QUARTERLY ACTIVITIES REPORT

For the Three Months ended 31 March 2021

Otto Energy Limited (ASX:OEL) (**Otto** or the **Company**) presents its quarterly activities report for the period ended 31 March 2021.

SUMMARY QUARTERLY PRODUCTION VOLUMES (WI BASIS)

	31-Mar-21	31-Dec-20	% change	30-Sep-20	30-Jun-20
Total Oil (Bbls)	136,331	138,758	-2%	129,822	122,084
Total Gas (Mcf)	717,724	800,233	-10%	727,957	811,432
Total NGLs (Bbls)	22,871	24,941	-8%	16,301	24,806
Total BOE	278,823	297,071	-6%	267,449	282,129
Total (Boe/d)	3,098	3,229	-4%	2,907	3,100
Percent Liquids (%)	57%	55%	4%	55%	52%
Total WI Revenue (US$MM)	$ 14.5	$ 7.8	85%	$ 6.6	$ 4.4

3Q FY2021 HIGHLIGHTS

Strategic Delivery

- As previously outlined, the Company's strategic plan is built upon three pillars:
- **Pillar 1 – Base asset delivery excellence**
  - Base production from South Marsh 71 (**SM 71**) and Lightning continue to produce at or above expectations.
  - Green Canyon 21 "Bulleit" well (**GC 21**) continues to produce from the MP Sand at lower-than-expected rates. The currently favoured path forward is to move away from the MP Sand and recomplete the well in the shallower DTR-10 Sand.
- **Pillar 2 – Organic growth within existing base**
  - No capital expenditures against plan during the current quarter.
  - Resource progression at SM 71 and Lightning targeted for FY 2022.
- **Pillar 3 – Inorganic growth via opportunity capture to enhance value**
  - During FY 2021 to date, Otto has evaluated close to 30 prospects, as well as several producing assets and corporate entities with respect to whether a purchase and/or consolidation would be a good fit within Otto's portfolio. Evaluations are on-going.

- The Company successfully sold its Borealis Alaska LLC subsidiary to Pantheon Resources Plc in exchange for 14,272,592 shares in Pantheon stock (London Stock Exchange: PANR) which have been received[1].

Financial Delivery

- **Revenue** – 85**%** increase in revenues due to higher natural gas and crude oil prices. In February 2021, freezing weather conditions hit South East Texas for a few days. During these record-low temperatures, there was an extremely high demand for natural gas, coupled with many gas plants and wells being unable to function due to the cold weather conditions. These factors resulted in a large spike in natural gas prices for a few days, which was captured by our Green wells in the Lightning field.
- **Capex investments** – the cost to drill, complete and bring the GC 21 well to production are estimated to be approximately US$39.2 million, excluding any costs to recomplete to the DTR-10, with approximately US$38.5 million paid as at 31 March 2021 and the final US$0.7 million paid in April 2021. Minor residual costs may continue to be received, but these are not expected to be material.
- **Opex cost management** –
  - **29%** reduction in field lifting costs cash flow versus budget for the March quarter.
  - **34%** reduction in non-field lifting costs cash flow, compared to the March 2020 quarter, driven by multiple areas of targeted reduction.
- **Operating Cash Flow** – The Company had positive net cash from operating activities of $0.5 million for the quarter ended 31 March 2021.

Liquidity

- Cash balance at the end of the March quarter was US$7.8 million.
- Debt balance reduced by US$2.3 million during the quarter to US$13.8 million.
- On 21 January 2021, the Company announced that its credit facility had been amended to:
  - Extend Tranche A2 (US$10 million) out until 31 March 2022;
  - Establish the timing for a GC 21 mitigation plan to be developed and implemented (by 31 July 2021); and
  - Establish a minimum quarterly average production requirement of 1,900 boepd until the GC 21 mitigation is completed (Otto Net WI volume).

COMMENT FROM OTTO EXECUTIVE CHAIRMAN, MIKE UTSLER

"I am pleased with our response to the extraordinary challenges of the past 12 months. We have navigated a global pandemic, commodity price declines and a record number of named storms in the Gulf of Mexico. We have continued to take steps to protect our employees and contractors during the pandemic and, to date, our people and operations have not been materially impacted.

[1] See ASX announcements dated 20 January 2021 "Sale of Alaska Assets" and 29 March 2021 "Alaska Sale Update"

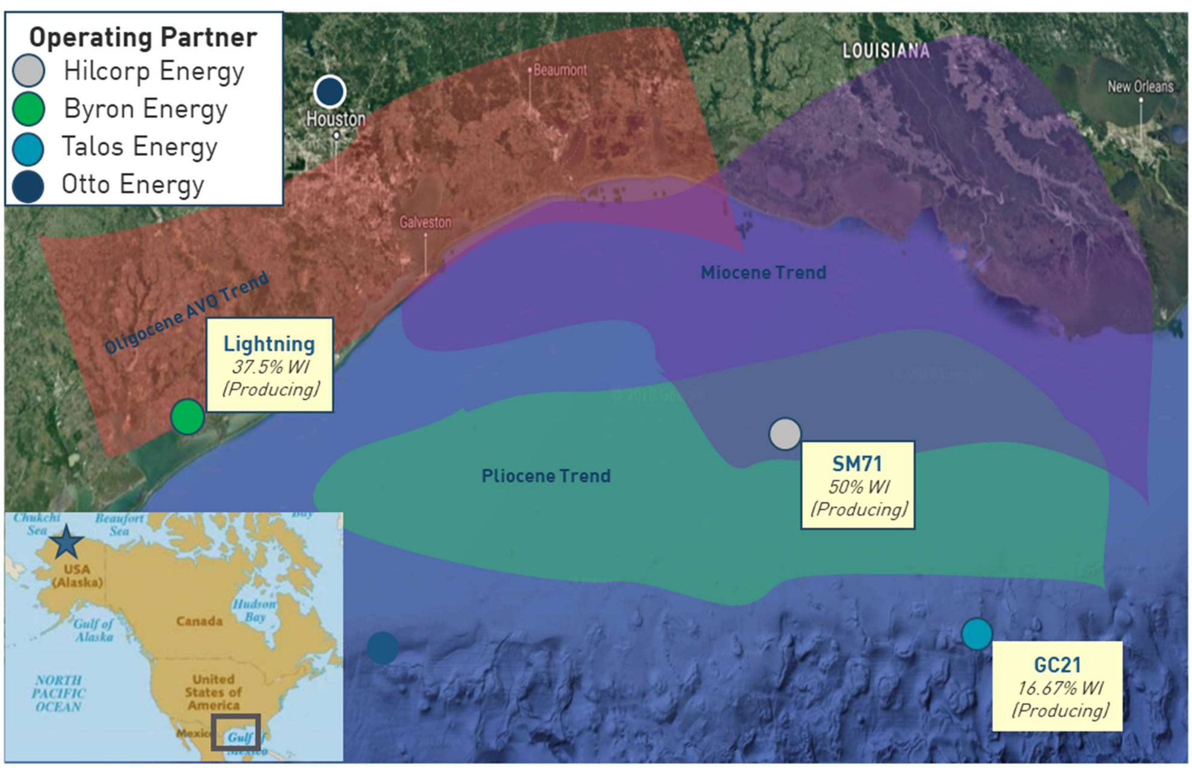
"During the March quarter, the sale of our 10.8% working interest in the Talitha Unit in Alaska was a great opportunity to improve our liquidity whilst the Pantheon shareholding received, and existing 0.5% of 8/8ths overriding royalty interest, also allows us to participate in Pantheon's broader, high quality Alaskan portfolio.

"Coupled with the performance of our SM71 and Lightning assets, which continue to meet or exceed expectations, and our focus on cost control, we look forward to continuing to strengthen our balance sheet and closing out FY 2021 with a strong liquidity position that will enable us to capture future opportunities to grow and add value."

SUMMARY OF OPERATIONS

Metric	SM71	Lightning	Green Canyon 21
Status	Producing	Producing	Producing
Working Interest	50.0%	37.5%	16.7%
Net Revenue Interest	40.6%	28.2%	13.3%
Operator	Byron Energy	Hilcorp	Talos Energy
Comments	3 wells producing; 1 well T/A	2 wells producing	1 well producing

Otto Energy Location and Formation - Gulf of Mexico



OTTO ENERGY

SOUTH MARSH ISLAND 71 (SM 71)

Location:	Louisiana/Offshore Gulf of Mexico
Area:	12.16 km^2
Water Depth:	137 feet
Otto's Working Interest:	50.00% (Byron Energy Inc. – Operator)

During the quarter, on a working interest basis, the F1, F2 and F3 wells produced approximately 126.8 Mboe (+2% over prior quarter), or 1,409 Boe/d, which was fairly consistent with the December quarter.

Recompletion potentials for the F2 well and re-entry potentials for the temporarily abandoned F5 well remain under evaluation for FY2022.

Production was approximately 1,448 Boe/d, net to Otto, as of 31 March 2021. As of the date of this report, daily production rates are consistent with the daily production rates as of 31 March 2021.

SM 71 Quarterly Production and Revenue Summary

SM 71 Production Volumes		31-Mar-21	31-Dec-20	% change	30-Sep-20	30-Jun-20
WI	Oil (bbls)	113,496	110,393	3%	109,215	97,756
	Gas (Mscf)	79,715	83,515	-5%	57,922	56,266
	Total (Boe)	126,782	124,312	2%	118,869	107,133
	Total (Boepd)	1,409	1,351	4%	1,292	1,177
NRI	Oil (bbls)	92,216	89,694	3%	88,737	79,427
	Gas (Mscf)	64,769	67,856	-5%	47,062	45,716
	Total (Boe)	103,011	101,003	2%	96,581	87,046
	Total (Boepd)	1,145	1,098	4%	1,050	957

SM 71 Sales Revenue		31-Mar-21	31-Dec-20	% change	30-Sep-20	30-Jun-20
WI	Oil - $million	$ 6.2	$ 4.3	44%	$ 4.0	$ 2.2
	Oil - $ per bbl	$ 54.31	$ 38.75	40%	$ 36.94	$ 22.09
	Gas - $million	$ 0.3	$ 0.2	40%	$ 0.1	$ 0.1
	Gas – $ per MMbtu	$ 2.77	$ 2.45	13%	$ 2.10	$ 1.56
	Total – US$million	$ 6.5	$ 4.5	44%	$ 4.2	$ 2.3
NRI	Total – US$million	$ 5.2	$ 3.7	42%	$ 3.4	$ 1.8

LIGHTNING

Location:	Onshore Matagorda County, Texas
Otto's Working Interest:	37.50% (Hilcorp Energy – Operator)

During the quarter, on a working interest basis, the Green #1 and #2 wells produced approximately 147.3 Mboe (-9% over prior quarter), or 1,637 Boe/d, a decrease attributable to natural field decline. Production was approximately 1,490 Boe/d, net to Otto, as of 31 March 2021. As of the date of this report, daily production rates are consistent with the daily production rates as of 31 March 2021.

Reinterpretation of the 3D seismic by the operator confirms that there are multiple levels of hydrocarbon pay in the Lightning field. While production is currently from the upper Tex Miss 1 zone, the lower Tex Miss 2/3 zone was tested in both wells while they were being drilled. The Tex Miss 2/3 zone appears to be aerially significantly larger and potentially thicker but indicates lower permeability. Future wells (i.e. Green #3 in FY2022) might 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		31-Mar-21	31-Dec-20	% change	30-Sep-20	30-Jun-20
WI	Oil (bbls)	21,410	22,962	-7%	20,607	24,328
	Gas (Mscf)	621,573	693,344	-10%	670,035	755,166
	NGLs (bbls)	22,313	24,090	-7%	16,301	24,806
	Total (Boe)	147,319	162,609	-9%	148,581	174,995
	Total (Boepd)	1,637	1,767	-7%	1,615	1,923
NRI	Oil (bbls)	16,108	17,276	-7%	15,504	18,304
	Gas (Mscf)	467,651	521,648	-10%	504,112	568,161
	NGLs (bbls)	16,788	18,124	-7%	12,264	18,663
	Total (Boe)	110,838	122,341	-9%	111,787	131,661
	Total (Boepd)	1,232	1,330	-7%	1,215	1,447

Lightning Sales Revenue		31-Mar-21	31-Dec-20	% change	30-Sep-20	30-Jun-20
WI	Oil - $million	$ 1.2	$ 0.9	31%	$ 0.8	$ 0.6
	Oil - $ per bbl	$ 55.74	$ 39.55	41%	$ 38.03	$ 23.85
	Gas - $million	$ 6.2	$ 1.9	235%	$ 1.4	$ 1.3
	Gas – $ per MMbtu	$ 10.01	$ 2.67	275%	$ 1.98	$ 1.67
	NGLs - $million	$ 0.5	$ 0.3	66%	$ 0.2	$ 0.3
	NGLs – $ per bbl	$ 21.10	$ 11.76	79%	$ 14.45	$ 10.82
	Total – US$million	$ 7.9	$ 3.1	159%	$ 2.4	$ 2.1
NRI	Total – US$million	$ 5.9	$ 2.3	159%	$ 1.8	$ 1.6

Despite relatively consistent production, Lightning revenues for the March quarter increased by 159% when compared to the prior quarter due to higher natural gas and crude oil prices. In February 2021, freezing weather conditions hit South East Texas for a few days. During these record-low temperatures, there was an extremely high demand for natural gas, coupled with many gas plants and wells being unable to function due to the cold weather conditions. These factors resulted in a 275% increase in natural gas prices for the current quarter at our Lightning field, which was captured by our Green #1 and #2 wells.

GREEN CANYON 21 (GC 21)

Location:	Offshore, Gulf of Mexico
Water Depth:	1,200 feet
Otto's Working Interest:	16.67% (Talos Energy – Operator)

The "Bulleit" appraisal well located at GC 21 commenced production from the deeper MP Sand on 15 October 2020. During the quarter, on a working interest basis, the GC 21 well produced approximately 4.7 Mboe (-53% over prior quarter), or 52 Boe/d, as production is currently being managed by the operator, shutting the well in for almost the entire month of March (28 days).

A technical assessment of the MP Sand production performance has been completed. Detailed bottomhole pressure and reservoir performance data collected after hook-up and first production indicate a smaller reservoir than originally anticipated. While additional technical work is ongoing, the currently favoured path forward is to move away from the MP Sand and execute a recompletion of the well in the shallower DTR-10 Sand.

A DTR-10 recompletion will require the procurement of long lead items from manufacturers, which are expected to cost approximately US$3.5 million (US$0.6 million, net to Otto) with payment expected for such items in mid CY 2021. Due to deepwater rig availability, weather, timing and long lead items, the recompletion is expected to begin in mid CY 2022, with production immediately following in mid to late CY 2022.

The well was temporarily shut-in as at 31 March 2021. As at 18 April 2021, however, the well was producing approximately 434 Boe/d, net to Otto.

GC 21 Quarterly Production and Revenue Summary

GC 21 Production Volumes		31-Mar-21	31-Dec-20	% change	30-Sep-20	30-Jun-20
WI	Oil (bbls)	1,425	5,403	-74%	n/a	n/a
	Gas (Mscf)	16,436	23,374	-30%	n/a	n/a
	NGLs (bbls)	558	851	-34%	n/a	n/a
	Total (Boe)	4,722	10,150	-53%	n/a	n/a
	Total (Boepd)	52	110	-52%	n/a	n/a
NRI	Oil (bbls)	1,140	4,323	-74%	n/a	n/a
	Gas (Mscf)	13,149	18,699	-30%	n/a	n/a
	NGLs (bbls)	446	680	-34%	n/a	n/a
	Total (Boe)	3,778	8,120	-53%	n/a	n/a
	Total (Boepd)	42	88	-52%	n/a	n/a

GC 21 Sales Revenue		31-Mar-21	31-Dec-20	% change	30-Sep-20	30-Jun-20
WI	Oil - $million	$ 0.08	$ 0.22	-65%	n/a	n/a
	Oil - $ per bbl	$ 52.83	$ 40.09	32%	n/a	n/a
	Gas - $million	$ 0.05	$ 0.06	-20%	n/a	n/a
	Gas – $ per MMbtu	$ 2.77	$ 2.83	-2%	n/a	n/a
	NGLs - $million	$ 0.01	$ 0.01	36%	n/a	n/a
	NGLs – $ per bbl	$ 19.90	$ 9.60	107%	n/a	n/a
	Total – US$million	$ 0.14	$ 0.29	-53%	n/a	n/a
NRI	Total – US$million	$ 0.11	$ 0.22	-50%	n/a	n/a

At 31 March 2021, the cost to drill, complete and bring the Bulleit well to production status was estimated to be approximately US$39.2 million, excluding any costs to recomplete to the DTR-10. Of this amount, US$38.5 million had been paid as of 31 March 2021, with the final US$0.7 million paid in April 2021. It is possible for residual costs to continue to be received, but these are not expected to be material.

(US$millions)	Original Estimated Cost	Updated Estimated Cost	Paid as at 31 March 21	Paid as at 30 April 21	Remaining Balance to be Paid
Drilling	$ 7.4	$ 16.7	$ 16.7	$ 16.7	$ -
Subsea Tieback	$ 10.8	$ 12.6	$ 12.6	$ 12.6	$ -
Platform Modifications	$ 1.4	$ 3.2	$ 3.2	$ 3.2	$ -
Completion Costs	$ 3.9	$ 6.7	$ 6.0	$ 6.7	$ -
	$ 23.5	$ 39.2	$ 38.5	$ 39.2	$ -

While full-cycle economics have been eroded as a result of the significant cost overruns experienced in the development of the GC 21 “Bulleit” well, it is estimated that point-forward economics for the recompletion are highly positive and strongly value accretive.

EXPLORATION ACTIVITIES

ALASKA – NORTH SLOPE (CENTRAL BLOCKS)

On 29 March 2021, the Company announced that the sale of its subsidiary, Borealis Alaska LLC, to Pantheon Resources plc (“Pantheon”) in exchange for 14,272,592 ordinary fully paid shares in Pantheon (London Stock Exchange: PANR) had been completed, following approval by the Alaskan Department of Natural Resources. Borealis Alaska LLC contained a 10.8% working interest in the Talitha Unit which is operated by Pantheon. In addition to the PANR shares, Otto maintains an existing 0.5% of 8/8ths overriding royalty interest (ORRI) in any future production from the Talitha Unit.

OTTO ENERGY

On 19 April 2021, Pantheon announced that operations at the Talitha #A well had concluded for the season.

CORPORATE

NET REVENUE

Despite relatively consistent production, net revenue for the quarter, on a WI basis, was approximately US$14.5 million, an 85% increase over the prior quarter. This was predominantly due to freezing weather conditions in South East Texas for a few days in February 2021. During these record-low temperatures, there was an extremely high demand for natural gas, coupled with many gas plants and wells being unable to function due to the cold weather conditions. Overall, these factors resulted in a 242% increase in natural gas prices for the current quarter, most of which was captured by our Green wells in the Lightning field.

Also contributing to the increase in revenues was a 40% increase in crude oil prices and an 80% increase in natural gas liquids prices. Otto's hydrocarbon sales for the quarter equate to 3,098 Boe/d, a 4% decrease over the prior quarter due to natural field decline.

From a cash receipts perspective, Otto received proceeds of approximately US$7.6 million during the quarter. Of this amount, approximately US$7.0 million related to production, net of royalties, for November 2020, December 2020, and January 2021, while the reminder relates to timing differences. Subsequent to quarter-end, on 8 April 2021, US$3.3 million of proceeds was received related to February 2021 production at Lightning.

Working Interest, net to Otto	31-Mar-21	31-Dec-20	% change	30-Sep-20	30-Jun-20
Oil revenue ($millions)	$ 7.4	$ 5.4	38%	$ 4.8	$ 2.7
Avg oil price ($/Bbl) - pre-hedges	$ 54.52	$ 38.93	40%	$ 37.12	$ 22.44
Avg oil price ($/Bbl) - post-hedges	$ 50.41	$ 42.03	20%	$ 42.12	$ 35.06
Gas revenue ($millions)	$ 6.6	$ 2.1	207%	$ 1.5	$ 1.4
Avg gas price ($/Mmbtu)	$ 9.03	$ 2.64	242%	$ 1.99	$ 1.66
NGL revenue ($%millions)	$ 0.5	$ 0.3	65%	$ 0.2	$ 0.3
Avg NGL price ($/Bbl)	$ 21.07	$ 11.68	80%	$ 14.45	$ 10.82
Total revenue ($millions)	$ 14.5	$ 7.8	85%	$ 6.6	$ 4.4
Avg WA price ($/Boe) - pre-hedges	$ 52.06	$ 26.40	97%	$ 24.59	$ 15.55
Avg WA price ($/Boe) - post-hedges	$ 50.05	$ 27.85	80%	$ 27.01	$ 21.01

See attached Appendix 5B for detailed cash flow disclosures.

COMMODITY PRICE RISK MANAGEMENT

As of 31 March 2021, Otto had a total hedge book of 323,547 barrels of oil hedged through September 2022 via swaps, at a weighted average LLS price of US$50.62 as follows:

Months	Volume (Bbls)	Weighted Avg Price (LLS)
January – December 2021	196,308	US$51.08
January – September 2022	127,239	US$49.20

For the current quarter, as a result of the recent increase in crude oil prices, the Company realized a loss of US$0.6 million, via the Company's 80% of PDP hedging program.

COST PERFORMANCE

Office operating cash flows, or non-field lifting costs, for the March quarter were approximately US$1.0 million, compared to US$1.5 million for the prior year quarter, a decrease of 34%. This decrease for the quarter was attributable to multiple areas of targeted reduction, including administrative, licensing, and advisory/consultant costs.

LIQUIDITY AND DEBT

Otto's cash on hand at the end of the March quarter was approximately US$7.8 million (December quarter: US$9.7 million).

An additional US$3.3 million related to Lightning February 2021 net sales was received in April 2021 and therefore not factored into the March 2021 closing cash balance.

A further item that adds to the Company's near-term liquidity is the deferral of significant GC 21 recompletion costs until mid CY 2022. With no large capital expenditures forecasted for the next 12 months, the Company's cash flow position and liquidity is expected to continue to improve.

On 2 November 2019, the Company entered a three-year senior secured US$55 million facility with Macquarie Bank Limited (**Macquarie**) (the **Credit Facility**). The initial commitment under the Credit Facility is US$35 million (made up of US$25 million available under Tranche A1 and US$10 million available under Tranche A2), with an additional US$20 million subject to further credit approval from Macquarie, with an interest rate of LIBOR plus 8.0% per annum. Quarterly principal repayments commenced on 31 March 2020.

As of 31 March 2021, the Company had drawn US$25 million under Tranche A1 and had repaid US$11.2 million, resulting in a closing debt balance of US$13.8 million. Tranche A2 expired undrawn as of 31 December 2020. On 21 January 2021, the Company announced that the Credit Facility had been amended as follows:

- Extend Tranche A2 out until 31 March 2022;
- Establish the timing for a GC 21 mitigation plan to be developed and implemented (by 31 July 2021); and
- Establish a minimum quarterly average production requirement of 1,900 boepd until the GC 21 mitigation is completed (Otto Net WI volume)

As of 31 March 2021, the Company was in compliance with all its financial covenants. The Credit Facility is secured by substantially all of the Company's oil and gas producing assets.

OTTO ENERGY

SHAREHOLDERS

Otto's issued capital as at 21 April 2021:

Class	Number
Fully paid ordinary shares	4,795,009,773
Options (A$0.08 exercise price)	42,500,000
Performance Rights	23,944,667

Otto's Top 20 Holders as at 21 April 2021:

Rank	Name	Units	% of Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,341,290,621	48.83%
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	240,495,624	5.02%
3	BNP PARIBAS NOMINEES PTY LTD	128,596,910	2.68%
4	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD	65,986,164	1.38%
5	CITICORP NOMINEES PTY LIMITED	64,771,229	1.35%
6	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	54,495,352	1.14%
7	MR JOHN PHILIP DANIELS	43,355,992	0.90%
8	MR NEIL DAVID OLOFSSON & MRS BELINDA OLOFSSON	24,000,000	0.50%
9	MR GEORGE EUSTRATIOS MANIOS	21,555,555	0.45%
10	MR MATTHEW GERARD ALLEN	21,541,602	0.45%
11	MR THOMAS FRITZ ENSMANN	20,000,000	0.42%
12	MR ANDREW MCKENZIE & MRS CATHERINE MCKENZIE	19,966,667	0.42%
13	MR DANIEL LEE	18,211,778	0.38%
14	DANIEL LEE PTY LTD	17,771,431	0.37%
15	MR DOUGAL JAMES FERGUSON	17,754,200	0.37%
16	MR ANASTASIOS MAZIS	17,246,092	0.36%
17	NATIONAL NOMINEES LIMITED	16,030,000	0.33%
18	MR CRAIG GRANT RADFORD & MRS SARAH JANE RADFORD	15,537,765	0.32%
19	ASB NOMINEES LIMITED	15,104,440	0.32%
20	MISS ANNA CZARNOCKA	15,000,000	0.31%
Total Top 20 Shareholders		**3,178,711,422**	**66.29%**
Total Remaining Shareholders		1,616,298,351	33.71%
Total Shares on Issue		**4,795,009,773**	**100.0%**

Substantial Holders as at 21 April 2021:

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

Director Holdings as at 21 April 2021:

Name	Units	% of Units
John Jetter	57,881,668	1.21%
Kevin Small	49,486,383	1.03%
Paul Senycia	7,959,387	0.17%
Mike Utsler	5,000,000	0.10%

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 oil production from its SM 71 and GC 21 fields in the Gulf of Mexico and gas/condensate production from its Lightning asset in onshore Matagorda County, Texas. Cashflow from its producing assets underpins its strategy and financial stability.

DIRECTORS
Michael Utsler – Chairman & CEO
John Jetter – Non-Executive
Geoff Page – Non-Executive
Paul Senycia - Non-Executive

CHIEF FINANCIAL OFFICER
Sergio Castro

COMPANYU SECRETARY
Kaitlin Smith (AE Administrative Services)

ASX Code: OEL

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Definitions

"bbl" = barrel
"bbls" = barrels
"bopd" = barrels of oil per day
"Mbbl" = thousand barrels
"Mscf" = 1000 standard cubic feet
"NGLs" = natural gas liquids
"MMscf" = million standard cubic feet
"Mmbtu" = million British thermal units
"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 – 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency
"MMboe" = million barrels of oil equivalent ("boe") with a boe determined on the same basis as above

This announcement has been approved for release by the Board of Otto Energy Limited.

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	31 March 2021

	Consolidated statement of cash flows	Current quarter $US'000	Year to date (9 months) $US'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	7,607	16,839
1.2	Payments for		
	(a) exploration & evaluation	(486)	(2,575)
	(b) development	(4,256)	(10,360)
	(c) production	(1,060)	(2,273)
	(d) staff costs	(406)	(1,706)
	(e) administration and corporate costs	(442)	(1,626)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(421)	(1,426)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	178	196
1.8	Other (provide details if material)		
	(a) derivative instruments	(233)	1,138
	(b) other	-	-
1.9	**Net cash from / (used in) operating activities**	**481**	**(1,793)**

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	-	-

Consolidated statement of cash flows		Current quarter $US'000	Year to date (9 months) $US'000
	(f) other non-current assets	-	-
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	-	(20)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(2,300)	(6,900)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(2,300)**	**(6,920)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	9,669	16,551
4.2	Net cash from / (used in) operating activities (item 1.9 above)	481	(1,793)
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)	(2,300)	(6,920)

Consolidated statement of cash flows		**Current quarter $US'000**	**Year to date (9 months) $US'000**
4.5	Effect of movement in exchange rates on cash held	(1)	11
4.6	**Cash and cash equivalents at end of period**	**7,849**	**7,849**

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	7,849	9,669
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)**	**7,849**	**9,669**

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	162
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 US162k consisting of Executive Directors fees (US$132k) and Non-Executive Directors fees including superannuation payments (US$30k)

7.	**Financing facilities** *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.*	**Total facility amount at quarter end $US'000**	**Amount drawn at quarter end $US'000**
7.1	Loan facilities	43,800	13,800
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	43,800	13,800

7.5	**Unused financing facilities available at quarter end**	10,000
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.	

On 2 November 2019, Otto Energy entered into a three-year senior secured US$55 million term debt facility with Macquarie Bank Limited (Macquarie) as follows:

<u>Initial commitment of $35 million</u>

- Tranche A1 ($25 million) available upon facility close. Fully drawn. Repaid amounts are not available for re-borrowing
- Tranche A2 ($10 million) extended out until 31 March 2022. Available on successful commencement of commercial production at Green Canyon 21. No funds drawn as of 31 March 2021
- Interest rate of LIBOR plus 8.0% per annum;
- Maturity date in November 2022;
- Quarterly principal repayments commenced 31 March 2020;
- Senior secured non-revolving facility with security over US based assets; and
- The Facility may be repaid early without penalty.

<u>Additional $20 million available</u>

- Subject to further credit approval from Macquarie on same terms as above

8.	**Estimated cash available for future operating activities**	**$US'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	481
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)	481
8.4	Cash and cash equivalents at quarter end (item 4.6)	7,849
8.5	Unused finance facilities available at quarter end (item 7.5)	10,000
8.6	Total available funding (item 8.4 + item 8.5)	17,849
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	N/A

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.

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 April 2021..

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.