

COMPANY OVERVIEW

Houston Operational Headquartered Oil & Gas Producer with 7 Assets

CORPORATE SNAPSHOT

Otto Energy Limited (ASX: OEL)	
Shares on Issue	4.795b
Performance Rights	23.9m
Options	72.5m
Market Cap (30 Sept 2022)	A\$57.5m
Cash (30 Sept 2022)	US\$24.9m
Debt (30 Sept 2022)	US\$0.0m
Enterprise Value	A\$18.6m
FY22 Revenue	US\$40.6m
FY22 EBITDAX*	US\$30.2m

P&L (US\$M)	FY18	FY19	FY20	FY21	FY22
Revenue	9.6	31.3	23.0	30.1	40.6
Op Gross Profit	8.8	28.4	19.3	25.5	36.0
EBITDAX *	4.9	23.4	20.9	6.8	30.2
Exploration	(4.8)	(37.8)	(13.1)	(2.7)	(3.2)
EBITDA *	0.1	(14.4)	7.8	4.1	27.0
D&A	(0.9)	(5.0)	(6.8)	(5.9)	(5.1)
EBIT *	(0.8)	(19.4)	1.0	(1.8)	21.9
Finance/Tax Exp	(4.4)	1.0	(2.4)	(2.9)	(6.4)
Disco. Ops	0.0	0.0	0.0	4.2	0.0
NPAT	(5.2)	(18.4)	(1.4)	(0.5)	15.5

* Non-IFRS financial measure. Reconciliation at www.ottoenergy.com

Resources and Reserves ¹ (30 June 2022)			
Mmboe	1P	2P	3P
SM 7I	1.08	1.41	1.74
Lightning	1.81	3.00	4.41
GC2I	0.57	1.07	1.23
Mosquito Bay	0.26	0.35	0.43
Total	3.72	5.83	7.81

Post year-end, Otto discovered additional 1P Reserves of 0.4 MMboe, 2P Reserves of 0.4 MMboe, and 3P Reserves of 0.4 Mmboe, from Oyster Bayou South. When added to our FY 2022 discoveries, Otto has replaced approximately 90% of its FY 2022 net production on a proved basis, and over 100% on a 2P basis.

Balance Sheet (US\$M)	30 Jun 22
Cash and equivalents	26.8
Investments	3.5
Receivables	5.2
Net Property, Plant & Equipment	32.9
Other Assets	3.8
Total Assets	72.2
Payables	3.4
Borrowings (net transaction costs)	1.9
Derivative liabilities	3.3
Provisions	8.1
Total Liabilities	16.7

BOARD OF DIRECTORS



Mike Utsler – Executive Chairman, CEO and MD – BS Petroleum Engineering

Mr Utsler was appointed CEO and MD in Sep 2020 and brings 40+ years of experience in senior international oil and gas sector roles, including 15 years in the Gulf of Mexico and 5 years as Chief Operating Officer of Woodside (9th largest LNG producer globally).



John Jetter – Non-Executive Director

Mr Jetter is the former Managing Director, CEO and head of investment banking of JP Morgan in Germany and Austria, and a member of the European Advisory Council, JP Morgan London. Mr Jetter has advised on some of Europe's largest corporate transactions.



John Madden – Non-Executive Director

Mr Madden has over 40 years experience with a proven track record encompassing administrative, acquisitions, business analytics, community consultation, corporate secretarial functions, feasibility studies, financing, planning and strategic studies, accounting and taxation – all gained at major and junior mining companies.



Geoff Page – Non-Executive Director

Mr Page is a member of CPA Australia and is a finance professional with over 20 years of senior finance, accounting and management experience gained globally within several industries. He has over 10 years of board experience gained in several different firms.



Paul Senycia – Non-Executive Director

Mr Senycia joined Otto in 2010 as Exploration Manager and led the Company's technical operations from 2015-2018. Mr Senycia is a seasoned oil and gas professional, trained as an exploration geoscientist and has 35+ years of experience with companies including Shell, Woodside and Beach.

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KEY MANAGEMENT



Will Armstrong – VP Exploration and New Business – BS Geology, MS Geology
Mr Armstrong has 30+ years experience working in the Gulf Coast and Gulf of Mexico as an explorer both as a prospect generator and prospect screener including roles with Tri-C, Newfield, CL&F, Westport, Petroquest and Tenneco Oil Company.



Sergio Castro – Chief Financial Officer – BBA Accounting, CPA, CFE
Mr Castro was VP and Treasurer of Contango Oil & Gas for 13+ years. Mr Castro was previously a consultant for UHY Advisors, lead credit analyst for Dynegy Inc. and an auditor for Arthur Andersen. Mr. Castro was honourably discharged from the U.S. Navy in 1993 as an E-6.

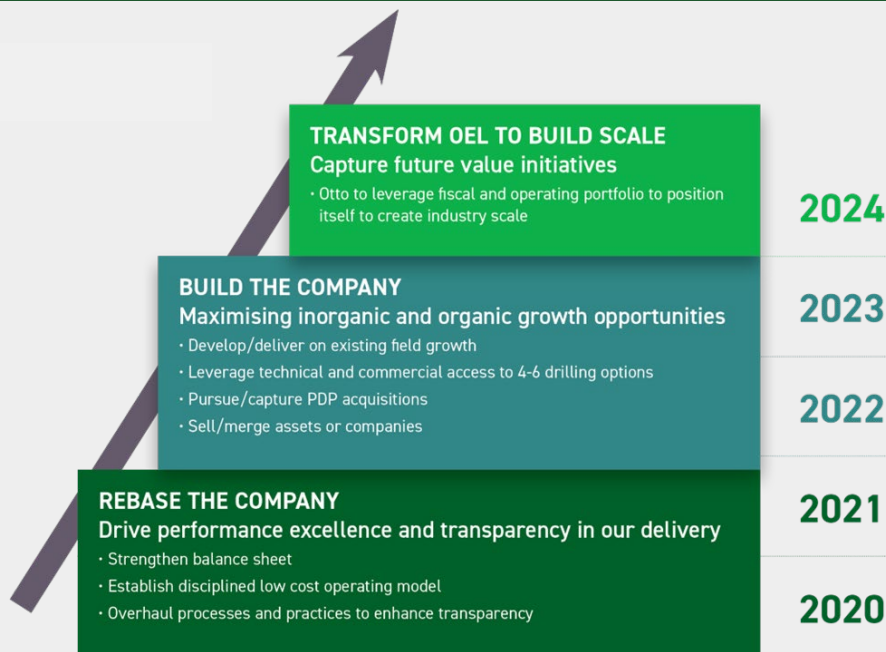


Julie Dunmore – Group Financial Controller – Bcom, CA, GAICD, FGIA
Ms. Dunmore is a qualified Chartered Accountant with 20 years experience, primarily within the oil and gas industry. Ms. Dunmore's roles include projects in Australia, India, USA, Canada and UK and financial management of entities in Australia, New Zealand, Singapore, and India.



Philip Trajanovich – Senior Commercial Manager – BCom (First Class Honours)
Mr Trajanovich has global experience as a commercial manager working with Aurora Oil & Gas, ConocoPhillips and Woodside. Mr Trajanovich has extensive international and US experience in all facets of upstream oil and gas operations and commercial structures.

STRATEGIC FOCUS: PAST, PRESENT AND FUTURE



STRATEGY

Pillar One

Excellence in Base Asset Delivery

The Company has established a portfolio of non-operated interests in multiple high-quality GoM O&G fields

Pillar Two

Maximising Organic Growth Opportunities

The Company seeks to create value by enhancing production from its existing asset base

Pillar Three

Future Value Initiatives

Otto manages a disciplined assessment process and utilises a technically driven filter for new opportunities

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PROJECT SUMMARY

Area	Status	WI	NRI	Operator	Comments
South Marsh 71 (SM 71)	Producing	50.0%	40.6%	Byron Energy	Offshore - 3 wells
Lightning	Producing	37.5%	27.8%	Hilcorp	Onshore - 2 wells
Oyster Bayou South	Producing	30.0%	22.8%	Castex Energy, Inc.	Offshore - 1 well
Green Canyon 21 (GC 21)	Recompleting	16.7%	13.3%	Talos Energy	Offshore - 1 well
Mosquito Bay West	Producing	30.0%	22.4%	Castex Energy, Inc.	Offshore - 1 well
Vick #1 (Eaves Prospect)	Producing	10.3%	7.7%	Forza Operating	Onshore - 1 well
South Timbalier 48	Prospect	100%	87.5%	TBD	Offshore - 1 well

ASSET PORTFOLIO

A strong foundation

- Otto owns an attractive portfolio of non-operating, producing interests along the Gulf Coast.
- The assets are complementary with low operating costs, relatively low decline rates that make for stable, predictable cash flow generation and minimal capital investment requirements going forward.
- Otto owns approximately 3.3 million shares in Pantheon Resources Plc (LSE: PANR) (current market value of US\$3.8 million as of 30 Sept 2022 and a 0.5% ORRI in the Alaskan Talitha Unit (1 well recently drilled to 3,200 meters and tested 4 major oil-bearing zones, which all flowed hydrocarbons during test).

Optimising the portfolio

- Otto aims to grow its portfolio by seeking further development opportunities in its existing asset base and capturing new prospects that meet the Company's strict technical and commercial filters.
- The Company continues to evaluate a number of high-quality opportunities that provide significant upside for FY23 production and free cash flow, and beyond.

1P Reserves: 3,722 Mboe *

- Nine wells (six are PDP, two are PDNP, and one, Green #3, is a PUD)
- Six recompletions anticipated
- 12-year estimated life of Reserves

2P Reserves: 5,832 Mboe *

- Adds one additional well (Green #4), plus an additional 0.9 Mmboe from remaining assets.
- Six recompletions above also adds to Probable Reserves
- > 14-year estimated life of Reserves

3P Reserves: 7,812 Mboe *

- Adds one additional well (Green #5), plus 0.6 Mmboe from remaining assets.
- Additional wells possible with continued development at Lightning
- > 14-year estimated life of Reserves

* Reserve information as of 30 June 2022. Post year-end, Otto discovered additional 1P Reserves of 0.4 MMboe, additional 2P Reserves of 0.4 MMboe, and additional 3P Reserves of 0.4 Mmboe, from Oyster Bayou South. When added to our FY 2022 discoveries, Otto has replaced approximately 90% of its FY 2022 net production on a proved basis, and over 100% on a 2P basis.

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SM 71

Otto's SM 71 interest is located on the Gulf of Mexico shelf in ~40m of water and commenced production in March 2018

- Stable production of ~1,223 boepd (WI) from three wells (F1, F2 and F3) as of 31 Oct 2022.
- Low field lifting costs through existing infrastructure
- F2 well recently recompleted
- The SM 71 lease ranks number two of all Gulf of Mexico active oil producing leases on the US Gulf of Mexico shelf, with the F3 and F1 wells ranked as the #1 and #3 active oil producing wells, respectively

Key Data

Gross Production Rates (31 Oct 22)	~2,040 bopd 2,420 Mcfpd
Production to date	4.4 MMBbl & 4.5 Bcf
Reserve Life (2P)	Through to 2028
Pricing Benchmarks	Louisiana Light Sweet (LLS) and Henry Hub
Est. 1P Reserves	1.08 MMBoe
Est. 2P Reserves	1.41 MMBoe
Est. 3P Reserves	1.74 MMBoe

LIGHTNING

Otto's Lightning gas/condensate field is located onshore Matagorda County, Texas

- Two producing wells which began producing in Q2 CY 2019 and currently producing ~ 930 boepd (WI)
- Reinterpretation of 3D seismic has shown considerable upside potential, particularly in the Tex Miss 2/3 zone
- The Lightning discovery represents the largest onshore Texas discovery in the last 10 years
- There is the potential for up to five wells being required to ultimately develop the entire Lightning accumulation.

Key Data

Gross Production Rates (31 Oct 22)	~12.6 MMcfpd & 370 bopd
Production to date	~ 19.1 Bcf & 580 MBbl
Reserve Life (2P)	Through to 2036
Pricing Benchmarks	WTI Houston and Houston Ship Channel
Est. 1P Reserves	1.81 MMBoe
Est. 2P Reserves	3.00 MMBoe
Est. 3P Reserves	4.41 MMBoe

OYSTER BAYOU SOUTH

The Oyster Bayou South well is in Offshore State of Louisiana waters in Terrebonne Parish. The well began production in September 2022

- Well currently producing 500 boepd (WI)
- Operated by Castex Energy
- Safely drilled down to a target depth of 14,137' MD (Measured Depth) / 13,064' TVD (True Vertical Depth) ahead of schedule
- The well encountered proved net gas pay of 68' TVT (True Vertical Thickness) Miocene pay, consistent with Otto's expectations

Key Data

Gross Production Rates (31 Oct 22)	~1,200 bopd & 2,800 Mcfpd
Production to date	~ 60 MBbl & 0.2 Bcf
Reserve Life (2P)	Through to 2028
Pricing Benchmarks	Louisiana Light Sweet (LLS) and Henry Hub
Est. 1P Reserves	0.4 MMBoe
Est. 2P Reserves	0.4 MMBoe
Est. 3P Reserves	0.4 MMBoe

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GREEN CANYON 2 I

The Green Canyon 2I lease is located in the Gulf of Mexico in ~370m of water and commenced production in October 2020

- Otto farmed in GC 2I with Talos Energy and Enven (16.67% WI - paying 22.22% on first well)
- MP sands drilled and completed with production averaging 21 boe/d (net to Otto). Recompletion operations began in August 2022 to recomplete the well in the shallower DTR-10 sand
- Production from the DTR-10 sands is expected to begin in Q1 CY2023, where 70% of the proven reserves are contained

Key Data

DTR-10 Production	Expected to begin Q1 CY2023
DTR-10 Production to date	n/a
Reserve Life (2P)	Through to 2028
Pricing Benchmarks	Bonito Sour and Tennessee 800 Leg
Est. 1P Reserves	0.57 MMBoe
Est. 2P Reserves	1.07 MMBoe
Est. 3P Reserves	1.23 MMBoe

MOSQUITO BAY WEST

The Mosquito Bay West well is in Offshore State of Louisiana waters in Terrebonne Parish. The well began production in August 2022

- Well currently producing 225 boepd (WI)
- Operated by Castex Energy
- Safely drilled down to a target depth of 14,867' MD / 12,967' TVD ahead of schedule
- The well encountered proved net gas pay of 111' TVT across five separate Miocene intervals, plus another 10' TVT of in one other sand, which is a higher net pay count than Otto was originally expecting

Key Data

Gross Production Rates (31 Oct 22)	~175 bopd & 3.3 MMcfpd
Production to date	~ 15 MBbl & 0.3 Bcf
Reserve Life (2P)	Beyond 2036
Pricing Benchmarks	Louisiana Light Sweet (LLS) and Henry Hub
Est. 1P Reserves	0.26 MMBoe
Est. 2P Reserves	0.35 MMBoe
Est. 3P Reserves	0.43 MMBoe

EAVES

The Vick #1 well within the Eaves Prospect is located in Lavaca County, Texas. The well began production in September 2022.

- Well currently producing 10 boepd (WI)
- Safely drilled down to a target depth of 9,242' TVD ahead of schedule
- The well was logged and cored across multiple intervals, encountering 12 feet of net pay in the shallower Yegua formation as expected.

Key Data

Gross Production Rates (31 Oct 22)	~ 625 Mcfpd & 4 bopd
Production to date	~ 16 Mmcf & 84 Bbls
Reserve Life (2P)	Through to 2027
Pricing Benchmarks	WTI Houston and Houston Ship Channel
Est. 1P Reserves	4 Mboe
Est. 2P Reserves	7 Mboe
Est. 3P Reserves	7 MBoe

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SOUTH TIMBALIER 48

Otto was notified as being the apparent high bid on South Timbalier 48 (ST 48) at OCS Lease Sale 257 held in Nov 2021.

- Otto bid the minimum entry price of US\$125,000.
- In January 2022, a United States federal judge invalidated the results of the lease sale. In August 2022, however, the US Inflation Reduction Act (2022) was signed into law which reinstated Lease Sale 257.
- Otto was awarded the lease in Sept 2022.

Key Data

Acres/Water Depth	5,000 acres & 56 feet of water
Geological Prob. of Success	57%
Prospective Resources (pre-drill) ²	Low Estimate = 6.8 Bcf & 1.3 MMbbl (5.9 Bcf & 1.1 MMbbl net to Otto). Best Estimate = 18.6 Bcf & 4.1 MMbbl (16.3 Bcf & 3.6 MMbbl net to Otto). High Estimate = 30.2 Bcf & 7.5 MMbbl (26.4 Bcf & 6.6 MMbbl net to Otto).
Geologic Interval	Cyclammina 3 sands

CONSERVATIVE CAPITAL MANAGEMENT

Our capital allocation framework sets clear target investment criteria for oil and gas investments we are targeting. Using these criteria while maintaining balance sheet and financial discipline allows us to build a diversified folder which is robust against changes in pricing and demand.

OIL AND GAS ONSHORE AND OFFSHORE GULF OF MEXICO	KEY ATTRIBUTES
INVESTMENT FOCUS	<ul style="list-style-type: none"> • Generate high returns to continue funding growth from existing cash flows • Leverage existing infrastructure to lower costs of development and reduce risks
TARGETED CHARACTERISTICS	<ul style="list-style-type: none"> • High cash flow generation • Shorter payback periods • Quick to tie-in to markets • Multiple market access potentials • Resilient to commodity pricing • Upside potential

PERFORMANCE OBJECTIVES

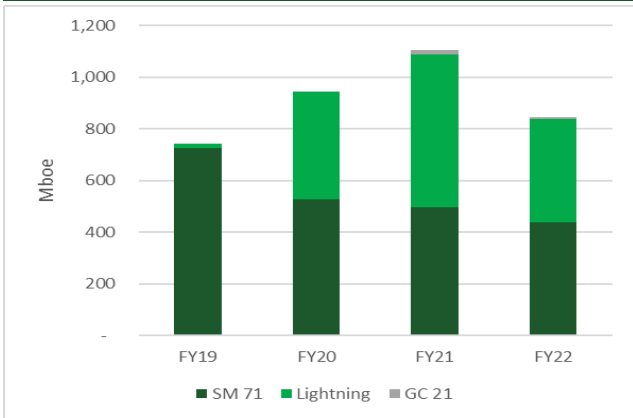
BASE AND ORGANIC GROWTH OPTIONS		INORGANIC GROWTH
Base business outcome (3yr forward)	Base outcome incl. exercise of organic options (3yr forward)	Year on year metrics
ROACE > 20.0%	ROACE > 17.5%	ROACE > 15.0%
IRR > 75.0% (success case)	IRR > 75.0% (success case)	ROE > 15.0%
IRR > 25.0% (full cycle)	IRR > 25.0% (full cycle)	DROI (15) > 25.0%
FCF > US\$40m	FCF > US\$40m	NAV Growth > 10.0% CAGR
Gearing - <10.0%	Gearing - <10.0%	Gearing – 45-65%
Debt to equity - <10.0%	Debt to equity - <10.0%	Debt to equity - <50.0%

2. See Growth Activities as released to the ASX on 13 Oct 22

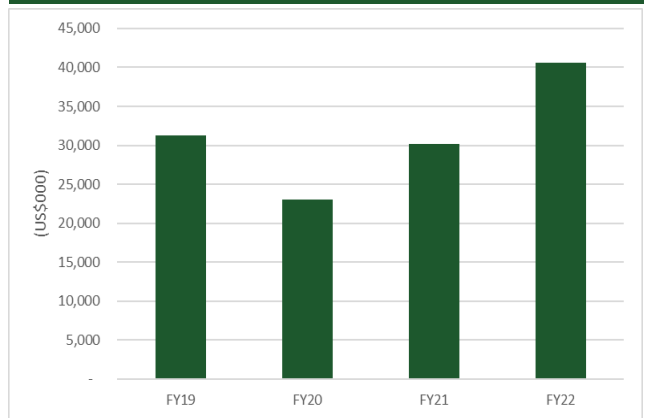
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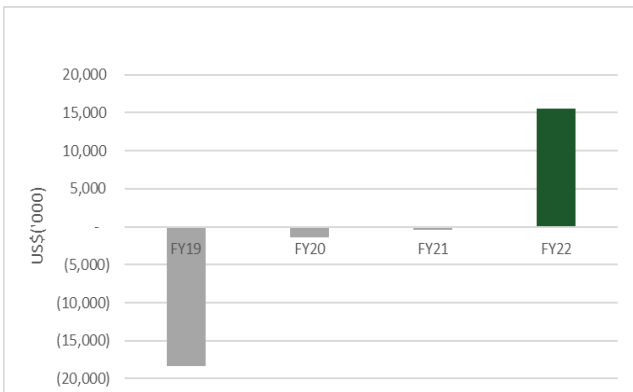
PRODUCTION



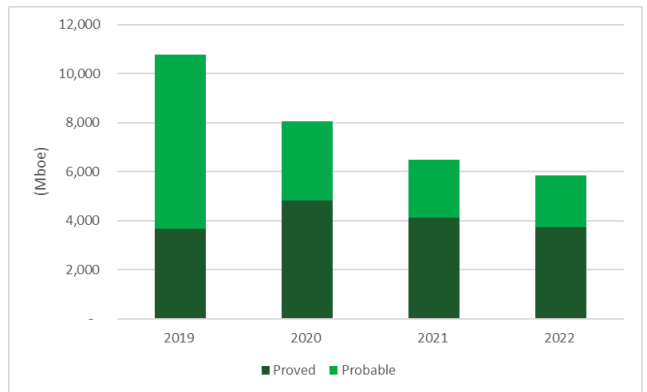
NET OPERATING REVENUE



NPAT



2P RESERVES



DISCIPLINED OPERATING MODEL

Our Disciplined Operating Model provides framework for creating value

Exploration

- Lower Risk Infrastructure Led

Development

- Prioritize on Gulf conventional gas & oil

Production

- Target lower carbon intensity gas and liquids operations

Marketing

- Maximize Netback pricing on assets

Build Diversification of Gulf Portfolio via:

- A. PDP Acquisitions,
- B. Drill Participation (4 – 6 quality wells/yr)
- C. Portfolio management

TO DELIVER:

1. Increasing Production and 100+% RRR
2. Portfolio Free Cash Breakeven at \$15 - \$20/BOE
3. Gearing at 20-30% through the cycle, pre-major growth and up to 50% including major growth
4. Debt to Equity Ratio < 50%
5. ROACE > 15%
6. DROI(15) > 25%

Returns to Shareholders

- Distributions via sale, special dividends or buybacks

Service Potential Debt

- Leverage sources to capital to fund

Grow Reserve Replacement

- Target 2-3 key play concepts and execute

Fund major growth to achieve Scale

- Buy / Sell / Merge

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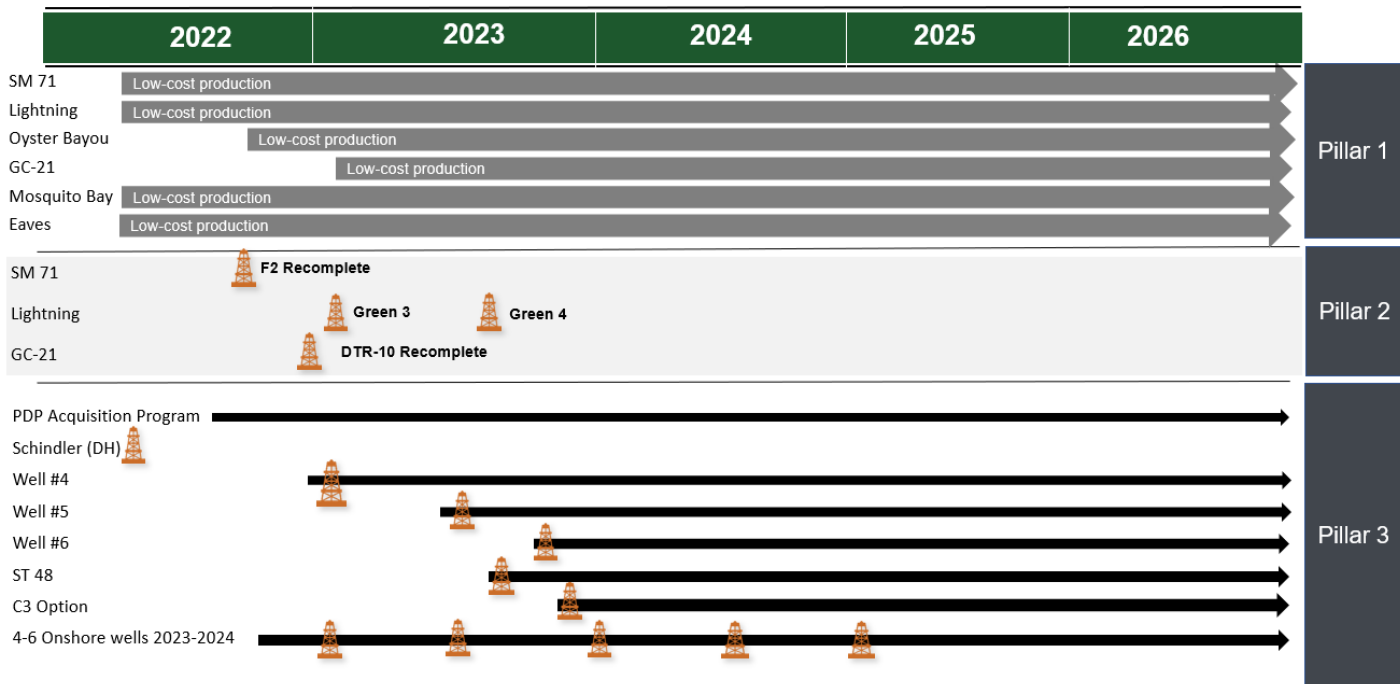
FORWARD STRATEGIC FOCUS – BUILD TO TRANSFORM

Line of Sight Priorities – 2022, 2022-2023, and 2022-2026

One Year Plan - 2022	Two Year Plan – 2022/23	Five Year Plan – 2022/6
<ul style="list-style-type: none"> GC21 DTR10 Recompletion (In progress) SMI-71 F-2 Recompletion (Done) 4-6 Well Balance Sheet funded Drill Program (In progress) Monetize Pantheon – Alaska position (Sold partial shareholding) Pursue asset sales, merger or company sale or acquisitions (Reviewing) Increase Liquidity of shares 	<ul style="list-style-type: none"> Pursue advantaged PDP acquisitions Monetize Lightning, SM-71 and GC-21 2P reserves Drill two-year balance sheet funded 8-12 wells Build Contingent Portfolio Buy/Merge/Sell assets or Company Increase Liquidity of shares 	<p>Capture future value Initiatives:</p> <ul style="list-style-type: none"> Otto to leverage fiscal and operating portfolio to position itself to create industry scale Increase Liquidity of shares <p>Thus, enabling shareholders to realize value through:</p> <ul style="list-style-type: none"> Share price value growth, Dividends / Buybacks Sale/Merger Distributions

PIPELINE OF OPPORTUNITIES – FIVE YEAR PLAN

Strategically planned forward activities to enable Build/Transform



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GULF COAST DRILLING PROGRAM

Otto's stated forward activity plan is to drill 4-6 Gulf Coast wells per year, all to be funded from existing cash reserves. We are targeting potential resources of between 1 and 10 MMBoe, with such opportunities being marketed to quality partners. We are further focused on accessing:

Onshore

- The Yegua through Wilcox formations which are proven hydrocarbon producing sands with both strong gas and oil or associated liquids delivery.
- Infrastructure adjacent access, which minimises costs to develop and time until first production.
- Lower risk access to proven and possible reserves, with the potential to yield additional drilling opportunities.

Offshore

- The Pliocene and Miocene gas and liquids rich proven formations.
- High density and availability of production platforms can be utilized for the development of primary reservoirs, contributing to lower production costs, making projects viable even in a sustained low oil and gas pricing environment.
- Lower risk access to proven and possible reserves.

PDP ACQUISITION

While drilling 4-6 Gulf Coast wells is one component of the Company's Pillar 3 strategy, another key component is identifying potential PDP acquisition opportunities with no near-term P&A obligations but containing some PUD locations.

- Ideally targeting a 1P value of US\$15 million to \$25 million (PV-20), with additional probable reserves equal to or greater than proved reserves (expect to pay US\$20 million to US\$30 million).
- Could be funded from existing cash flows and Tranche B of the Company's credit facility, plus possibly bringing on a partner
- If necessary, Otto could become operator, but preference is to seek another company to operate, while Otto remains a non-op partner.

LIQUIDITY

Available debt facilities

- **Tranche A1 (US\$25 MM)**
Fully drawn down and repaid. No longer available
- **Tranche A2 (US\$10 MM)**
Available until Sept 2023
- **Tranche B (US\$20 MM)**
subject to further credit approval

Liquidity (at 30 Sept 2022)

Tranche A-2 available	US\$10.0 M
Cash	US\$24.9M
Available liquidity	US\$34.9 M

