

QUARTERLY REPORT

THREE MONTHS ENDED 30 JUNE 2020

HIGHLIGHTS

Group

- Total production of approximately 3,100 Boe/d for the quarter (+14% over prior quarter)

South Marsh 71

- Produced approximately 107.1 Mboe for the quarter (-6% quarter over quarter), or 1,177 Boe/d
- The field was producing approximately 1,564 Boe/d from F1, F2 and F3 wells as of 30 June 2020

Lightning Field

- Produced approximately 175.0 Mboe for the quarter (+32% over prior quarter), or 1,923 Boe/d
- The field was producing approximately 1,689 Boe/d as of 30 June 2020

Green Canyon 21

- Completion operations continue on schedule for the previously announced “Bulleit” discovery, which is expected to commence production late in the third quarter of CY 2020.

Corporate

- Successful A\$13.8 million equity raise completed during the quarter
- Implemented significant cost reduction initiatives with operating and corporate costs forecast to reduce to US\$4.5M in FY 21 (US\$7.0M in FY20) and pursuing further cuts
- Closing cash balance of US\$16.6 million and debt of US\$20.7 million
- Additional oil hedges added in July 2020, resulting in a weighted average LLS price of \$50.11 for the remainder of CY 2020 (on forecasted SM71 and Lightning volumes).

Comments from Executive Chairman, Mr. John Jetter:

“These past few months have presented numerous challenges for most people and businesses around the world. For the energy sector specifically, the combination of the COVID-19 pandemic and the oil price war between OPEC and Non-OPEC producers has put tremendous pressure on oil and gas prices, cash flows and earnings. We believe Otto has fared better than most of its peers as our conservative view on capital spending, aggressive hedging program, focus on cost reduction and commitment to maintaining liquidity and balance sheet flexibility has positioned us to manage through this difficult time.

”

We appreciate the support of our shareholders and lenders and look forward to continuing to execute our business plan for the remainder of CY 2020 and beyond.”

PRODUCTION AND REVENUE SUMMARY

Production Volumes and Sales Revenue WI Share (before royalties) (USD)	Current Quarter	Prior Quarter	Change
Crude oil (barrels)			
South Marsh 71	97,756	102,768	-5%
Lightning Field	<u>24,328</u>	<u>16,771</u>	<u>45%</u>
Total oil production	122,084	119,539	2%
Total oil sales revenue (\$'million) *	\$ 2.74	\$ 5.34	-49%
Avg oil price (\$/Bbl) *	\$ 22.44	\$ 44.70	-50%
Avg oil price - including hedges (\$/Bbl)	\$ 35.06	\$ 49.71	-29%
Natural gas (thousand cubic feet)			
South Marsh 71	56,266	70,354	-20%
Lightning Field	<u>755,166</u>	<u>547,460</u>	<u>38%</u>
Total gas production	811,432	617,814	31%
Total gas sales revenue (\$'million)	\$ 1.4	\$ 1.2	17%
Avg gas price (\$/MMbtu)	\$ 1.66	\$ 1.85	-10%
Natural gas liquids (barrels)			
South Marsh 71	-	-	0%
Lightning Field	<u>24,806</u>	<u>24,507</u>	<u>1%</u>
Total NGL production	24,806	24,507	1%
Total NGL sales revenue (\$'million)	\$ 0.27	\$ 0.41	-34%
Avg NGL price (\$/Bbl)	\$ 10.82	\$ 16.55	-35%
Total (barrels of oil equivalent)			
South Marsh 71	107,134	114,494	-6%
Lightning Field	<u>174,995</u>	<u>132,521</u>	<u>32%</u>
Total production	282,129	247,015	14%
Total daily production (Boe/d)	3,100	2,714	14%
Total revenue (\$'million)	\$ 4.39	\$ 6.90	-36%
Total WA price (\$/Boe)	\$ 15.55	\$ 27.94	-44%

* Does not include hedges. See hedging discussion that follows

Otto's hydrocarbon sales for the quarter equate to 3,100 Boe/d, a 14% increase over the prior quarter. This increase was driven by production from Green #2 for an entire quarter, with this well only beginning production in February 2020, slightly offset by curtailed production from the Company's

SM71 platform in April 2020 in response to the sharp decline in oil prices. Production levels at SM71 returned to normal in May 2020 after oil prices began to recover.

Sales revenue for the current quarter decreased by 36% compared to the prior quarter due to a steady decline in crude oil, natural gas and NGL prices during the current quarter, despite the increase in overall production. From a cash receipts perspective, Otto received proceeds of approximately US\$3.0 million during the quarter, net of royalties, related to production for March, April and May 2020.

COMMODITY PRICE RISK MANAGEMENT

Otto derives its revenue from the sale of oil and natural gas. As a result, the Company's revenues are determined, to a large degree, by prevailing oil and natural gas prices. Otto sells its production to purchasers pursuant to sales agreements, with sales prices tied to industry standard published index prices, subject to negotiated price adjustments.

Otto typically utilizes commodity price hedge instruments to minimize exposure to short term price fluctuations by using a series of swaps, costless collars and/or puts. Unrealized gains or losses associated with hedges vary period to period, and are a function of hedges in place, the strike prices of those hedges and the forward curve pricing for the commodities being hedged. Currently, all of Otto's hedges are oil swaps, and the Company has no three-way collars or short puts.

As of 30 June 2020, Otto had a total hedge book of 318,840 barrels of oil hedged through September 2022 via swaps, at a weighted average LLS price of \$54.60 as follows:

Months	Volume (Bbls)	Weighted Avg Price (LLS)
July – December 2020	90,664	\$56.71
January – December 2021	184,616	\$53.71
January – September 2022	43,560	\$54.00

In July 2020, the Company entered into additional hedges for 66,000 barrels for 2020 and 54,074 barrels for 2021, resulting in a Weighted Average LLS Price of \$50.11 for the remainder of CY 2020 and \$51.62 for CY 2021 (on forecast SM71 and Lightning volumes).

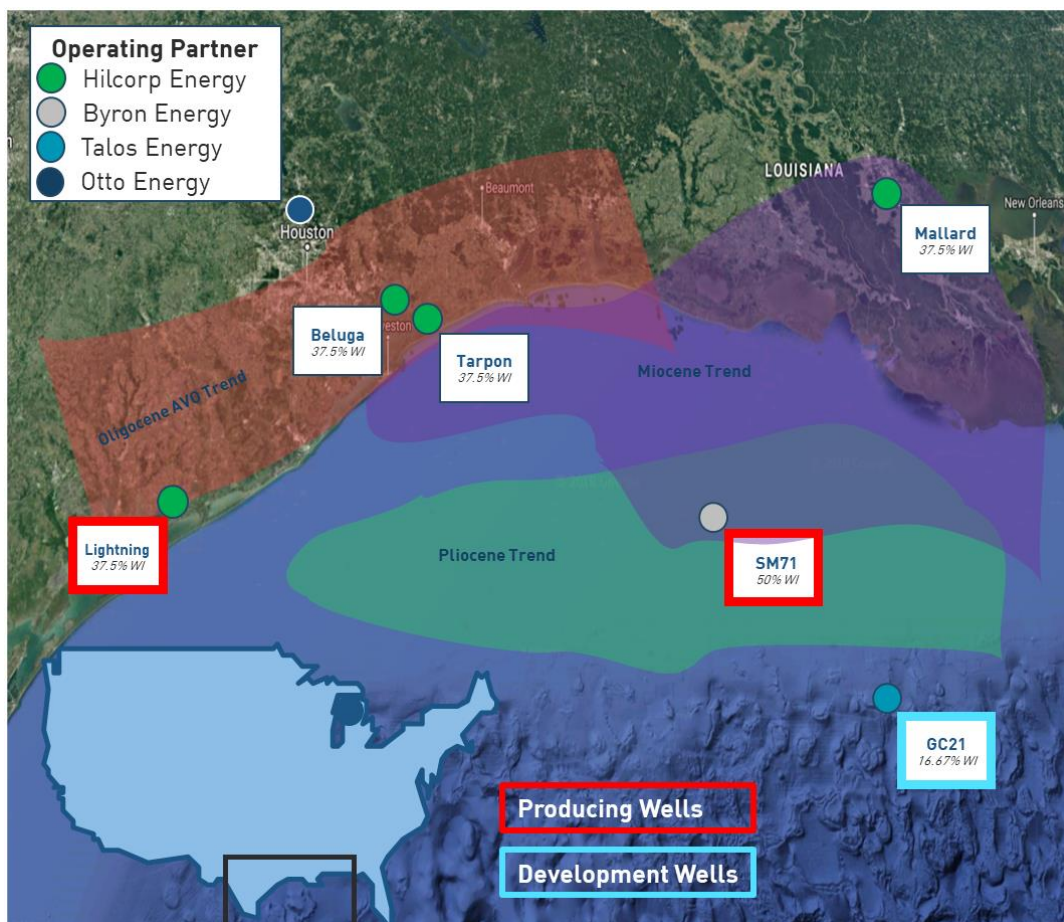
SUMMARY OF OPERATIONS

Otto Energy Projects - Gulf of Mexico

Metric	SM71	Lightning	Green Canyon 21	Gulf Coast
Metric	Producing	Producing	Development	Exploration
Ownership Structure	50% WI	37.5% WI	16.67% WI	37.5% WI *
NRI	40.63%	28.20%	13.34%	28.50%
Operator	Byron Energy (50% WI)	Hilcorp (62.5% WI)	Talos Energy (50% WI)	Hilcorp (62.5% WI)
Comments	3 wells producing; 1 well temporarily abandoned	2 wells producing	Oil discovery being completed. Production expected Q3 2020	3-4 wells remaining in Package 1. To be drilled in late-2020 /early-2021

* After paying 50% of drilling costs, as a promote

Otto Energy Location and Formation - Gulf of Mexico



PRODUCTION AND DEVELOPMENT

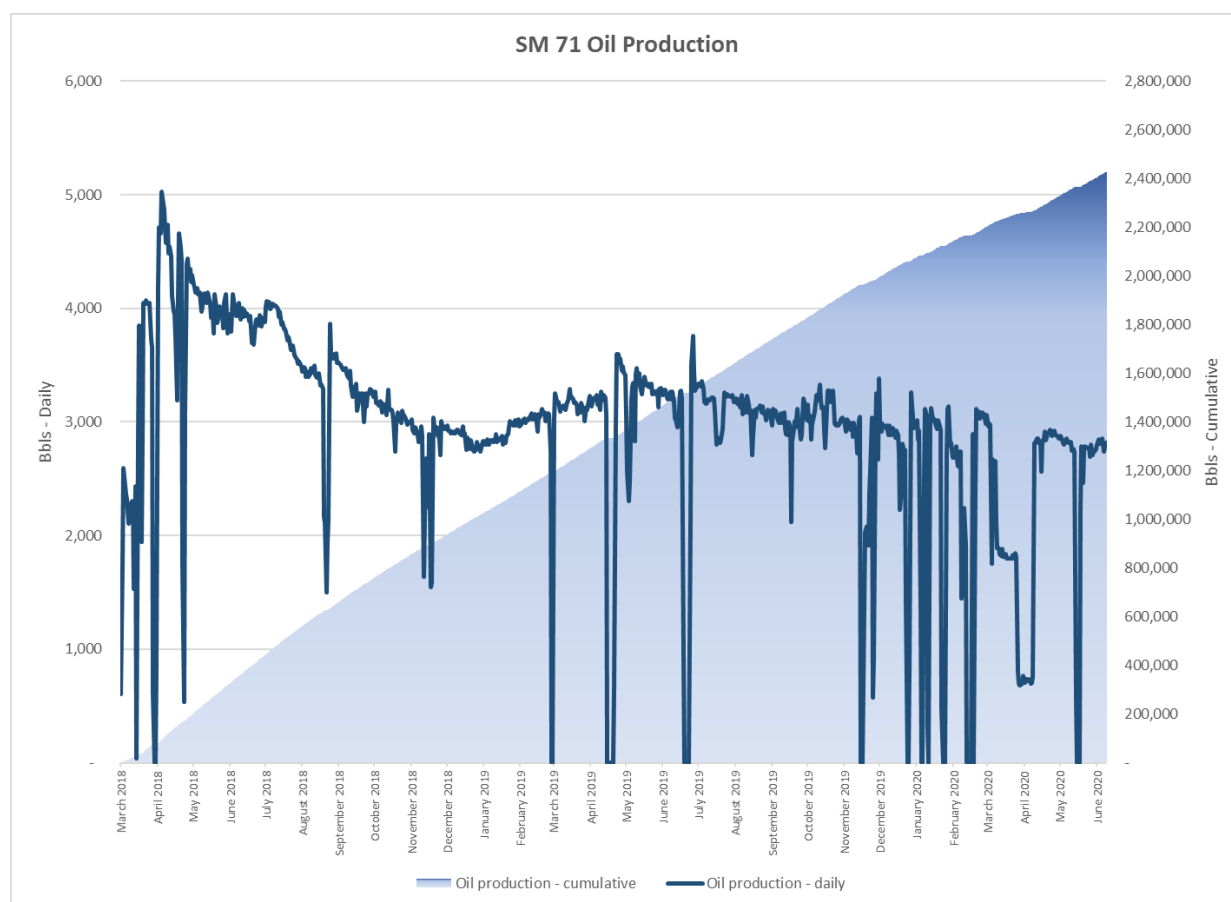
LOUISIANA/GULF OF MEXICO – SOUTH MARSH ISLAND 71 (SM 71)

Location: Offshore Gulf of Mexico
Area: 12.16 km²
Water Depth: 137 feet
Otto’s Working Interest: 50.00% with Byron Energy Inc. (Operator)

During the previous quarter, Otto announced a potential discovery at the F5 development well in this field. Due to increased uncertainty of continuing operations related to the impact of COVID-19, the SM71 F5 wellbore was temporarily abandoned in a manner that allows it to be efficiently sidetracked in the future. No further work was performed on this well during the current quarter.

Production from the SM 71 F platform commenced in March 2018 with the F1 and F3 wells producing in the primary D5 Sand reservoir and the F2 well producing from the B55 Sand. During the quarter, on a working interest basis, these wells produced approximately 97.8 Mbbbls of oil and 56.3 MMcf of natural gas. As of the date of this report, daily production rates are consistent with the daily production rates as of 30 June 2020.

As of 30 June 2020, the SM71 F facility has produced approximately 2.4 million barrels of oil (gross) and over 3.1 billion cubic feet of gas (gross) from the above three wells since initial production began.

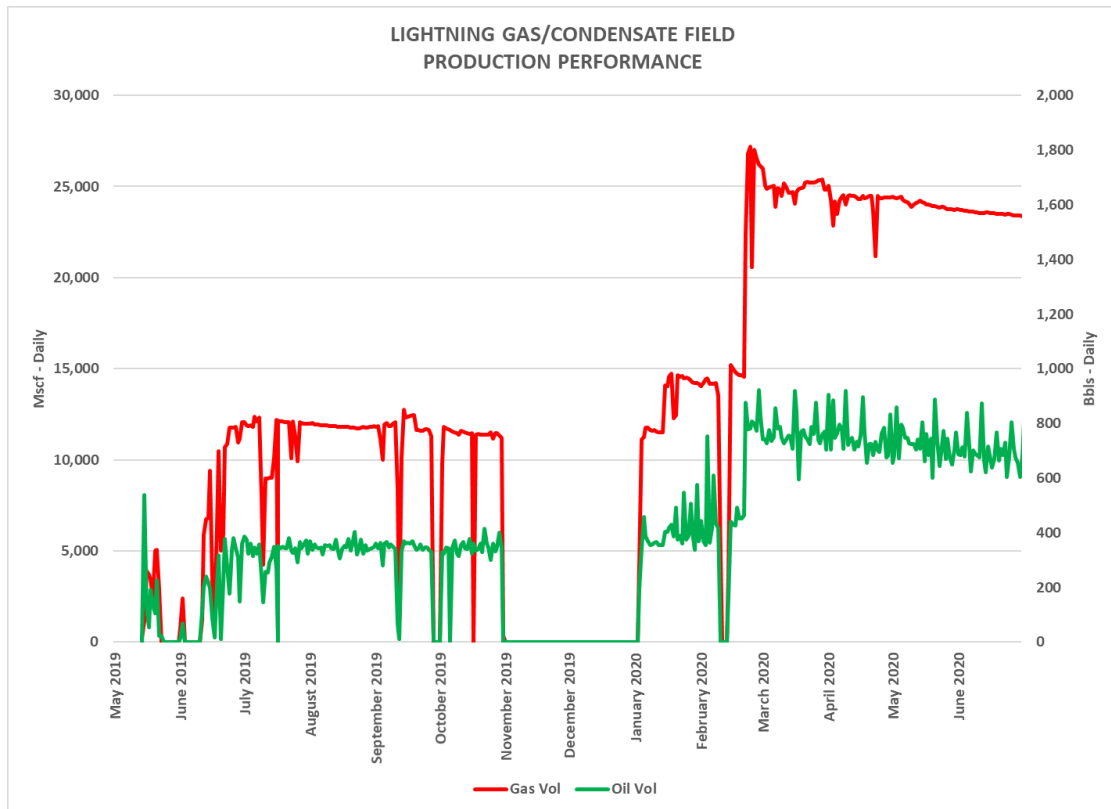


TEXAS/GULF OF MEXICO – LIGHTNING

Location: Onshore Matagorda County, Texas
Otto’s Working Interest: 37.50% - Hilcorp Energy (62.50% and Operator)

The first well in this field, the Green #1, commenced production in June 2019, while the second, the Green #2, commenced production in February 2020. During the quarter, on a working interest basis, these wells produced approximately 24.3 Mbbbls of oil, 755.2 MMcf of natural gas and 24.8 Mbbbls of natural gas liquids. As of the date of this report, daily production rates are consistent with the daily production rates as of 30 June 2020.

Reinterpretation of the 3D seismic by the operator confirms that there are multiple levels of hydrocarbon pay in the Lightning field. While the Green #1 and Green #2 wells are currently producing from the upper Tex Miss 1 zone, the lower Tex Miss 2/3 zone was tested in both wells while they were being drilled. The Tex Miss 2/3 zone appears to be aerially significantly larger and potentially thicker than the Tex Miss 1. In both tests, production from the Tex Miss 2/3 zone has indicated that the zone has lower permeability than the Tex Miss 1 and has not been able to establish steady production. It is planned that a future well will be designed to test the ability to stimulate the Tex Miss 2/3 zone and unlock the significant upside potential from this zone in future drilling campaigns.



GULF OF MEXICO – GREEN CANYON 21

Location:	Offshore, Gulf of Mexico
Water Depth:	1,200 feet
Otto's Working Interest:	16.67% - Talos Energy (50.00% and Operator)

Appraisal Well and Development

The "Bulleit" appraisal well commenced drilling on 6 May 2019. On 13 June 2019, the Company announced that the upper target, the DTR-10 sand, was intersected and a commercial outcome was confirmed. On 8 August 2019 Otto announced the deeper MP sands were intersected and a net 110 feet of TVD oil pay was intersected in a high-quality reservoir.

Completion and hook-up operations are underway. Talos will complete the well as a subsea tieback with a standard completion, tying back to the Talos operated GC 18A Platform, which is currently being upgraded. First production continues to be expected in late Q3 CY 2020.

EXPLORATION**LOUISIANA & TEXAS/GULF OF MEXICO – HILCORP PROGRAM**

Location:	Onshore/Near Shore Texas and Louisiana, Gulf of Mexico
Otto's Working Interest:	37.50% - Hilcorp Energy (62.50% and Operator)

The Company has three remaining prospects to drill with Hilcorp Energy under the existing Joint Exploration and Development Agreement (JEDA). Under the JEDA, the Company will earn a 37.5% working interest by paying 50.0% of the costs of drilling and either setting casing or plugging and abandoning the well. It is anticipated that one or two of these prospects will be drilled before calendar year-end. The drilling order will depend on commodity prices and mob/demob costs, in an effort to improve costs and efficiencies. The wells will be drilled with a shallow-draft barge rig.

All permits have been received for Beluga and Mallard. Regarding Tarpon, Otto continues to wait for permits and surface location mitigation remedies from the US Army Corp of Engineers. These permits have been in progress for several months but are not necessary until drilling operations are ready to begin on this well.

Additional Upside

Under the agreement with Hilcorp, Otto has a right of first offer to a subsequent Gulf Coast program, if Hilcorp elect to offer such a program to third parties. Otto has evaluated a number of prospects and has not elected to proceed at this stage. Otto remains in dialogue with Hilcorp about future drilling opportunities.

LOUISIANA/GULF OF MEXICO – VERMILLION BLOCK 232 (VR 232)

Location:	Offshore Gulf of Mexico
Area:	18.31 km ²
Otto's Working Interest:	100.0% (Otto is Operator)

This lease block was released during the quarter ended 30 June 2020.

ONSHORE NORTH SLOPE ALASKA ALASKA – WESTERN BLOCKS

Location:	Onshore North Slope Alaska
Area:	92 km ²
Otto's Interest:	22.5% – Great Bear Petroleum Operating (Operator)

The Western Block leases were relinquished by the Joint Venture during the quarter ended 30 June 2020.

ALASKA – CENTRAL BLOCKS

Location:	Onshore North Slope Alaska
Area:	624.4 km ²
Otto's Interest:	8%-10.8% – Great Bear Petroleum Operating (Operator)

Through its agreements with Great Bear Petroleum Operating ("Great Bear") in 2015, Otto has between an 8% and 10.8% working interest in the leases held by Pantheon Resources plc (AIM: PANR) on the Alaskan North Slope ("Central Blocks").

The leases are in a major play fairway south of the Prudhoe Bay and Kuparuk giant oil fields.

Extensive, modern 3D seismic coverage, existing well control and proximity to the all-weather Dalton Highway and Trans-Alaskan Pipeline System (TAPS) means the acreage is well positioned for exploration.

The existing 3D seismic has allowed development of an extensive prospect portfolio which includes at least 4 well locations.

Otto had no activity in this area during the quarter ended 30 June 2020.

CORPORATE

EQUITY RAISE

In April 2020, the Company completed a capital raise consisting of a placement and a 1 for 1 accelerated non-renounceable entitlement offer, raising approximately A\$13.8 million (before costs) at \$0.006 per new share. These funds are planned to be used in conjunction with the cash flows from the Company's 50% owned SM 71 oil field and 37.5% owned Lightning gas/condensate discovery to fund the Company's development program and for general working capital.

CASH FLOWS

Otto's cash on hand at the end of the June quarter was approximately US\$16.6 million (March 2020: US\$14.3 million). During the June quarter, Otto received US\$3.0 million in cash flows for the sale of March, April and May production from its 50% owned SM 71 oil field in the Gulf of Mexico and its 37.5% owned Lightning field, net of royalties.

Cash flows used in operating activities were approximately US\$6.0 million for the June quarter, compared to US\$9.8 million for the quarter ending 31 March 2020. Included in the June quarter was US\$3.0 in receipts from customers, US\$1.8 million in receipts from hedges, US\$9.6 million in exploration and development costs and US\$1.0 million in staff and administrative costs. Included in the prior quarter was US\$5.1 million in receipts from customers, US\$12.7 million in exploration and development costs and US\$1.2 million in staff and administrative costs.

Cash flows used in investing activities were approximately US\$0.1 million for both the June quarter and the quarter ending 31 March 2020.

Cash flows from financing activities provided approximately US\$8.1 million in cash for the June quarter, compared to using US\$1.5 million during the quarter ending 31 March 2020. Included in the June quarter was US\$7.9 million in proceeds from the capital raise, US\$3.0 million in new borrowings and US\$2.3 million in repayment of borrowings. Included in the prior quarter was US\$2.0 million in repayment of borrowings.

Payments to related parties and their associates totalled US\$148k consisting of Executive Directors fees (US\$138k) and Non-Executive Directors fees and superannuation payments (US\$10k).

DEBT

On 2 November 2019, the Company entered a three-year senior secured US\$55 million facility with Macquarie Bank Limited (Macquarie). The initial commitment under the Facility is US\$35 million with an additional US\$20 million subject to further credit approval from Macquarie, with an interest rate of LIBOR plus 8.0% per annum. Quarterly principal repayments commenced on 31 March 2020.

As of 30 June 2020, the Company had drawn US\$25 million under the facility, and had repaid US\$4.3 million, resulting in a closing balance of US\$20.7 million. As of 30 June 2020, the Company was in compliance with all of its financial covenants. The Facility is secured by substantially all of the Company's assets.

SHAREHOLDERS

Otto's issued capital as at 28 July 2020:

Class	Number
Fully paid ordinary shares	4,795,009,773
Options (A\$0.08 exercise price)	42,500,000
Performance Rights	35,534,667

Otto's Top 20 Holders as at 28 July 2020:

Rank	Name	Units	% of Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,315,916,740	48.30%
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	179,956,409	3.75%
3	BNP PARIBAS NOMINEES PTY LTD	122,301,587	2.55%
4	BNP PARIBAS NOMS PTY LTD	102,283,944	2.13%
5	CITICORP NOMINEES PTY LIMITED	79,084,380	1.65%
6	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	50,823,796	1.06%
7	MR JOHN PHILIP DANIELS	30,950,000	0.65%
8	MR MATTHEW GERARD ALLEN	21,541,602	0.45%
9	MR THOMAS FRITZ ENSMANN	20,000,000	0.42%
10	MR DANIEL LEE	18,211,778	0.38%
11	DANIEL LEE PTY LTD	17,771,431	0.37%
12	MR ANASTASIOS MAZIS	16,041,091	0.33%
13	MR WILLIAM GEORGE WILLIAMS	15,786,102	0.33%
14	MR CRAIG GRANT RADFORD & MRS SARAH JANE RADFORD	15,537,765	0.32%
15	MR EUAN PATRICK DAVID WADSWORTH	15,500,000	0.32%
16	PANDA INVESTMENTS PTY LTD	15,115,698	0.32%
17	MR CRAIG GRAEME CHAPMAN	15,000,000	0.31%
18	KEYBRIDGE CAPITAL LIMITED	14,996,656	0.31%
19	MR DOUGAL JAMES FERGUSON	14,640,000	0.31%
20	MR KERRY ELDON NOBLE	13,872,462	0.29%
Total Top 20 Shareholders		3,095,331,441	64.55%
Total Remaining Shareholders		1,699,678,332	35.45%
Total Shares on Issue		4,795,009,773	100.0%

Substantial Holders as at 28 July 2020:

Name	Units	% of Units
Molton Holdings Limited	2,305,859,697	48.09%

Director Holdings as at 28 July 2020:

Name	Units	% of Units
John Jetter	57,881,668	1.21%
Kevin Small	49,486,383	1.03%
Paul Senyacia	7,959,387	0.17%

OTTO AT A GLANCE

Otto is an ASX-listed oil and gas exploration and production company focused on the Gulf of Mexico region. Otto currently has oil production from its SM 71 oil field in the Gulf of Mexico and gas/condensate production from its Lightning discovery onshore Matagorda County, Texas. Development is underway at the Green Canyon 21 oil discovery in the Gulf of Mexico. Cashflow from its producing assets underpins its strategy and financial stability.

DIRECTORS

John Jetter - Executive Chairman
 Geoff Page – Non-Executive
 Paul Senyia - Non-Executive
 Kevin Small - Executive Director

Chief Financial Officer

Sergio Castro

Company Secretary:

Kaitlin Smith (AE Administrative Services)

ASX Code: OEL

CONTACTS

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Definitions

- "\$m" means USD millions of dollars
- "bbl" means barrel
- "bbls" means barrels
- "bopd" means barrels of oil per day
- "Mbbl" means thousand barrels
- "Mscf" means 1000 standard cubic feet
- "NGLs" means natural gas liquids
- "Mboe" means thousand barrels of oil equivalent ("boe") with a boe determined using a ratio of 6,000 cubic feet of natural gas to one barrel of oil – 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency
- "MMscf" means million standard cubic feet
- "MMboe" means million barrels of oil equivalent ("boe") with a boe determined using a ratio of 6,000 cubic feet of natural gas to one barrel of oil – 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency
- "MMbtu" means million British thermal units

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Otto Energy Limited

ABN

56 107 555 046

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	3,032	22,815
1.2	Payments for		
	(a) exploration & evaluation	(260)	(15,311)
	(b) development	(9,623)	(18,363)
	(c) production	331*	(1,782)
	(d) staff costs	(439)	(2,582)
	(e) administration and corporate costs	(517)	(1,620)
1.3	Dividends received (see note 3)		
1.4	Interest received	5	67
1.5	Interest and other costs of finance paid	(554)	(2,069)
1.6	Income taxes paid		(2)
1.7	Government grants and tax incentives	176	176
1.8	Other (provide details if material)		
	(a) derivative instruments **	1,840	1,565
	(b) other	51	125
1.9	Net cash from / (used in) operating activities	(5,958)	(16,981)

*Includes US\$1.5M insurance proceeds related to claim for Green #2

** Shown separately from June 2020 quarter. Previously shown in c) production (154k) and e) administration and corporate costs (121k)

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(23)	(215)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(23)	(215)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	7,930	8,785
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(541)	(570)
3.5 Proceeds from borrowings	3,000	25,000
3.6 Repayment of borrowings	(2,300)	(4,300)
3.7 Transaction costs related to loans and borrowings		(2,667)
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	8,089	26,248

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	14,289	7,383
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,958)	(16,981)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(23)	(215)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,089	26,248
4.5	Effect of movement in exchange rates on cash held	154	116
4.6	Cash and cash equivalents at end of period	16,551	16,551

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	16,551	14,289
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	16,551	14,289

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	148
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments to related parties and their associates totalled US\$148k consisting of Executive Directors fees (US\$138k) and Non-Executive Directors fees and superannuation payments (US\$10k).

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7.1	Loan facilities	50,700	20,700
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	50,700	20,700
7.5	Unused financing facilities available at quarter end		10,000
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>On 2 November 2019, Otto Energy entered into a three-year senior secured US\$55 million term debt facility with Macquarie Bank Limited (Macquarie) as follows:</p> <p><u>Initial commitment of \$35 million</u></p> <ul style="list-style-type: none"> Tranche A1 (\$25 million) was made available upon facility close. As of 30 June 2020, the entire amount was fully drawn, with \$4.3 million having been repaid. Repaid amounts are not available for re-borrowing; Tranche A2 (\$10 million) is available on successful exploration or commencement of commercial production at Green Canyon 21. No funds drawn as of 30 June 2020; Interest rate of LIBOR plus 8.0% per annum; Maturity date 36 months from initial drawdown; Quarterly principal repayments commenced 31 March 2020; Senior secured non-revolving facility with security over US based assets; and The Facility may be cancelled by the Company after 12 months without penalty once any drawn funds are repaid. <p><u>Additional \$20 million available</u></p> <ul style="list-style-type: none"> Subject to further credit approval from Macquarie on same terms as above 			

8. Estimated cash available for future operating activities	\$US'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(5,958)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(5,958)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	16,551
8.5 Unused finance facilities available at quarter end (Item 7.5)	10,000
8.6 Total available funding (Item 8.4 + Item 8.5)	26,551
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	4.4
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .31 July 2020.....

Authorised by: ..The Board of Directors of Otto Energy Limited.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An

entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.