

OTTO TO PARTICIPATE IN PRODUCTION ACCELERATION WELL AT SM 71

HIGHLIGHTS

- **F5-ST production acceleration well targeting the prolific D5 sand which has already produced over 5 MMbbl of oil at SM 71, is to be drilled as a sidetrack out of the existing F5 well bore (currently temporarily abandoned).**
- **Otto interprets the F5-ST primarily as a production acceleration well with an anticipated flow rate of 500-1,500 bbl/d oil (8/8ths) and a 60% probability of commercial success. Upside exploration potential exists.**
- **Total field production expected to increase to 1,350 – 2,350 bbl/d (8/8ths) in SM 71 field, if well successful.**
- **Well to be drilled from Enterprise 264 Jack-Up rig with spud date expected during late September / early October 2024.**

Otto Energy Limited (ASX: OEL) (**Otto** or the **Company**) is pleased to announce that it will participate in the drilling of the F5-ST production acceleration well at SM 71. The well is to be Operated by Byron Energy Inc. and is proposed to be drilled to a depth of 7,551' MD / 6,800' TVD, targeting the prolific Pliocene aged D5 sand which has produced over 5 MMbbls at SM 71 since 2018 from the F1 and F3 wells. The well is considered relatively low risk and a prudent investment in the continued development of the field.

The proposed F5-ST well is up dip of the F3 well and on strike with the F1 well, but substantially to the north of F1 (see map below, containing Otto's interpretation based on data licensed to Otto). Compared to the original F5 location drilled in 2020, the F5-ST is interpreted by Otto to be located within the core of the hydrocarbon related amplitudes seen on seismic data over the field.

Otto Energy has assessed the well based on its expected accelerated production value, probability of success, exploration upside as well as ability to protect existing reserves booked in the field. F5-ST is risk covered based on an assessed 60% probability of commercial success. In addition to the D5 sand, additional exploration upside exists in the I and J sands. Anticipated flows rates range from between 500-1,500 bbl/d dependent on whether the F5-ST ends up being in pressure communication with any of the other wells in the field or whether a new D5 sand body is encountered. This will not be known until the D5 interval is drilled and flow tested.

The well is to be side-tracked from the existing F5 well bore which Otto participated in during 2020, that is currently temporarily abandoned. The F5-ST well has estimated dry hole costs of US\$5.7

ABOUT OTTO

Otto Energy is an oil and gas exploration and production company focused on the US Gulf Coast. The Company has a high-quality production base comprised of five producing assets. These include the South Marsh Island 71 (SM 71) oil field in the shallow water Gulf of Mexico, the Lightning gas/condensate field onshore in Matagorda County, Texas, the Green Canyon 21 (GC 21) oil well in the deepwater Gulf of Mexico, and the Mosquito Bay West and Oyster Bayou South wells in Terrebonne Parish in the state waters of Louisiana. Our other assets include South Timbalier 48 and a 0.5% ORRI in the Talitha Unit in Alaskan Operated by Pantheon Resources (LSE:PANR).

This release is authorized by the Board of Otto.

Cautionary Statement

Oil and gas production rate estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, oil and gas production rate estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional production and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Oil and gas production rate estimates are, by nature, forward looking statements and subject to the same risks as other forward-looking statements.

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Glossary

Bbl = barrels

bbl/d = barrels per day

bcf = billion cubic feet

Bcfe = billion cubic feet equivalent

BHL = Bottom Hole Location

boe = barrels of oil equivalent

Bopd = barrels of oil per day

Btu = British Thermal Units

EUR = Economic Ultimate Recovery

Mcfg = thousand cubic of gas

Mcfgpd = thousand cubic feet of gas per day

MMcf = million cubic feet

MBL = thousand barrels of oil

MMBBL = million barrels of oil

Mboe = thousand barrels of oil equivalent

MMboe = million barrels of oil equivalent

MCF = thousand cubic feet

mmbtu = million British Thermal Units

NRI = Net Revenue Interest

WI = Working Interest
