

QUARTERLY ACTIVITY REPORT

For the Three Months ended 30 September 2023

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

HIGHLIGHTS

Continued robust operational and financial performance

- Production from our existing asset base continues to meet expectations.
- Revenue of US\$6.3 million (WI basis) for the quarter (-10% over prior quarter), reflects lower production quarter over quarter, primarily due to a shut-in for planned pipeline maintenance at South Marsh 71.
- Received an initial payment of US\$5.8 million, net to Otto, related to an insurance claim associated with our Green Canyon 21 asset.
- Free cash flow (operating net investing) of US\$6.5 million (+249% over prior quarter), primarily due to receipt of US\$5.8 million insurance claim proceeds.

Debt free, unhedged and continued strengthening of overall liquidity

- Cash balance at quarter end of US\$32.3 million (+25% over prior quarter) with zero debt.
- Increase in value of residual equity interest in Pantheon Resources plc (LSE: PANR) at quarter end to \$1.4 million¹ (+180% over prior quarter), plus an additional 0.5% ORRI in the Talitha Unit within Pantheon's holdings.
- Terminated US\$55 million credit facility with Macquarie Bank Limited.
- No hedged positions for the quarter (or at the date of this report).

Continued focus on enhancing shareholder value

- As set out in the ASX announcement dated 29 March 2023, Otto has initiated a formal review process to maximise shareholder value. The process includes an assessment of a potential partial or full sale of the Company and/or its assets. The strategic review was initiated due to the Board of Director's belief that Otto's shares have consistently traded at a discount relative to the intrinsic value of the underlying assets.
- The first step in this process is to return up to A\$40.0 million, or A\$0.008 per share, to shareholders in early 2024, subject to shareholder approval at the Annual General Meeting on 30 November 2023. The Company is in the process of seeking an Australian Tax Office class ruling that the return is deemed a tax-free return of capital.
- Otto will only undertake a sales transaction if and when the Company obtains terms which are in the best interests of all shareholders. If successful, this would enable Otto to reward shareholders with an additional return of capital from the proceeds of a sale of assets, or make additional capital returns from excess liquidity given the strong expected cashflow.

¹ Based on prevailing PANR share price of 34.32 pence and a 1.22 US\$ to GBP exchange rate as of 30 September 2023.

COMMENT FROM OTTO CHIEF EXECUTIVE OFFICER, STEVE HEROD

“We had another strong quarter of positive operational and financial performance. While production volumes were temporarily reduced at SM 71 due to planned pipeline maintenance, we continued to generate meaningful free cash flow. We strengthened our balance sheet by increasing our cash balance to US\$32.3 million, which enhances our financial flexibility.”

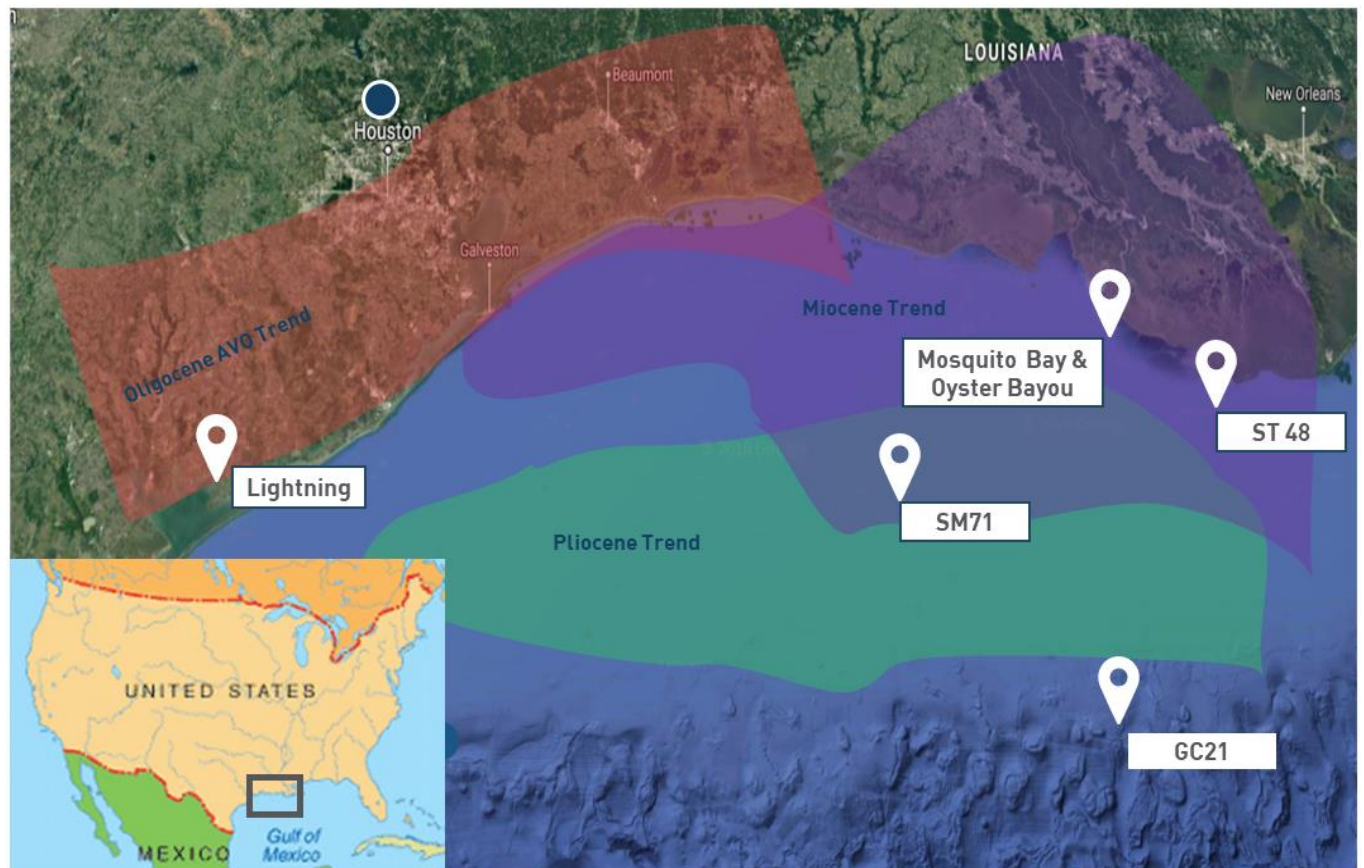
“We remain committed to enhancing shareholder value, as evidenced by the plan to return up to A\$40.0 million, or A\$0.008 per share, to shareholders in early 2024. This is only the first step as we continue to evaluate other opportunities to reward shareholders.”

SUMMARY QUARTERLY PRODUCTION VOLUMES (WI BASIS)

	30-Sep-23	30-Jun-23	% change	31-Mar-23	31-Dec-22
Total Oil (Bbls)	62,759	81,785	-23%	87,199	116,935
Total Gas (Mcf)	499,060	505,238	-1%	539,154	589,874
Total NGLs (Bbls)	16,702	16,947	-1%	17,751	18,555
Total BOE	162,637	182,938	-11%	194,809	233,802
Total (Boe/d)	1,768	2,010	-12%	2,165	2,541
Percent Liquids (%)	49%	54%	-9%	54%	58%
Total WI Revenue (US\$MM)	\$ 6.3	\$ 7.0	-10%	\$ 8.3	\$ 12.9

SUMMARY OF OPERATIONS

Area	Status	WI	NRI	Operator	Comments
South Marsh 71 (SM 71)	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%	22.7%	Castex Energy, Inc.	1 well
South Timbalier 48	Prospect	100.0%	87.5%	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 (WI) basis, the F1, F2 and F3 wells produced approximately 39.2 Mboe (-30% from prior quarter), or 426 Boe/d, a decrease attributable to shutting in of the SM 71 pipeline for scheduled maintenance and repairs in early September. The field was shut-in for over three weeks and returned to production in late September 2023.

In late June 2022, traces of water were detected from the F3 well. At that time, the F3 well had a 2% water cut. During the month of September 2023, the average water cut in the F3 well was approximately 83%, which is consistent with Otto's mapping and reservoir modelling. The F1 well, updip to the F3 well, continues to produce water-free.

SM 71 Quarterly Production and Revenue Summary

SM 71 Production Volumes		30-Sep-23	30-Jun-23	% change	31-Mar-23	31-Dec-22
WI	Oil (bbls)	33,857	49,014	-31%	60,710	74,367
	Gas (Mcf)	32,175	43,895	-27%	47,041	62,062
	Total (Boe)	39,220	56,330	-30%	68,550	84,710
	Total (Boe/d)	426	619	-31%	762	921
NRI	Oil (bbls)	27,509	39,824	-31%	49,327	60,423
	Gas (Mcf)	26,142	35,665	-27%	38,221	50,425
	Total (Boe)	31,866	45,768	-30%	55,697	68,827
	Total (Boe/d)	346	503	-31%	619	748

SM 71 Sales Revenue		30-Sep-23	30-Jun-23	% change	31-Mar-23	31-Dec-22
WI	Oil - \$million	\$ 2.5	\$ 3.4	-26%	\$ 4.4	\$ 6.1
	Oil - \$ per bbl	\$ 74.91	\$ 70.36	6%	\$ 72.65	\$ 81.77
	Gas - \$million	\$ 0.1	\$ 0.1	-17%	\$ 0.2	\$ 0.4
	Gas - \$ per MMbtu	\$ 3.00	\$ 2.75	9%	\$ 3.09	\$ 5.41
	Total – US\$million	\$ 2.6	\$ 3.6	-26%	\$ 4.6	\$ 6.5
NRI	Total – US\$million	\$ 2.2	\$ 2.9	-26%	\$ 3.7	\$ 5.3

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 87.1 Mboe (+1% over prior quarter), or 946 Boe/d. Production, on a working interest basis, was approximately 826 Boe/d as of 30 September 2023.

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-Sep-23	30-Jun-23	% change	31-Mar-23	31-Dec-22
WI	Oil (bbls)	11,380	11,934	-5%	11,943	13,066
	Gas (Mcf)	377,329	369,417	2%	372,292	394,803
	NGLs (bbls)	12,809	12,879	-1%	12,675	13,687
	Total (Boe)	87,077	86,382	1%	86,666	92,554
	Total (Boe/d)	946	949	0%	963	1,006
NRI	Oil (bbls)	8,449	8,860	-5%	8,867	9,701
	Gas (Mcf)	280,143	274,269	2%	276,403	293,117
	NGLs (bbls)	9,510	9,562	-1%	9,410	10,162
	Total (Boe)	64,649	64,133	1%	64,344	68,715
	Total (Boe/d)	703	705	0%	715	747
Lightning Sales Revenue		30-Sep-23	30-Jun-23	% change	31-Mar-23	31-Dec-22
WI	Oil - \$million	\$ 0.9	\$ 0.9	7%	\$ 0.9	\$ 1.1
	Oil - \$ per bbl	\$ 80.26	\$ 71.49	12%	\$ 73.61	\$ 82.76
	Gas - \$million	\$ 0.9	\$ 0.7	28%	\$ 1.0	\$ 1.8
	Gas - \$ per MMbtu	\$ 2.33	\$ 1.83	27%	\$ 2.76	\$ 4.58
	NGLs - \$million	\$ 0.2	\$ 0.2	15%	\$ 0.3	\$ 0.3
	NGLs - \$ per bbl	\$ 15.70	\$ 13.54	16%	\$ 20.39	\$ 22.33
	Total - US\$million	\$ 2.0	\$ 1.7	16%	\$ 2.2	\$ 3.2
NRI	Total - US\$million	\$ 1.5	\$ 1.3	16%	\$ 1.6	\$ 2.4

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)

The GC 21 well commenced production from the deeper MP sands in October 2020. In August 2022, recompletion operations began in the shallow DTR-10 sands, with production from both DTR-10 zones commencing in May 2023.

In January 2023, Otto and the operator both filed a Control of Well event insurance claim regarding the recompletion at GC 21 with the same insurance adjuster. During the recompletion, the tubing string, control lines, casing and clamps were damaged by increased loop eddy currents. The Company received an initial insurance payment of US\$5.8 million, net to Otto, in August 2023. No assurance can be made as to the amount or timing of any potential additional insurance claim proceeds.

During the quarter, on a WI basis, the GC 21 well produced approximately 13.1 Mboe (-14% over prior quarter), or 143 Boe/d, a decrease attributable to normal field decline. Production, on a WI basis, was approximately 142 Boe/d as of 30 September 2023.

GC 21 Quarterly Production and Revenue Summary

GC 21 Production Volumes		30-Sep-23	30-Jun-23	% change	31-Mar-23	31-Dec-22
WI	Oil (bbls)	10,178	12,542	-19%	971	-
	Gas (Mcf)	11,455	10,648	8%	564	-
	NG Ls (bbls)	1,057	942	100%	-	-
	Total (Boe)	13,144	15,259	-14%	1,065	-
	Total (Boe/d)	143	168	-15%	12	-
NRI	Oil (bbls)	8,142	10,034	-19%	777	-
	Gas (Mcf)	9,164	8,519	8%	451	-
	NG Ls (bbls)	846	753	100%	-	-
	Total (Boe)	10,515	12,207	-14%	852	-
	Total (Boe/d)	114	134	-15%	9	-
GC 21 Sales Revenue		30-Sep-23	30-Jun-23	% change	31-Mar-23	31-Dec-22
WI	Oil - \$million	\$ 0.8	\$ 0.9	-8%	\$ 0.1	\$ -
	Oil - \$ per bbl	\$ 78.79	\$ 69.29	14%	\$ 71.04	\$ -
	Gas - \$million	\$ 0.03	\$ 0.02	36%	\$ 0.00	\$ -
	Gas - \$ per MMbtu	\$ 2.49	\$ 1.68	48%	\$ 6.54	\$ -
	NG Ls - \$million	\$ 0.02	\$ 0.02	100%	\$ -	\$ -
	NG Ls - \$ per bbl	\$ 21.67	\$ 16.85	100%	\$ -	\$ -
	Total - US\$million	\$ 0.9	\$ 0.9	-6%	\$ 0.07	\$ -
NRI	Total - US\$million	\$ 0.7	\$ 0.7	-6%	\$ 0.06	\$ -

MOSQUITO BAY WEST

Location:	Offshore Terrebonne Parish, Louisiana
Status:	Producing
Otto WI/NRIU:	30.0%/22.4% (Castex Energy – Operator)

During the quarter, on a working interest basis, the Mosquito Bay West well produced approximately 14.7 Mboe (-4% over prior quarter), or 160 Boe/d, a decrease attributable to normal field decline. Production, on a working interest basis, was approximately 148 Boe/d as of 30 September 2023.

Production from Mosquito Bay began in August 2022 and has cumulatively produced over 55,000 bbls of oil and 1,200 MMcf of gas (8/8ths) as of 30 September 2023.

Mosquito Bay West Quarterly Production and Revenue Summary

Mosquito Bay West Production Volumes		30-Sep-23	30-Jun-23	% change	31-Mar-23	31-Dec-22
WI	Oil (bbls)	1,996	2,146	-7%	5,041	4,468
	Gas (Mcf)	62,819	64,042	-2%	92,508	75,038
	NGLs (bbls)	2,281	2,468	-8%	4,066	2,871
	Total (Boe)	14,747	15,288	-4%	24,525	19,845
	Total (Boe/d)	160	168	-5%	272	216
NRI	Oil (bbls)	1,487	1,599	-7%	3,755	3,328
	Gas (Mcf)	46,800	47,711	-2%	68,919	55,903
	NGLs (bbls)	1,699	1,838	-8%	3,029	2,139
	Total (Boe)	10,986	11,389	-4%	18,271	14,784
	Total (Boe/d)	119	125	-5%	203	161

Mosquito Bay West Sales Revenue		30-Sep-23	30-Jun-23	% change	31-Mar-23	31-Dec-22
WI	Oil - \$million	\$ 0.2	\$ 0.2	5%	\$ 0.4	\$ 0.4
	Oil - \$ per bbl	\$ 83.91	\$ 74.37	13%	\$ 76.44	\$ 82.22
	Gas - \$million	\$ 0.2	\$ 0.1	19%	\$ 0.3	\$ 0.4
	Gas - \$ per MMbtu	\$ 2.51	\$ 2.06	22%	\$ 2.73	\$ 5.41
	NGLs - \$million	\$ 0.03	\$ 0.03	29%	\$ 0.07	\$ 0.05
	NGLs - \$ per bbl	\$ 14.20	\$ 10.19	39%	\$ 17.74	\$ 17.37
	Total - US\$million	\$ 0.4	\$ 0.3	13%	\$ 0.7	\$ 0.8
NRI	Total - US\$million	\$ 0.3	\$ 0.2	13%	\$ 0.5	\$ 0.6

OYSTER BAYOU SOUTH

Location:	Offshore Terrebonne Parish, Louisiana
Status:	Producing
Otto WI:	30.0%
Otto NRI:	22.8% before payout and 22.7% after payout (Castex Energy –

During the quarter, on a working interest basis, the Oyster Bayou South well produced approximately 8.5 Mboe (-12% over prior quarter), or 92 Boe/d, a decrease attributable to increased water production and normal field decline. Production, on a working interest basis, was approximately 82 Boe/d as of 30 September 2023.

Production from Oyster Bayou began in August 2022 and has cumulatively produced over 181,000 bbls of oil and 525 MMcf of gas (8/8ths) as of 30 September 2023. 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 September 2023, the average water cut in the well was approximately 82%.

Oyster Bayou South Quarterly Production and Revenue Summary

Oyster Bayou South Production Volumes		30-Sep-23	30-Jun-23	% change	31-Mar-23	31-Dec-22
WI	Oil (bbls)	5,348	6,148	-13%	8,500	25,005
	Gas (Mcf)	15,282	17,068	-10%	23,002	52,194
	NGLs (bbls)	555	658	-16%	1,010	1,997
	Total (Boe)	8,450	9,651	-12%	13,344	35,701
	Total (Boe/d)	92	106	-13%	148	388
NRI	Oil (bbls)	4,038	4,641	-13%	6,460	19,004
	Gas (Mcf)	11,538	12,886	-10%	17,482	39,668
	NGLs (bbls)	419	497	-16%	768	1,518
	Total (Boe)	6,380	7,286	-12%	10,141	27,132
	Total (Boe/d)	69	80	-13%	113	295

Oyster Bayou South Sales Revenue		30-Sep-23	30-Jun-23	% change	31-Mar-23	31-Dec-22
WI	Oil - \$million	\$ 0.4	\$ 0.5	-3%	\$ 0.6	\$ 2.1
	Oil - \$ per bbl	\$ 83.09	\$ 74.33	12%	\$ 76.43	\$ 82.39
	Gas - \$million	\$ 0.04	\$ 0.04	8%	\$ 0.1	\$ 0.3
	Gas - \$ per MMbtu	\$ 2.51	\$ 2.06	22%	\$ 2.56	\$ 5.44
	NGLs - \$million	\$ 0.01	\$ 0.01	14%	\$ 0.02	\$ 0.03
	NGLs - \$ per bbl	\$ 14.15	\$ 10.48	35%	\$ 17.72	\$ 17.40
	Total – US\$million	\$ 0.5	\$ 0.5	-2%	\$ 0.7	\$ 2.4
NRI	Total – US\$million	\$ 0.4	\$ 0.4	-2%	\$ 0.6	\$ 1.8

EAVES PROSPECT

The Vick #1 (Eaves Prospect) well has reached the end of its economic life. The well was shut in on 22 April 2023 and is currently being plugged and abandoned.

SOUTH TIMBALIER 48 LEASE

Otto was notified as being the apparent high bidder on South Timbalier 48 (ST 48) at OCS Lease Sale 257 held in November 2021, after bidding 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. ST 48 was awarded to the Company effective 1 November 2022 for a primary term of five years.

CORPORATE

PANTHEON RESOURCES PLC SHAREHOLDING (LSE: PANR)

Otto continues to own 3,272,592 shares of PANR, valued at US\$1.4 million as at 30 September 2023¹, 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\$6.3 million, a 10% decrease over the prior quarter due to an 11% decrease in production, partially offset by a 2% increase in weighted average commodity prices.

Otto's hydrocarbon sales for the quarter equate to 1,768 Boe/d, a decrease from the prior quarter as a result of shutting in the South Marsh 71 field for over three weeks in September 2023 for scheduled pipeline maintenance and repairs, as well as normal field decline across the Company's assets.

Otto received cash proceeds from sales customers of approximately US\$5.7 million during the quarter, predominantly related to production revenue, net of royalties, for June, July, and August.

¹ Based on prevailing PANR share price of 34.32 pence and a 1.22 US\$ to GBP exchange rate as of 30 September 2023

Working Interest, net to Otto	30-Sep-23	30-Jun-23	% change	31-Mar-23	31-Dec-22
Oil revenue (\$millions)	\$ 4.9	\$ 5.8	-16%	\$ 6.4	\$ 9.6
Avg oil price (\$/Bbl)	\$ 77.49	\$ 70.76	10%	\$ 73.35	\$ 82.03
Gas revenue (\$millions)	\$ 1.2	\$ 1.0	20%	\$ 1.5	\$ 3.0
Avg gas price (\$/Mmbtu)	\$ 2.41	\$ 1.95	23%	\$ 2.75	\$ 4.76
NGL revenue (\$millions)	\$ 0.3	\$ 0.2	19%	\$ 0.3	\$ 0.4
Avg NGL price (\$/Bbl)	\$ 15.83	\$ 13.12	21%	\$ 19.63	\$ 21.03
Total revenue (\$millions)	\$ 6.3	\$ 7.0	-10%	\$ 8.3	\$ 12.9
Avg WA price (\$/Boe)	\$ 38.99	\$ 38.38	2%	\$ 42.54	\$ 55.33

See attached Appendix 5B for detailed cash flow disclosures.

COMMODITY PRICE RISK MANAGEMENT

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

LIQUIDITY

Otto's cash on hand at the end of the September quarter was approximately US\$32.3 million (June quarter: US\$25.9 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 September 2023, the Company had drawn and repaid the entire US\$25 million available under Tranche A1, resulting in a closing debt balance of nil. The Company has terminated this facility.

RELATED PARTY TRANSACTIONS

Payments to related parties and their associates during the quarter totaled approximately US\$77,000, consisting of non-executive director fees, including superannuation.

SHAREHOLDERS

Otto's issued capital as at 19 October 2023:

Class	Number
Fully paid ordinary shares	4,795,009,773
Options ²	72,500,000
Performance Rights ³	16,316,000

Otto's Top 20 Holders as at 19 October 2023:

Rank	Name	Units	% of Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,323,472,944	48.46%
2	BNP PARIBAS NOMS PTY LTD	267,913,662	5.59%
3	MONEX BOOM SECURITIES (HK) LTD	180,652,398	3.77%
4	BNP PARIBAS NOMINEES PTY LTD	128,865,945	2.69%
5	GLOBAL MOSAIC PTY LTD	126,543,205	2.64%
6	MR KENNETH JOSEPH HALL	86,000,000	1.79%
7	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	81,546,968	1.70%
8	MONEX BOOM SECURITIES (HK) LTD	77,697,101	1.62%
9	CITICORP NOMINEES PTY LIMITED	77,078,218	1.61%
10	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	52,844,788	1.10%
11	PALM BEACH NOMINEES PTY LIMITED	41,328,594	0.86%
12	MR DOUGAL JAMES FERGUSON	29,340,000	0.61%
13	MR NEIL DAVID OLOFSSON & MRS BELINDA OLOFSSON	25,050,000	0.52%
14	MR ANASTASIOS MAZIS	23,807,812	0.50%
15	SHENTON JAMES PTY LTD	23,000,000	0.48%
16	TROPICAL INVESTMENTS WA PTY LTD	22,555,555	0.47%
17	BNP PARIBAS NOMS(NZ) LTD	18,278,668	0.38%
18	MR DANIEL LEE	18,211,778	0.38%
19	DANIEL LEE PTY LTD	17,771,431	0.37%
20	MR JOHN PHILIP DANIELS	16,485,823	0.34%
Total Top 20 Shareholders		3,638,444,890	75.88%
Total Remaining Shareholders		1,156,564,883	24.12%
Total Shares on Issue		4,795,009,773	100.0%

² 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.

³ Expire in November 2023.

Substantial Holders as at 19 October 2023:

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

Director Holdings as at 19 October 2023:

Name	Units	% of Units
John Jetter	57,881,668	1.21%
Paul Senycia	8,691,134	0.18%
John Madden	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

ASX Code: OEL

COMPANY SECRETARY

Kaitlin Smith (AE Administrative Services)

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Definitions

“bbl” = barrel	“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
“bbls” = barrels	– 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency
“boe/d” = barrels of oil equivalent per day	“MMboe” = million barrels of oil equivalent (“boe”) with a boe determined on the same basis as above
“Mbbbl” = thousand barrels	“NRI” means Net Revenue Interest
“Mcf” = 1000 cubic feet	“WI” means Working Interest
“NGLs” = natural gas liquids	
“MMcf” = million cubic feet	
“Mmbtu” = million British thermal units	

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	Quarter ended ("current quarter")
56 107 555 046	30 September 2023

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,737	5,737
1.2 Payments for		
(a) exploration & evaluation	(167)	(167)
(b) development	(1,521)	(1,521)
(c) production	(1,440)	(1,440)
(d) staff costs	(709)	(709)
(e) administration and corporate costs	(1,358)	(1,358)
1.3 Dividends received (see note 3)		
1.4 Interest received	205	205
1.5 Interest and other costs of finance paid	--	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
(a) derivative instruments	-	-
(b) insurance proceeds	5,800	5,800
1.9 Net cash from / (used in) operating activities	6,547	6,547

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
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	-	-

3.	Cash flows from financing activities		
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	-	-
3.7	Transaction costs related to loans and borrowings	(101)	(101)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(101)	(101)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	25,856	25,856
4.2	Net cash from / (used in) operating activities (item 1.9 above)	6,547	6,547
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(101)	(101)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	(5)	(5)
4.6	Cash and cash equivalents at end of period	32,297	32,297

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	32,297	25,856
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)	32,297	25,856

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	77
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\$77k consisting of non-executive director fees including superannuation payments (US\$77k)

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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	-	-
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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>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"> • Tranche A1 (US\$25 million) fully drawn and repaid as of quarter end. Repaid amounts are not available for re-borrowing. • Tranche A2 (US\$10 million) which expired on 30 September 2023. • Tranche B (US\$20 million), subject to further credit approval from Macquarie, which expired on 30 September 2023. • Interest rate based on SOFR. • Senior secured non-revolving facility with security over US based assets. • The credit facility was available until 30 September 2023, with final maturity on 31 December 2023. In connection with the strategic alternatives process, the Company has terminated this facility. 		

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	6,547
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)	6,547
8.4	Cash and cash equivalents at quarter end (item 4.6)	32,297
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	32,297
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	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: 30 October 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.