project funds	11,145,254	9,673,983
Downpayments received	1,655,467	1,536,627
Withholding tax payable	1,719,404	706,090
Other payables	1,888,898	650,515
	<b>42,638,214</b>	<b>34,667,087</b>

### Categorization of trade and other payables

At amortised cost	1,278,490,861	279,096,158
Non-financial liabilities	42,638,214	34,667,087
Total trade and other payable	<b>1,321,129,075</b>	<b>313,763,245</b>

### 24. Financial assets by category

The accounting policies for financial instruments have been applied to financial assets and financial liabilities as applicable.

Financial assets of the company are classified as follows:

	2025 P	2024 P
Trade and other receivables (measured at amortised cost)	1,515,829,560	225,971,338
Cash and cash equivalents (measured at amortised cost)	973,613,323	1,145,894,458
Investments (designated at fair value)	21,448,872	10,526,300
	<b>2,510,891,755</b>	<b>1,382,392,096</b>

### 25. Financial liabilities by category

The accounting policies for financial instruments have been applied to financial assets and financial liabilities as applicable.

Financial liabilities of the company are classified as follows:

	2025 P	2024 P
Trade and other payables (measured at amortised cost)	1,321,129,075	313,763,245
Lease liability (measured at amortised cost)	4,669,075	5,055,958
	<b>1,325,798,150</b>	<b>318,819,203</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 26. Related party balances and transactions

The entity has availed the exemption under Para 25 of IAS 24: Related Party Disclosures, from the disclosure requirements in relation to related party transactions and outstanding balances. Botswana Oil Limited is wholly owned and controlled by the Government of the Republic of Botswana. During the year BOL utilised inventory from the strategic reserves owned by the Government and obtained advances to manage projects on behalf of the Government. These have been disclosed under note (21) and note (22) of the financial statements.

BOL generates revenue through sale of fuel to government departments in the normal course of their operations. Amounts receivable from government owned entities and amounts payable to government owned entities are made under ordinary terms of trade.

Key management personnel are those persons having responsibility for planning, directing and controlling the activities of the Company directly or indirectly. For the company, this includes the directors (executive and non-executive) and managerial staff.

### Details of transactions during the year:

	2025 P	2024 P
Sales of fuel to government departments	186,798,525	22,175,831
	<b>186,798,525</b>	<b>22,175,831</b>

### Details of balances at the year-end date:

Amounts receivable from government owned entities	634,563,616	68,728,861
Amounts payable to government owned entities	233,258,228	101,993,011
	<b>867,821,844</b>	<b>170,721,872</b>

### Key Management Personnel

For services as directors	1,181,483	577,217
Executive management	13,109,891	15,665,869
	<b>14,291,374</b>	<b>16,243,086</b>

### Year-end payable balances

Gratuity payable	20,338,156	10,487,931
	<b>20,338,156</b>	<b>10,487,931</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

### 27. Going concern

The financial statements have been prepared on a going concern basis which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has made a profit of P245,797,192(2024: 53,689,432) in the current year as of 31 March 2025.

### 28. Contingencies

The company has issued a guarantee to the amount of P70,000 in favour of Botswana Unified Revenue Services to obtain a credit limit on its Assycuda account for customs clearing on fuel. There are no other contingent liabilities and assets as at the end of 31 March 2025.

### 29. Events after reporting period

The directors are not aware of any material events which occurred after the reporting date and up to the date of this report that would require adjustments to or disclosure in these financial statements.

## DETAILED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Note(s)	2025 P	2024 P
<b>Revenue</b>			
Sale of petroleum products	1	12,325,911,834	3,083,922,120
<b>Cost of sales</b>			
Cost of goods sold	2	(11,962,702,342)	(2,971,828,204)
<b>Gross profit</b>		<b>363,209,492</b>	<b>112,093,916</b>
Other operating income	3	140,428,938	23,866,629
<b>Administrative expenses</b>			
Administration costs		(19,378,929)	(3,691,243)
Advertising and promotions		(8,018,116)	(4,740,823)
Health safety security and environment		(1,973,595)	(1,306,337)
ICT cost		(5,578,863)	(4,324,755)
Personnel management			(4,848,484)
Professional services		(7,878,450)	(5,317,589)
Professional services - Government projects		(5,159,429)	(9,796,209)
Repairs and maintenance			(599,292)
Service contracts		(1,581,138)	(339,610)
Staff costs		(95,185,465)	(85,999,507)
Telephone costs		(1,286,534)	(1,116,672)
Training costs		(6,438,342)	(3,014,092)
Travel and accommodation		(3,891,883)	(4,626,096)
Utilities		(1,259,752)	(622,073)
Depreciation expense		(128,614,691)	(5,134,520)
Printing and stationery		(180,617)	(287,597)
<b>Administrative expenses</b>		<b>(286,425,805)</b>	<b>(135,764,898)</b>
<b>Profit from operations</b>		<b>217,212,625</b>	<b>195,646</b>
<b>Finance Income</b>			
Interest Income	6	64,964,027	69,161,568
Foreign exchange gains	6	172,709	821,522
<b>Finance cost</b>			
Interest expense	5	(446,005)	(443,131)
Facility charges	5	(360,069)	(448,429)
<b>Profit before income tax expense</b>		<b>281,543,287</b>	<b>69,287,176</b>
<b>Income tax</b>			
Tax expense	7	(35,746,095)	(15,597,742)
<b>Profit after income tax expense</b>		<b>245,797,192</b>	<b>53,689,434</b>





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*Your Fuel. Your Future*

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