ASX ANNOUNCEMENT
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GREEN CANYON 21 "BULLEIT" FIELD PERFORMANCE UPDATE

- **Following first oil and associated gas production on 15 October 2020, the Green Canyon 21 "Bulleit" field experienced multiple delays in reaching stabilized production rates.**
- **Production from the field was cautiously flowed for the first 7 days to "clean up" the well and flowline before having to shut in the well due to Hurricane Zeta.**
- **Subsequently, a section of the primary regional oil export line impacted by Hurricane Zeta required repairs, further delaying the restart of production from the well.**
- **Upon return to production, lower than expected daily flowrates were observed during the 14 days following production restart.**
- **Current production rates are 500 bopd and 3.5 MMscfd (8/8ths), down from initial flowback rates of 1,000 bopd and 6 MMscfd (8/8ths); both of which are less than what the collected rock property data and analogue reservoirs would suggest.**
- **Partners have been working together to identify the potential causes and are collaborating on solutions moving forward, including a potential stimulation intervention.**
- **The partners have agreed to continue to produce and monitor the well at the current constricted rates while developing a recommended way forward.**
- **70% of total current "Bulleit" Field proven reserves are contained in the discovered and independent shallower DTR-10 sand which can be produced from the existing well bore.[1]**

Otto Energy (ASX: OEL) (**Otto**) provides a market update on the status of production for the Green Canyon 21 (**GC 21**) "Bulleit" field. The well produced first oil at approximately 0930 US Central Time on 15 October 2020 from the MP reservoir interval and delivered first sales to the pipeline that afternoon.

The operator had planned a well production ramp up strategy where production would slowly be increased in 1,000 bopd increments until the well reached a steady state production rate. The plan involved the slow ramp to ensure the effective "cleanup" of completion fluids and the 10-mile subsea pipeline.

The well intersects the following independent high-quality oil-bearing reservoir intervals:

- DTR-10 where a net 140 feet of TVD oil pay was encountered; and

[1] Per Otto's Reserve Update as at 30 June 2020.

- MP where a net 110 feet of TVD oil pay was encountered. This reservoir is expected to perform consistent with analogue wells in the GC 18 field.

Due to multiple weather delays, upon completion, the well was left shut in for 24 days before initial flowback commenced. As reported, the well was then flowed for approximately 7 days before an additional hurricane caused both the well and its associated production platform to be shut in. Upon return from this event, it was discovered that a section of the primary oil export flowline was impacted by the hurricane and required minor repairs before production could recommence on 7 November 2020.

Since returning to production on 7 November 2020, the well has been producing at 500 bopd and 3.5 MMscfd (8/8ths), down from initial flowback rates of 1,000 bopd and 6 MMscfd (8/8ths); which is less than analogue pay sands in the area would suggest. The partners have agreed to leave the well at the current rates and conditions while monitoring flow rates, pressures and water cuts.

A comprehensive review is ongoing of the conditions surrounding the drilling of the MP sands, the setting of the production casing, perforating, and the completion and stimulation activities. Additionally, the review of the well performance data, including a bottomhole pressure build up test that was conducted while the well was shut in from 22 October to 7 November due to the hurricane and subsequent pipeline repair period, is being evaluated. The well will continue to flow at the current rate while additional engineering analysis is completed to determine whether a well intervention and stimulation could enhance the current well deliverability, or if a recompletion is warranted.

Consistent with its continuous disclosure requirements, Otto will continue to update the market on the performance of the GC 21 "Bulleit" field.

Otto Energy Executive Chairman, Mike Utsler, commented: *"We remain confident in the potential of this field and its two independent production zones. The collective abilities of the three Working Interest owners and their service providers are being engaged to develop a resolution to this production challenge. We will continue to update our shareholders as a technical plan is developed and a way forward is determined."*

Otto Energy has a 16.67% Working Interest and a 13.33% Net Revenue Interest in the GC 21 lease and project.

The project has been developed via a 10-mile subsea tieback to the GC 18 Whistler platform where production is being processed and then delivered into regional oil and gas sales pipelines.

Otto's product sales from GC 21 are secured via long term production handling, transportation and sales arrangements.

This announcement was approved for release by: Mike Utsler, Executive Chairman

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