

GC 21 COMMENCES PRODUCTION FROM DTR-10 SAND

- **Recompleted GC 21 well commenced flowback on 22 March 2023.**
- **Well is producing at a steady state rate of 800 bbl/d of oil and 400 Mscf/d of gas (8/8ths) from the upper DTR-10 sand only.**
- **Well intervention operations are being planned for Q2 CY23 to target establishing lower DTR-10 contribution to increase overall production rate and recovery.**

Otto Energy Limited (ASX: OEL) (**Otto** or the **Company**) would like to provide the following update on the Green Canyon (**GC**) 21 “Bulleit” well.

On 22 March 2023, the GC 21 “Bulleit” well, which was recompleted into the DTR-10 sand, was opened to flow. The well flowed to cleanup for approximately 5 days. After this time, a steady state production rate of approximately 800 bbl/d of oil and 400 Mscf/d of gas was reached, flowing the well on a conservative choke setting. After flowing the well for a number of days at this production rate, the well was shut in for 24 hours to perform a pressure buildup test to understand reservoir flow potential. The well was then slowly returned to production at rates similar to those prior to the shut in.

The well is currently being operated to allow for monitoring and testing to enable rate optimization and assess reservoir potential. Early results are encouraging regarding reserve recovery expectations.

Well diagnostics, including bottom hole pressure buildup, produced fluid tracer analysis, and reservoir modeling, indicate the lower DTR-10 completion is not contributing to well production and the well is only seeing a contribution from the upper completion. Well intervention options are currently being planned for Q2 CY23 to target establishing lower DTR-10 contribution to increase overall production rate and recovery. This well intervention, as planned, will involve returning to location with a rig to enable coiled tubing and electric line intervention actions to open the lower interval.

Preliminary estimates by the operator for this additional work scope is approximately US\$17 million (US\$2.8 million, net to Otto) which will be paid out of existing cash reserves.

Otto holds a 16.67% WI / 13.33% NRI in the GC 21 lease.

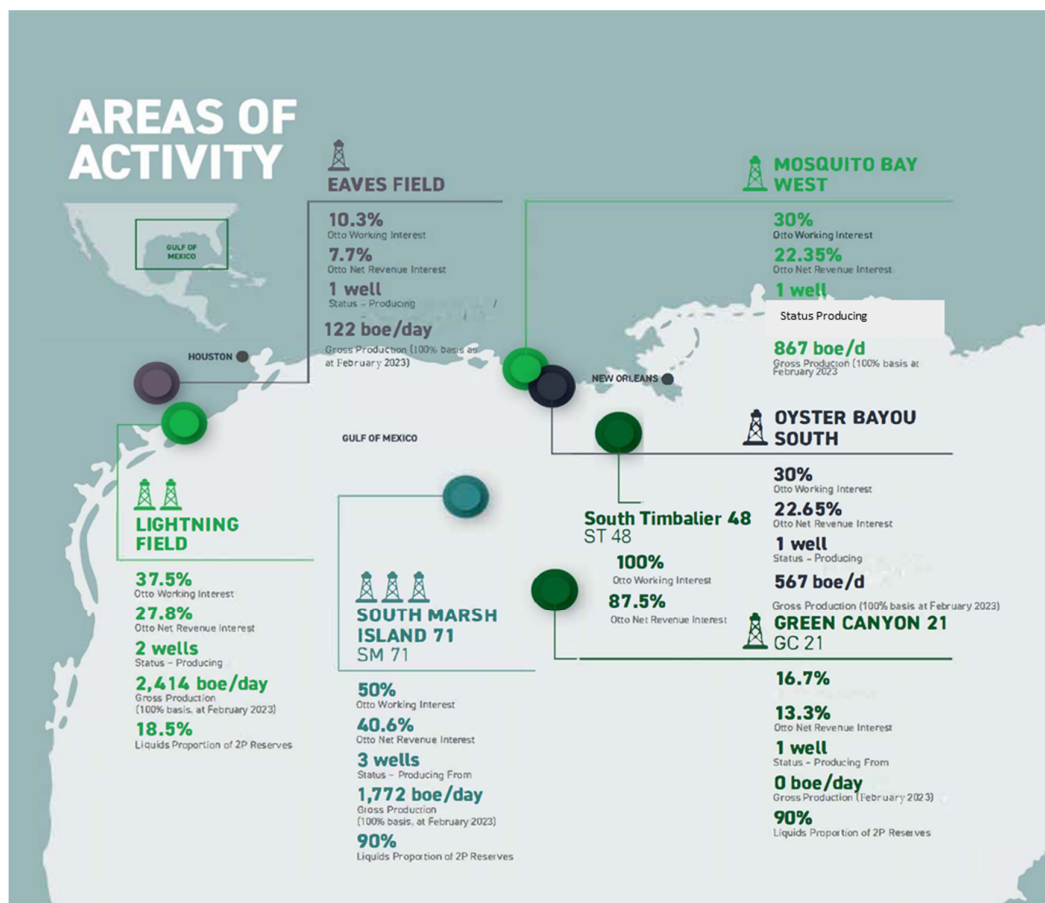
With this initial production solely from the upper completion, and until further intervention actions open the lower interval, combined with delays in capturing new assets through the Company's targeted four to six well exploration program, Otto is lowering its FY 23 production and field lifting cost guidance to 0.75 – 0.85 MMBoe and US\$5.0 – 6.0 million, respectively.

Otto Executive Chairman, Mike Utsler, commented:

"We are pleased that the GC 21 Bulleit well has commenced production from the DTR-10 sand interval. The production is early-stage and the well is still being optimized with future choke changes possible. Early testing results indicate that the lower DTR-10 zonal completion is not currently contributing to the initial production rates and the operator is planning well intervention options to bring this interval into production."

"We remain confident in the DTR-10's ability to both produce and recover the resources attributable to this zone."

OTTO GULF OF MEXICO ASSET PORTFOLIO



This release is authorized by the Board of Otto.

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Definitions

“\$m” means USD millions of dollars

“bbl” means barrel

“bbls” means barrels

“bopd” means barrels of oil per day

“Mbbbl” means thousand barrels

“Mscf” means 1000 standard cubic feet

“MMscf” means million standard cubic feet

“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

“Mboe” means thousand barrels of oil equivalent (“BOE”)

“MMboe” means million barrels of oil equivalent (“BOE”)

“MMbtu” means million British thermal units

“NGLs” means natural gas liquids

