

## QUARTERLY ACTIVITIES REPORT

For the Three Months ended 30 June 2023

Otto Energy Limited (ASX:OEL) (**Otto** or the **Company**) presents its quarterly activities report for the period ended 30 June 2023.

### HIGHLIGHTS

#### **Continued significant interest in the strategic options process**

- There continues to be significant interest in the Company and its assets, since the initiation of a formal review process to maximise shareholder value, as announced on 29 March 2023.
- The process was initiated due to the Board of Director's belief that the Company's shares trade at a discount relative to the intrinsic value of its underlying assets.
- The Otto Board of Directors remains committed to a process which, if successful, would enable the Company to reward shareholders, including a return of capital to shareholders from the proceeds of a sale of the Company's assets.

#### **Continued robust operational and financial performance**

- Commenced production from both DTR-10 zones at GC 21.
- Base production from existing assets continues to meet expectations.
- Achieved revised FY 2023 guidance expectations for production, field lifting costs (FLC), and non-field lifting costs (NFLC), as announced during the March quarter.
- 22% reduction in non-field lifting spend Quarter on Quarter (QoQ).
- Revenue of US\$7.0 million (WI basis) for the quarter; reflecting lower production and lower realised commodity prices QoQ.

#### **Debt free, unhedged and continued strengthening of overall liquidity**

- Cash balance at quarter end of US\$25.9 million and zero debt.
- Undrawn US\$30M credit facility in place at quarter end, which the Company is currently terminating.
- No hedged positions for the quarter (or at the date of this report).
- Residual equity interest in Pantheon Resources plc (LSE: PANR) at quarter end valued at US\$0.5 million<sup>1</sup> plus an additional 0.5% ORRI in the Talitha Unit within Pantheon's holdings.

<sup>1</sup> Based on prevailing PANR share price of 12.71 pence and a 1.26 US\$ to GBP exchange rate as of 30 June 2023.

## COMMENT FROM OTTO CHIEF EXECUTIVE OFFICER, STEVE HEROD

On 20 June 2023, the Company announced the appointment of a new Chief Executive Officer, Mr. Steve Herod. Mr. Herod is a seasoned oil and gas executive with more than 40 years of experience in the energy industry in the United States, with a distinguished career both as an entrepreneur and CEO. He has successfully completed numerous M&A transactions creating significant shareholder value.

*"I am very excited to join Otto Energy, a Company that has done a tremendous job of significantly improving its financial performance over the past couple of years. We have had another solid quarter of positive operational and financial performance, as the June quarter saw the final recompletion of GC 21, and the recommencement of production from both DTR-10 zones.*

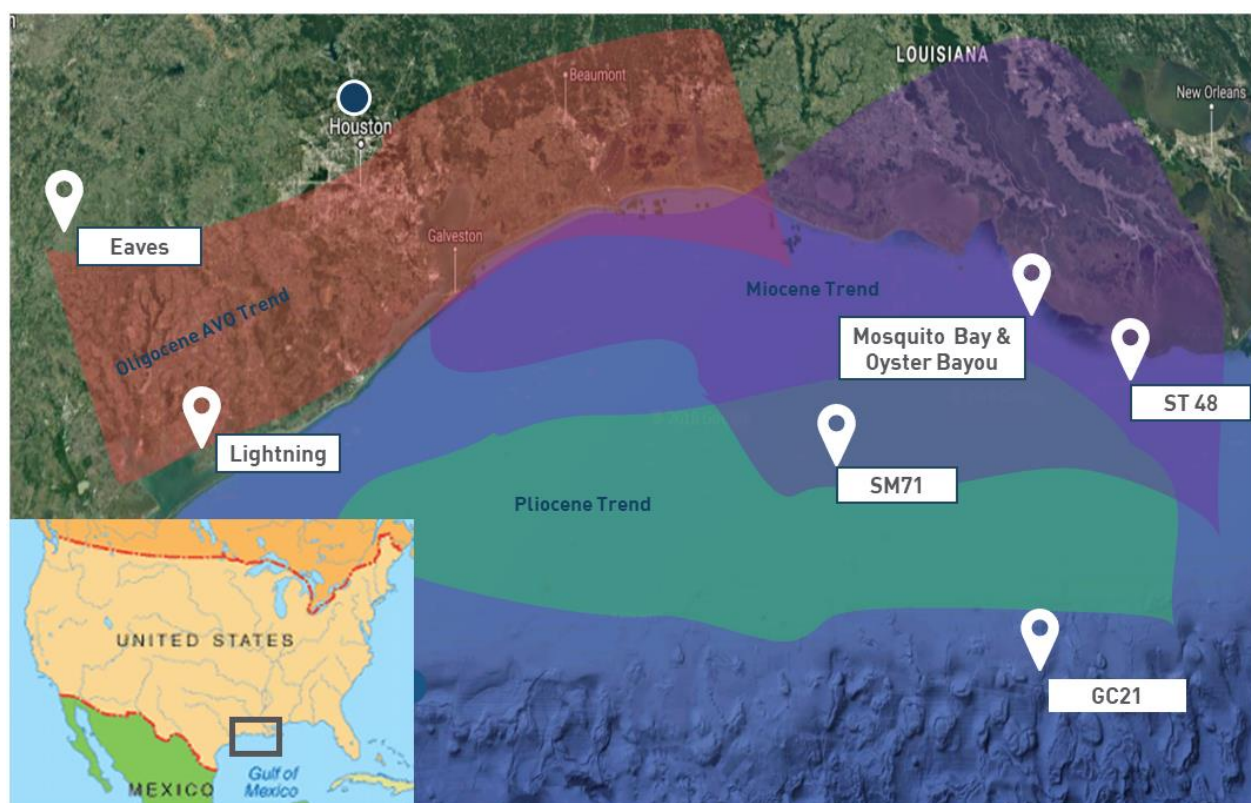
*"I am committed to the current strategic options process, with the goal of maximizing shareholder value. We continue to see significant interest in our assets and are engaged in meaningful dialogue with interested parties. I look forward to working with the Otto Board and its team on this important process."*

## SUMMARY QUARTERLY PRODUCTION VOLUMES (WI BASIS)

	30-Jun-23	31-Mar-23	% change	31-Dec-22	30-Sep-22
Total Oil (Bbls)	81,785	87,199	-6%	116,935	118,003
Total Gas (Mcf)	505,238	539,154	-6%	589,874	569,177
Total NGLs (Bbls)	16,947	17,751	-5%	18,555	18,118
Total BOE	182,938	194,809	-6%	233,802	230,984
Total (Boe/d)	2,010	2,165	-7%	2,541	2,511
Percent Liquids (%)	54%	54%	0%	58%	59%
Total WI Revenue (US\$MM)	\$ 7.0	\$ 8.3	-15%	\$ 12.9	\$ 15.8

## SUMMARY OF OPERATIONS

Area	Status	WI	NRI	Operator	Comments
South Marsh 71 (SM71)	Producing	50.0%	40.6%	Byron Energy	3 wells
Lightning	Producing	37.5%	27.8%	Hilcorp	2 wells
Green Canyon 21 (GC 21)	Producing	16.7%	13.3%	Talos Energy	1 well
Mosquito Bay West	Producing	30.0%	22.4%	Castex Energy, Inc.	1 well
Oyster Bayou South	Producing	30.0%	22.8%	Castex Energy, Inc.	1 well
Eaves Well	Shut-in	10.3%	7.7%	Forza Operating	1 well
South Timbalier 48	Prospect	TBD	TBD	TBD	-



## SOUTH MARSH ISLAND 71 (SM 71)

Location:	Louisiana/Offshore Gulf of Mexico
Status:	Producing
Water Depth:	137 feet
Otto WI/NRI:	50.0%/40.6% (Byron Energy Inc. – Operator)

During the quarter, on a working interest basis, the F1, F2 and F3 wells produced approximately 56.3 Mboe (-18% from prior quarter), or 619 Boe/d, which was lower than the March quarter due to normal field decline, as well as the F2 well being shut in for approximately 30 days during the current quarter, and as of quarter end for pressure buildup. The F2 well resumed production on 23 July 2023. During the March quarter, all wells were only shut-in for approximately five days due to compressor issues.

In late June 2022, traces of water were detected from the F3. At that time, the F3 well had a 2% water cut. During the month of June 2023, the average water cut in the F3 well was approximately 78%, which is consistent with Otto's mapping and reservoir modelling. The F1 well, updip to the F3, continues to produce water-free. Production, on a working interest basis, was approximately 643 Boe/d as of 30 June 2023.

### SM 71 Quarterly Production and Revenue Summary

SM 71 Production Volumes		30-Jun-23	31-Mar-23	% change	31-Dec-22	30-Sep-22
<b>WI</b>	Oil (bbls)	49,014	60,710	-19%	74,367	92,073
	Gas (Mscf)	43,895	47,041	-7%	62,062	65,415
	Total (Boe)	56,330	68,550	-18%	84,710	102,976
	Total (Boepd)	619	762	-19%	921	1,119
<b>NRI</b>	Oil (bbls)	39,824	49,327	-19%	60,423	74,810
	Gas (Mscf)	35,665	38,221	-7%	50,425	53,149
	Total (Boe)	45,768	55,697	-18%	68,827	83,668
	Total (Boepd)	503	619	-19%	748	909
SM 71 Sales Revenue		30-Jun-23	31-Mar-23	% change	31-Dec-22	30-Sep-22
<b>WI</b>	Oil - \$million	\$ 3.4	\$ 4.4	-22%	\$ 6.1	\$ 8.4
	Oil - \$ per bbl	\$ 70.36	\$ 72.65	-3%	\$ 81.77	\$ 90.85
	Gas - \$million	\$ 0.1	\$ 0.2	-19%	\$ 0.4	\$ 0.6
	Gas - \$ per MMBtu	\$ 2.75	\$ 3.09	-11%	\$ 5.41	\$ 7.78
	Total - US\$million	\$ 3.6	\$ 4.6	-22%	\$ 6.5	\$ 9.0
<b>NRI</b>	Total - US\$million	\$ 2.9	\$ 3.7	-22%	\$ 5.3	\$ 7.3

## LIGHTNING

Location:	Onshore Matagorda County, Texas
Status:	Producing
Otto WI/NRI:	37.5%/27.8% (Hilcorp Energy – Operator)

During the quarter, on a working interest basis, the Green #1 and #2 wells produced approximately 86.4 Mboe (approximately the same as prior quarter), or 949 Boe/d. Production, on a working interest basis, was approximately 864 Boe/d as of 30 June 2023.

The Lightning prospect was initially leased to a level in excess of 99%. For the unleased interest, the parties owning the unleased interest were carried for the drilling of the two wells. Prior to payout, the parties earned a share of production in relation to their WI, and share in relation to their carried WI attributable to the unleased mineral interest. At payout, the carried share of production reverted to the unleased interests. Beginning in FY2023, Otto's NRI in relation to Green #1 and Green #2 was 27.8%, compared to the prior 28.2%, factoring in this change.

Reinterpretation of the 3D seismic confirms that there are multiple levels of hydrocarbon pay in the Lightning field. While production is currently from the upper Tex Miss 1 zone, future wells could test the ability to stimulate the Tex Miss 2/3 zone and unlock its significant upside potential.

### Lightning Quarterly Production and Revenue Summary

Lightning Volumes		30-Jun-23	31-Mar-23	% change	31-Dec-22	30-Sep-22
<b>WI</b>	Oil (bbls)	11,934	11,943	0%	13,066	13,022
	Gas (Mscf)	369,417	372,292	-1%	394,803	409,324
	NGLs (bbls)	12,879	12,675	2%	13,687	14,587
	Total (Boe)	86,382	86,666	0%	92,554	95,830
	Total (Boepd)	949	963	-1%	1,006	1,042
<b>NRI</b>	Oil (bbls)	8,860	8,867	0%	9,701	9,797
	Gas (Mscf)	274,269	276,403	-1%	293,117	307,962
	NGLs (bbls)	9,562	9,410	2%	10,162	10,975
	Total (Boe)	64,133	64,344	0%	68,715	72,099
	Total (Boepd)	705	715	-1%	747	784
Lightning Sales Revenue		30-Jun-23	31-Mar-23	% change	31-Dec-22	30-Sep-22
<b>WI</b>	Oil - \$million	\$ 0.9	\$ 0.9	-3%	\$ 1.1	\$ 1.2
	Oil - \$ per bbl	\$ 71.49	\$ 73.61	-3%	\$ 82.76	\$ 93.17
	Gas - \$million	\$ 0.7	\$ 1.0	-34%	\$ 1.8	\$ 3.1
	Gas - \$ per MMbtu	\$ 1.83	\$ 2.76	-33%	\$ 4.58	\$ 7.44
	NGLs - \$million	\$ 0.2	\$ 0.3	-33%	\$ 0.3	\$ 0.6
	NGLs - \$ per bbl	\$ 13.54	\$ 20.39	-34%	\$ 22.33	\$ 41.53
	Total – US \$million	\$ 1.7	\$ 2.2	-21%	\$ 3.2	\$ 4.9
<b>NRI</b>	Total – US \$million	\$ 1.3	\$ 1.6	-21%	\$ 2.4	\$ 3.7

## GREEN CANYON 21 (GC 21)

Location:	Offshore, Gulf of Mexico
Status:	Producing
Water Depth:	1,200 feet
Otto WI/NRI:	16.7%/13.3% (Talos Energy – Operator)

In August 2022, recompletion operations began in the shallow DTR-10 sands. During operations, an issue with the casing hanger in the wellhead caused by strong loop currents was discovered. Due to additional equipment being required, operations were suspended and resumed in February 2023, with production beginning on 22 March 2023.

After a few days of production from the DTR-10 sands, well diagnostics indicated that the lower DTR-10 completion was not contributing to well production and the well was only seeing a contribution from the upper completion. Well intervention operations were completed in mid-May 2023 and the well is currently producing from both DTR-10 zones.

In January 2023, Otto and the operator both filed a Control of Well event claim with their respective insurance carriers regarding the recompletion at GC 21. They are both being reviewed by the same insurance adjuster. During the recompletion, the tubing string, control lines, casing and clamps were damaged. A review is underway to determine how increased loop eddy currents contributed to these failures. The insurance carriers have confirmed the merits of the claim and the Company currently expects to receive an initial payment during Q1 FY 2024.

During the quarter, on a working interest basis, the GC 21 (Bulleit) well produced approximately 15.3 Mboe, or 168 Boe/d. Production, on a working interest basis, was approximately 162 Boe/d as of 30 June 2023.

### GC 21 Quarterly Production and Revenue Summary

GC 21 Production Volumes		30-Jun-23	31-Mar-23	% change	31-Dec-22	30-Sep-22
<b>WI</b>	Oil (bbls)	12,542	971	1191%	-	378
	Gas (Mscf)	10,648	564	1788%	-	3,730
	NGLs (bbls)	942	-	100%	-	230
	Total (Boe)	15,259	1,065	1332%	-	1,230
	Total (Boepd)	168	12	1317%	-	13
<b>NRI</b>	Oil (bbls)	10,034	777	1191%	-	302
	Gas (Mscf)	8,519	451	1789%	-	2,984
	NGLs (bbls)	753	-	100%	-	184
	Total (Boe)	12,207	852	1332%	-	984
	Total (Boepd)	134	9	1317%	-	11

GC 21 Sales Revenue		30-Jun-23	31-Mar-23	% change	31-Dec-22	30-Sep-22
<b>WI</b>	Oil - \$million	\$ 0.87	\$ 0.07	1159%	\$ -	\$ 0.03
	Oil - \$ per bbl	\$ 69.29	\$ 71.04	-2%	\$ -	\$ 92.49
	Gas - \$million	\$ 0.02	\$ 0.00	351%	\$ -	\$ 0.03
	Gas - \$ per MMBtu	\$ 1.68	\$ 6.54	-74%	\$ -	\$ 5.52
	NGLs - \$million	\$ 0.02	\$ -	100%	\$ -	\$ 0.01
	NGLs - \$ per bbl	\$ 16.85	\$ -	100%	\$ -	\$ 37.01
	Total - US\$million	\$ 0.9	\$ 0.07	1130%	\$ -	\$ 0.07
<b>NRI</b>	Total - US\$million	\$ 0.7	\$ 0.06	1130%	\$ -	\$ 0.05

## MOSQUITO BAY WEST

Location:	Offshore Terrebonne Parish, Louisiana
Status:	Producing
Otto WI/NRI:	30%/22.4% (Castex Energy – Operator)

During the quarter, on a working interest basis, the Mosquito Bay West well produced approximately 15.3 Mboe (-38% over prior quarter), or 168 Boe/d, a decrease attributable to normal field decline. Production, on a working interest basis, was approximately 147 Boe/d as of 30 June 2023.

Production from Mosquito Bay began in August 2022 and has cumulatively produced over 49,000 bbls of oil and 1,000 MMcf of gas (8/8ths).

### Mosquito Bay West Quarterly Production and Revenue Summary

Mosquito Bay West Production Volumes		30-Jun-23	31-Mar-23	% change	31-Dec-22	30-Sep-22
<b>WI</b>	Oil (bbls)	2,146	5,041	-57%	4,468	3,114
	Gas (Mscf)	64,042	92,508	-31%	75,038	51,724
	NGLs (bbls)	2,468	4,066	-39%	2,871	1,885
	Total (Boe)	15,288	24,525	-38%	19,845	13,620
	Total (Boepd)	168	272	-38%	216	148
<b>NRI</b>	Oil (bbls)	1,599	3,755	-57%	3,328	2,320
	Gas (Mscf)	47,711	68,919	-31%	55,903	38,534
	NGLs (bbls)	1,838	3,029	-39%	2,139	1,405
	Total (Boe)	11,389	18,271	-38%	14,784	10,147
	Total (Boepd)	125	203	-38%	161	110

Mosquito Bay West Sales Revenue		30-Jun-23	31-Mar-23	% change	31-Dec-22	30-Sep-22
<b>WI</b>	Oil - \$million	\$ 0.2	\$ 0.4	-59%	\$ 0.4	\$ 0.3
	Oil - \$ per bbl	\$ 74.37	\$ 76.44	-3%	\$ 82.22	\$ 86.72
	Gas - \$million	\$ 0.1	\$ 0.3	-48%	\$ 0.4	\$ 0.4
	Gas - \$ per MMBtu	\$ 2.06	\$ 2.73	-25%	\$ 5.41	\$ 8.27
	NGLs - \$million	\$ 0.03	\$ 0.07	-65%	\$ 0.05	\$ 0.05
	NGLs - \$ per bbl	\$ 10.19	\$ 17.74	-43%	\$ 17.37	\$ 28.35
	Total - US\$million	\$ 0.3	\$ 0.7	-55%	\$ 0.8	\$ 0.8
<b>NRI</b>	Total - US\$million	\$ 0.2	\$ 0.5	-55%	\$ 0.6	\$ 0.6

## OYSTER BAYOU SOUTH

Location:	Offshore Terrebonne Parish, Louisiana
Status:	Producing
Otto WI:	30%
Otto NRI:	22.8% before payout and 22.7% APO (Castex Energy -

During the quarter, on a working interest basis, the Oyster Bayou South well produced approximately 9.7 Mboe (-28% over prior quarter), or 106 Boe/d, a decrease resulting from increased water production and normal field decline. Production, on a working interest basis, was approximately 103 Boe/d as of 30 June 2023.

Production from Oyster Bayou began in August 2022 and has cumulatively produced over 163,000 bbls of oil and 470 MMcf of gas (8/8ths). Beginning in November 2022, the well began producing small amounts of water, with a water cut of approximately 10%. Since then, the water rate has continued to increase while the oil rate has declined. During June 2023, the average water cut in the well was approximately 78%.

### Oyster Bayou South Quarterly Production and Revenue Summary

Oyster Bayou South Production Volumes		30-Jun-23	31-Mar-23	% change	31-Dec-22	30-Sep-22
<b>WI</b>	Oil (bbls)	6,148	8,500	-28%	25,005	9,415
	Gas (Mscf)	17,068	23,002	-26%	52,194	38,832
	NGLs (bbls)	658	1,010	-35%	1,997	1,415
	Total (Boe)	9,651	13,344	-28%	35,701	17,303
	Total (Boepd)	106	148	-28%	388	188
<b>NRI</b>	Oil (bbls)	4,641	6,460	-28%	19,004	7,156
	Gas (Mscf)	12,886	17,482	-26%	39,668	29,512
	NGLs (bbls)	497	768	-35%	1,518	1,076
	Total (Boe)	7,286	10,141	-28%	27,132	13,150
	Total (Boepd)	80	113	-29%	295	143



Oyster Bayou South Sales Revenue		30-Jun-23	31-Mar-23	% change	31-Dec-22	30-Sep-22
<b>WI</b>	Oil - \$million	\$ 0.5	\$ 0.6	-30%	\$ 2.1	\$ 0.8
	Oil - \$ per bbl	\$ 74.33	\$ 76.43	-3%	\$ 82.39	\$ 83.70
	Gas - \$million	\$ 0.0	\$ 0.1	-40%	\$ 0.3	\$ 0.3
	Gas - \$ per MMbtu	\$ 2.06	\$ 2.56	-20%	\$ 5.44	\$ 7.95
	NG Ls - \$million	\$ 0.01	\$ 0.02	-61%	\$ 0.03	\$ 0.04
	NG Ls - \$ per bbl	\$ 10.48	\$ 17.72	-41%	\$ 17.40	\$ 27.41
	Total - US\$million	\$ 0.5	\$ 0.7	-31%	\$ 2.4	\$ 1.2
<b>NRI</b>	Total - US\$million	\$ 0.4	\$ 0.6	-32%	\$ 1.8	\$ 0.9

## EAVES PROSPECT

Location:	Onshore Lavaca County, Texas
Status:	Shut-in
Otto WI/NRI:	10.3%/7.7% in a 160-acre unit (Forza Operating – Operator)

During the quarter, on a working interest basis, the Vick #1 well produced approximately 28 Boe, compared to 660 Boe the prior quarter (-96% over prior quarter), as the well appears to have reached the end of its economic life. The well was shut in on 22 April 2023, and remained shut in as of 30 June 2023.

Production from the Vick #1 well began in September 2022 and has cumulatively produced over 530 bbls of oil and 95 MMcf of gas (8/8ths).

## CORPORATE

### PANTHEON RESOURCES PLC SHAREHOLDING (LSE: PANR)

Otto continues to own 3,272,592 shares of PANR, valued at US\$0.5 million as at 30 June 2023<sup>1</sup>, as well as a 0.5% of 8/8ths overriding royalty interest (ORRI) in any future production from the Talitha Unit in Alaska, which is operated by Pantheon.

### NET REVENUE

Net revenue for the quarter, on a WI basis, was approximately US\$7.0 million, a 15% decrease over the prior quarter due to a 6% decrease in production and a 10% decrease in weighted average commodity prices (crude oil, natural gas and NGL prices fell 4%, 29% and 33%, respectively).

Otto's hydrocarbon sales for the quarter equate to 2,010 Boe/d, a 7% decrease from the prior quarter, driven by normal field decline across all of the Company's assets.

Otto received cash proceeds of approximately US\$5.8 million during the quarter, predominantly related to production revenue, net of royalties, for March, April, and May 2023.

Working Interest, net to Otto	30-Jun-23	31-Mar-23	% change	31-Dec-22	30-Sep-22
Oil revenue (\$millions)	\$ 5.8	\$ 6.4	-10%	\$ 9.6	\$ 10.7
Avg oil price (\$/Bbl)	\$ 70.76	\$ 73.35	-4%	\$ 82.03	\$ 90.43
Gas revenue (\$millions)	\$ 1.0	\$ 1.5	-34%	\$ 3.0	\$ 4.5
Avg gas price (\$/Mmbtu)	\$ 1.95	\$ 2.75	-29%	\$ 4.76	\$ 7.45
NGL revenue (\$millions)	\$ 0.2	\$ 0.3	-36%	\$ 0.4	\$ 0.7
Avg NGL price (\$/Bbl)	\$ 13.12	\$ 19.63	-33%	\$ 21.03	\$ 39.00
Total revenue (\$millions)	\$ 7.0	\$ 8.3	-15%	\$ 12.9	\$ 15.8
Avg WA price (\$/Boe)	\$ 38.38	\$ 42.54	-10%	\$ 55.33	\$ 68.53

See attached Appendix 5B for detailed cash flow disclosures.

### COMMODITY PRICE RISK MANAGEMENT

As of 30 June 2023, the Company did not have any open hedge positions.

<sup>1</sup> Based on prevailing PANR share price of 12.71 pence and a 1.26 US\$ to GBP exchange rate as of 30 June 2023

## COST PERFORMANCE

Non-field lifting cost spend for the June 2023 quarter was approximately US\$1.5 million, compared to US\$2.0 million for the prior March 2023 quarter, a decrease of approximately 22%.

## LIQUIDITY

Otto's cash on hand at the end of the June quarter was approximately US\$25.9 million (March quarter: US\$24.1 million), with the Company having zero drawn debt.

In November 2019, the Company entered a secured US\$55 million facility with Macquarie Bank Limited (**Macquarie**) (the **Credit Facility**) made up of Tranche A1 (US\$25 million), Tranche A2 (\$10 million), and Tranche B (US\$20 million, subject to further credit approval).

As of 30 June 2023, the Company had drawn and repaid the entire US\$25 million available under Tranche A1, resulting in a closing debt balance of nil. Tranche A1 is therefore no longer available to borrow. The Company is currently terminating this facility.

## RELATED PARTY TRANSACTIONS

Payments to related parties and their associates during the quarter totaled approximately US\$156,000, consisting of Executive Directors fees (US\$113,000) and Non-Executive Directors fees including superannuation payments (US\$43,000).

## FY 2023 GUIDANCE RESULTS

The revised FY 2023 guidance ranges reported in the March 2023 quarter were based upon initial production rates at GC 21 and delays in capturing new assets through our exploration program. Actual results compared to the guidance ranges are as follows:

Performance Category	Revised FY 23 Guidance Range	FY 2023 Actual
Production (WI) (MMBOE)	0.75 - 0.85	0.8
Capex spend (US \$MM)	15.0 - 20.0	20.4
Opex FLC spend (US \$MM)	5.0 - 6.0	3.6
NFLC spend (US \$MM)	5.0 - 6.0	5.5

## SHAREHOLDERS

Otto's issued capital as at 20 July 2023:

Class	Number
Fully paid ordinary shares	4,795,009,773
Options <sup>2</sup>	72,500,000
Performance Rights <sup>3</sup>	21,156,000

Otto's Top 20 Holders as at 20 July 2023:

Rank	Name	Units	% of Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,329,622,944	48.58%
2	BNP PARIBAS NOMS PTY LTD	257,864,659	5.38%
3	MONEX BOOM SECURITIES (HK) LTD	180,652,398	3.77%
4	GLOBAL MOSAIC PTY LTD	122,161,883	2.55%
5	MR KENNETH JOSEPH HALL	86,000,000	1.79%
6	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	85,723,249	1.79%
7	MONEX BOOM SECURITIES (HK) LTD	76,297,101	1.59%
8	CITICORP NOMINEES PTY LIMITED	66,637,104	1.39%
9	PALM BEACH NOMINEES PTY LIMITED	55,000,002	1.15%
10	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	52,826,053	1.10%
11	MR DOUGAL JAMES FERGUSON	29,340,000	0.61%
12	MR JOHN PHILIP DANIELS	28,485,823	0.59%
13	BNP PARIBAS NOMINEES PTY LTD	26,889,731	0.56%
14	MR NEIL DAVID OLOFSSON & MRS BELINDA OLOFSSON	25,050,000	0.52%
15	MR ANASTASIOS MAZIS	23,807,812	0.50%
16	SHENTON JAMES PTY LTD	23,000,000	0.48%
17	TROPICAL INVESTMENTS WA PTY LTD	22,555,555	0.47%
18	MR DAVID ELTON	22,000,000	0.46%
19	MR KERRY ELDON NOBLE	20,181,648	0.42%
20	DARCYTOM PTY LIMITED	20,000,000	0.42%
<b>Total Top 20 Shareholders</b>		<b>3,554,095,962</b>	<b>74.12%</b>
Total Remaining Shareholders		1,240,913,811	25.88%
<b>Total Shares on Issue</b>		<b>4,795,009,773</b>	<b>100.0%</b>

<sup>2</sup> 42,500,000 options at A\$0.08 expire in November 2023; 20,000,000 options at A\$0.02 expire in August 2024; and 10,000,000 options at A\$0.025 expire in August 2024.

<sup>3</sup> Expire in November 2023 (2,788,667 rights expired in November 2022).

## Substantial Holders as at 20 July 2023:

Name	Units	% of Units
<b>Molton Holdings Limited</b>	2,305,859,697	48.09%

## Director Holdings as at 21 July 2023:

Name	Units	% of Units
<b>John Jetter</b>	57,881,668	1.21%
<b>Paul Senycia</b>	8,691,134	0.18%
<b>John Madden</b>	2,000,000	0.04%

## 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 production from its SM 71, GC 21, Mosquito Bay West and Oyster Bayou South fields in the Gulf of Mexico and production from its Lightning assets in onshore Texas. Cashflow from its producing assets underpins its strategy and financial stability.

### DIRECTORS

John Jetter – Non-Executive Chairman  
 Paul Senycia – Non-Executive Deputy Chairman  
 John Madden – Non-Executive  
 Geoff Page – Non-Executive

### CHIEF EXECUTIVE OFFICER

Steve Herod

### CHIEF FINANCIAL OFFICER

Sergio Castro

### COMPANY SECRETARY

Kaitlin Smith (AE Administrative Services)

### CONTACTS

Ground Floor 70 Hindmarsh Square  
 Adelaide SA 5000 Australia

### INVESTOR RELATIONS

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ASX Code: OEL

## Definitions

“bbl” = barrel

“bbls” = barrels

“bopd” = barrels of oil per day

“MbbL” = thousand barrels

“Mscf” = 1000 standard cubic feet

“NGLs” = natural gas liquids

“MMscf” = million standard cubic feet

“Mmbtu” = million British thermal units

“Mboe” = 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

“MMboe” = million barrels of oil equivalent (“boe”) with a boe determined on the same basis as above

“NRI” means Net Revenue Interest

“WI” means Working Interest

### Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Otto's production and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Otto believes its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

## 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 2023

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	5,836	34,464
1.2 Payments for		
(a) exploration & evaluation	(271)	(1,144)
(b) development	(1,466)	(19,320)
(c) production	(1,063)	(4,041)
(d) staff costs	(565)	(2,627)
(e) administration and corporate costs	(643)	(2,042)
1.3 Dividends received (see note 3)		
1.4 Interest received	47	47
1.5 Interest and other costs of finance paid	-	(160)
1.6 Income taxes paid	-	(21)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
(a) derivative instruments	-	(2,988)
(b) other	-	(28)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,875</b>	<b>2,140</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	(500)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (12 months) \$US'000</b>
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	-	<b>(500)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(2,300)
3.7	Transaction costs related to loans and borrowings	(101)	(235)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(101)</b>	<b>(2,535)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	24,085	26,764
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,875	2,140
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(500)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(101)	(2,535)



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (12 months) \$US'000</b>
4.5	Effect of movement in exchange rates on cash held	(3)	(13)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>25,856</b>	<b>25,856</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$US'000</b>	<b>Previous quarter \$US'000</b>
5.1	Bank balances	25,856	24,085
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>25,856</b>	<b>24,085</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$US'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	156
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p><i>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.</i></p> <p><i>Payments to related parties and their associates totalled US\$156k consisting of Executive Directors fees (US\$113k) and Non-Executive Directors fees including superannuation payments (US\$43k)</i></p>		

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
<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>		
7.1	30,000	-
7.2		
7.3		
7.4	<b>Total financing facilities</b>	<b>-</b>
7.5	<b>Unused financing facilities available at quarter end</b>	10,000
7.6	<p>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> <p>In November 2019, Otto Energy entered into a secured US\$55 million term credit facility with Macquarie Bank Limited (Macquarie) as follows:</p> <ul style="list-style-type: none"> <li>Tranche A1 (\$25 million) fully drawn and repaid as of quarter end. Repaid amounts are not available for re-borrowing.</li> <li>Tranche A2 (\$10 million) undrawn as of quarter end.</li> <li>Interest rate based on SOFR.</li> <li>Senior secured non-revolving facility with security over US based assets.</li> <li>Tranche B (US\$20 million) available at quarter end, subject to further credit approval from Macquarie.</li> <li>The credit facility was available until 30 September 2023, with final maturity on 31 December 2023. In connection with the strategic options process, the Company is currently working towards terminating this facility.</li> </ul>	

<b>8. Estimated cash available for future operating activities</b>	<b>\$US'000</b>
8.1	1,875
8.2	
8.3	1,875
8.4	25,856
8.5	-
8.6	25,856
8.7	N/A
<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:

8.8.1 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:

8.8.2 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:

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*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.*

## 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 2023

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.