

GULF COAST EXPLORATION WELL UPDATE – ADDITIONAL INFORMATION

- Vick #1 well, within the Eaves Prospect in Lavaca County, has finished drilling, logging, and evaluation.
- The well has encountered gas/condensate pay in the shallower Yegua objective and gas/condensate pay across three separate sands in the Wilcox formation.
- As a result, the partners have approved and run production casing and preparations to complete the well as a producer in the Wilcox formation are underway.
- The well is estimated to commence production during early Q1 2022.

Otto Energy Limited (ASX: OEL) (**Otto** or the **Company**) provides the following additional information relating to the operational update in relation to the Vick #1 Wilcox exploration prospect that it is participating in, located onshore in Texas as announced on 4 January 2021.

The Vick #1 well, in Lavaca County, Texas, operated by Forza Operating, LLC (Forza) was drilled to a depth of 9,242' TVD on December 22nd, 2021 (US Central Standard Time (CST)) and subsequently has been logged and cored across multiple intervals.

The well encountered a total of 12 feet of net pay in the shallower Yegua formation as expected. In the Wilcox sand targets, the well encountered 16 feet of net pay. The Wilcox was encountered across three separate sands as expected. The completion is expected to cost Otto US\$0.1 MM in total.

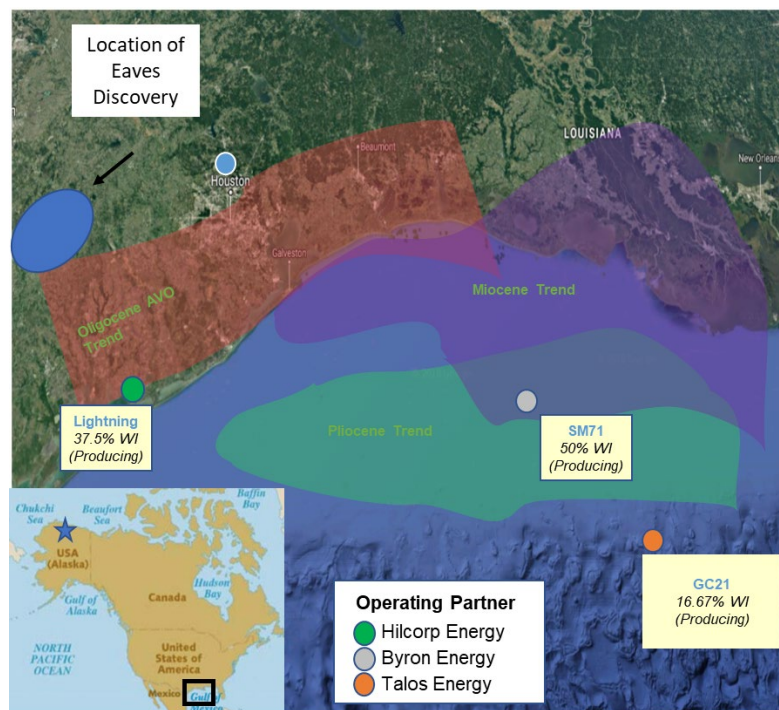
On 4 January 2022, within Otto's announcement titled "Gulf Coast Exploration Well Update" Otto referred to "Volumetrics" and "Estimated Reserves". Otto hereby retracts these statements and would like to replace these references with "Contingent Resources 2C" as they have been referred to within this announcement.

Eaves Prospect Summary ¹

Operator	Forza
WI% / NRI%	10.3125% Working Interest / 7.734375% Net Revenue Interest in a 160-acre unit

Pre-Drill Prospective Resources	Low Estimate = 1.4 Bcf and 7,100 bbls (0.1 Bcf and 549 bbls, net to Otto), Yegua Only Mid Estimate = 2.5 Bcf and 12,500 bbls (0.2 Bcf and 967 bbls, net to Otto), Yegua and 1 Wilcox Sand High Estimate = 9.9 Bcf and 92,500 bbls (0.8 Bcf and 7,154 bbls, net to Otto), Yegua and 3 Wilcox Sands
Post Drill Contingent Resources 2C *	5 Bcf and 15,000 bbl (0.4 Bcf and 1,160 bbl, net to Otto).
Geological Intervals	Yegua and Wilcox
Area Of Mutual Interest	320 Acres
Location	Lavaca County, TX

* Completion results in Wilcox and subsequently the Yegua, will confirm ultimate productivity and recoverability.



This release is authorized by the Board of Otto.

Otto Energy Executive Chairman, Mike Utsler, commented: *"This is a satisfying result for Otto, as we are learning about the Wilcox play in this part of Texas. By taking part in wells like Vick #1 we continue to build important relationships with companies who have access to quality opportunities within this play type. We look forward to the completion of the Vick #1 well in the Wilcox formation and the well is expected to commence production during Q1 2022."*

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¹ Competent Persons Statement

The information in this release that relates to oil and gas contingent resources was compiled by Mr Ed Buckle, B.S. Chemical Engineer (Magna Cum Laude), a full-time contractor of the Company.

Mr Buckle has more than 30 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE). The resources included in this release have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/ American Association of Petroleum Geologists (AAPG)/ Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The resources information included in this release are based on, and fairly represents, information and supporting documentation reviewed by Mr Buckle (ASX Listing Rule 5.42). Mr Buckle is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this release of the matters based on this information in the form and context in which it appears

Prospective Resources Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons (LR 5.28.2).

Prospective Resources – Information in respect of LR 5.25 and LR 5.28

- The prospective resources information is effective as at 13 October 2021 (Listing Rule (LR) 5.25.1).
- The prospective resources information has been estimated and is classified in accordance with SPE PRMS (Society of Petroleum Engineers Petroleum Resources Management System) (LR 5.25.2).
- The prospective resources information is reported according to the Company's economic interest in the resources and net of royalties (LR 5.25.5).
- The pre-drill prospective resources information has been estimated and prepared using the deterministic method (LR 5.25.6). The estimates are un-risked and have not been adjusted for both an associated chance of discovery and a chance of development. These have been subsequently replaced with the post-drill 2C contingent resources (see below).
- The prospective resources information in this document has been estimated using a 6:1 BOE conversion ratio for gas to oil; 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency (LR 5.25.7).
- Prospective resources are presented on a low estimate, best estimate and high estimate basis (LR 5.28.1).

Contingent Resources – Information in respect of LR 5.25, LR 5.27 and LR 5.33

- The contingent resources information is effective as at 1 January 2022 (Listing Rule (LR) 5.25.1).
- The contingent resources information has been estimated and is classified in accordance with SPE PRMS (Society of Petroleum Engineers Petroleum Resources Management System) (LR 5.25.2).
- The contingent resources information is reported according to the Company's economic interest in the resources and net of royalties (LR 5.25.5).

- The contingent resources information in this document has been estimated and prepared using the deterministic method (LR 5.25.6). The estimates are un-risked and have not been adjusted for both an associated chance of discovery and a chance of development. Otto is not aware of any new information or data that materially affects the assumptions and technical parameters underpinning the estimates of reserves and contingent resources and the relevant market announcements referenced continue to apply and have not materially changed.
- The contingent resources information in this document has been estimated using a 6:1 BOE conversion ratio for gas to oil; 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency (LR 5.25.7).
- The contingent resources are classified as 2C (LR 5.27.1).
- Aggregate contingent resources are based on arithmetic summation (LR 5.27.3).
- Contingent resources are based on oil and gas lease interests held in Lavaca County, TX (LR 5.33.1).
- The Vick #1 well is located within the SW Speaks field, a prolific gas field which has produced over 350 BCF from multiple wells. Yegua and Wilcox structures are defined via geophysically amplitudes and zones are determined to be hydrocarbon bearing via via open hole logging evaluations and sidewall cores. (LR 5.33.2).
- The Company has compared mud log, electric log and core results from the Vick #1 to nearby offset wells. As a result of this analysis, the Company has determined the reported estimated 2C contingent resources. (LR 5.33.3).
- The key contingency preventing the contingent resources from being classified as petroleum reserves is whether all zones will flow at commercial rates after perforating, or whether fracture stimulation would be required. (LR 5.33.3).
- The contingent resources are best characterized as 'Development Pending'. The partnership has approved an AFE to case, perforate and test the well, with results expected in Q1 2022. Casing has been run and cemented in place, and the drilling rig released as of 24 Dec 2022. Testing operations will only require wireline services and portable flow test equipment. Further drilling is not anticipated. (LR 5.33.3).

Definitions

"\$m" means USD millions of dollars	"boe" or "BOE" means barrels of oil equivalent 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
"bbl" means barrel	"Mboe" means thousand barrels of oil equivalent ("BOE")
"bbls" means barrels	"MMboe" means million barrels of oil equivalent ("BOE")
"bopd" means barrels of oil per day	"MMbtu" means million British thermal units
"Mbbl" means thousand barrels	"NGLs" means natural gas liquids
"Mscf" means 1000 standard cubic feet	
"MMscf" means million standard cubic feet	

Eaves Prospect (Vick #1 Well): Yegua and Wilcox

5 BCF and 15 Mbo (8/8ths Contingent Resource 2C)



Eaves Prospect (Vick #1 Well) :

- 9200' Straight Hole – Normally Pressured Lavaca County, Texas
- Contingent Resource 2C = 5BCF x 15Mbbbl Cond (0.4 BCF x 1,160 bbls, net to Otto)
- Gross Expected IP: 1.5MMSCFD + 7.5BCPD

Subsurface Characterization: Struct/Strat

Yegua

- 75' High to production in Eaves #1, cum'd 0.7 BCF, water drive
- 50 acres of closure updip to well – 5-50' Thick

Wilcox A

- Updip to production – 5-20' Thick

Wilcox E

- Updip to production – 280 Ac updip of Eaves 1
- Channel sand on seismic: - 5-50' Thick

Costs: GS = \$1.619M (Otto Net = \$202K)

- Prospect Fee: \$170K (Otto Net = \$21K)
- Dry Hole Turnkey: \$728K (Otto Net = \$91K)
- Success Case Producer Cost: \$721K (Otto Net = \$90K)