OTTO ENERGY

29 September 2021
ASX RELEASE

FY21 FINANCIAL RESULTS PRESENTATION

Otto Energy Limited (ASX: OEL) (**Otto** or the **Company**) advises that it has today released its FY21 results presentation. A copy of the presentation is appended to this release.

Additional information can be found on the Company's website at www.ottoenergy.com

This release is approved by the Board of Otto Energy Limited.

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FY 2021 UPDATE

Delivering value

ASX: OEL

Disclaimer and important notices

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Forward Looking Statements

This presentation contains "forward-looking statements" that are subject to risk factors that are associated with oil and gas businesses. It is believed that the targets reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actuals to differ materially, including but not limited to: results or trends for future operations, drilling results, projections, intentions, or beliefs about future events may, and often do, vary from actual results and the differences can be material. Some of the key factors which could cause actual results to vary from those Otto expects include changes in natural gas and oil prices, the timing of planned capital expenditures, availability of resources, uncertainties in estimating proved reserves and resource potential and forecasting drilling and production results, operational factors affecting the commencement or maintenance of producing wells, the condition of the capital markets generally, as well as the Company's ability to access them, and uncertainties regarding environmental regulations or litigation and other legal or regulatory developments affecting Otto's business. Statements regarding future production are subject to all of the risks and uncertainties normally incident to the exploration for and development and production of oil and gas.

Disclaimer

This presentation includes certain estimates of proved, probable and possible reserves that have been prepared by the Company and are by their nature more speculative than estimates of proved reserves and accordingly are subject to substantially greater risk of being actually realized by the Company.

We cannot assure you that all of our prospects will ultimately be prospective in all or any of the targeted zones, or that such acreage will ultimately be drilled or included in drilling units. Type curve metrics described herein refer to the Company's internal estimates of average per well hydrocarbon quantities and production profiles that may be potentially recovered from a hypothetical future well developed generally from the most analogous information available based on the average offset well performance of third-party operator wells. These quantities do not necessarily constitute or represent reserves. There is no assurance that the Company will achieve comparable results on its acreage and individual well results will vary.

Further, Otto expresses no view as to whether its joint venture participants will agree with and support Otto's assessment of these opportunities presented within this presentation.

Terms used

All references to dollars, cents or $ in this presentation are to US currency, unless otherwise stated.

Corporate snapshot (ASX: OEL)

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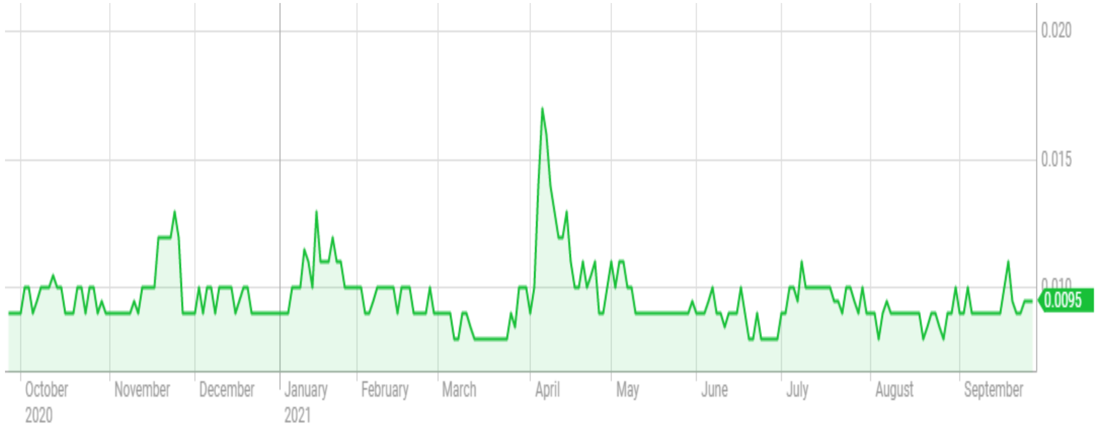
CAPITAL STRUCTURE	
Shares on issue	4,795 M
Share price (27 Sep 2021)	A$ 0.009
Options and share rights	96 M
Market capitalisation	A$43.1 M

LIQUIDITY POSITION	
Cash (30 June 2021)	US$11.1 M
PANR stock * (28 Sep 2021)	US$14.5 M
Debt - drawn (30 June 2021)	US$11.5M
- undrawn (30 June 2021)	US$10.0 M

SHARE REGISTER COMPOSITION	
Corporate/strategic	49%
Retail	47%
Institutional/broker	4%

SHARE PRICE CHART



BOARD OF DIRECTORS	
Executive Chairman and Chief Executive Officer	Mike Utsler
Non-Executive Director	John Jetter
Non-Executive Director	Geoff Page
Non-Executive Director	Paul Senycia

* Based on 14,272,592 shares of PANR held as of 28 Sep 2021, with a share price of 75.00 pence and a GBP to US$ exchange rate of $1.35 as of 28 Sep 2021

FY 2021 Highlights

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LIQUIDITY

$30.1m 31%
Net revenue

$29.1m 74%
Adjusted EBITDAX [1]

CASH FLOW

$18.9m 80%
Net operating cashflow (pre-exploration)

$15.2m 2200%
Net operating cashflow (post exploration)

EARNINGS

17%
Increase in production to 3,032 boe/d at 56% liquids

38%
Increase in total WI revenue to US$39.7 million

(1) These numbers are considered non-IFRS financial information. Please refer to the audited financial statements released on 27 September 2021 and Appendix 1 for the IFRS information and a reconciliation

Strategic Drivers

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Pillar One

Excellence in Base Asset Delivery

The Company has established a portfolio non-operating interests in multiple high-quality GoM O&G fields

Pillar Two

Maximising Organic Growth Opportunities

The Company seeks to create value by enhancing production from its existing asset base

Pillar Three

Future Value Initiatives

Otto manages a disciplined assessment process and utilises a technically driven filter for new opportunities

VALUES

Integrity	Discipline	Excellence	Teamwork	Partner of choice
We say what we will do and do what we say and our actions re-enforce that culture	We set ourselves challenging goals, we define our boundaries and earn our space through consistent delivery	We plan, do, measure, learn and consistently strive to continuously improve	We challenge with respect but deliver as one team	We will be recognised and valued for our competency and expertise in how and what we deliver

Company Overview – Gulf of Mexico Onshore/Offshore Basin

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A proven, large-scale hydrocarbon basin

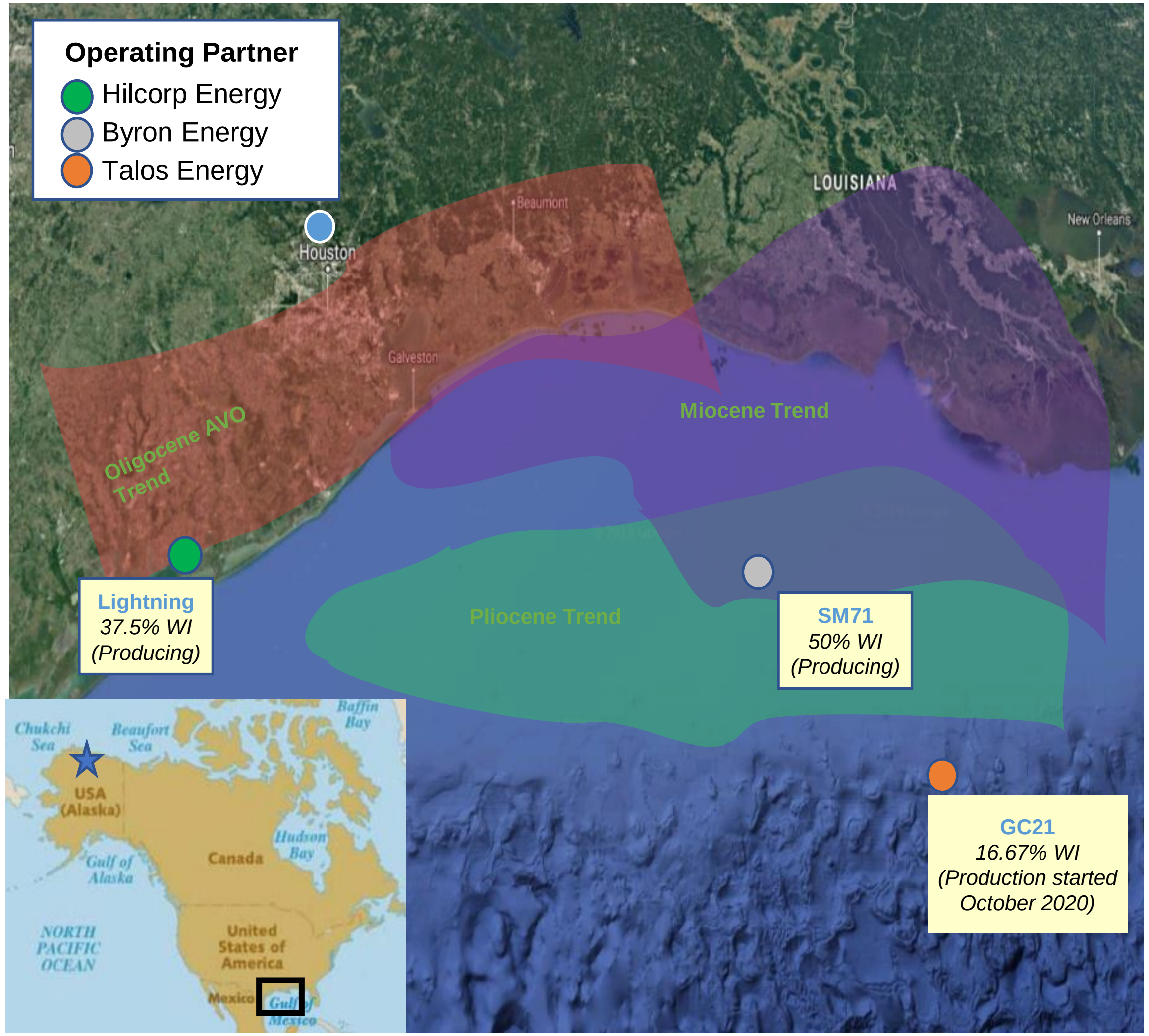
- Most prolific hydrocarbon basin in US, with rich liquid content
- Cumulative basin production of 22,463 MMBbl and 191,774 Bcf
- Average shelf discovery is 6.3 MMBbl and 54 Bcf
- Average deepwater discovery is 20 MMBbl and 52 Bcf

A superior place to operate

- Low royalty rates, 12.5% royalty on new leases (18.75% on existing)
- Some existing leases with royalty reduction and/or suspension
- Stable political environment, low Federal and State regulations

A premium product type

- Typical GoM shelf production is Light Sweet Crude
- Typical US$2-5/Bbl premium to WTI in US domestic market



FY 21 – Operational and Financial Highlights

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OPERATING SUMMARY

17%	97%	62%/28%
Increase in production to 3,032 boe/d at 56% liquids	Operational reliability – 97% uptime at SM 71/Lightning	Reduction in Field and Non-Field Lifting Costs (1)

FINANCIAL SUMMARY

19%	39%	$17.9m
Gearing Ratio	Adjusted ROACE (2)	Adj. Net Income before tax (US$)

LIQUIDITY SUMMARY

29%	$11.1m	$11.5m
Debt to Equity Ratio	Cash Balance at 30 June 2021 (US$)	Debt Balance at 30 June 2021 (US$)

(1)) Please refer to the audited financial statements released on 27 September 2021 and Appendix 1 for calculation

(2) Calculated using Adjusted EBIT, which is considered a non-IFRS financial information. Please refer to the audited financial statements released on 27 September 2021 and Appendix 1 for the IFRS information and a reconciliation

FY 21 – Operating Summary

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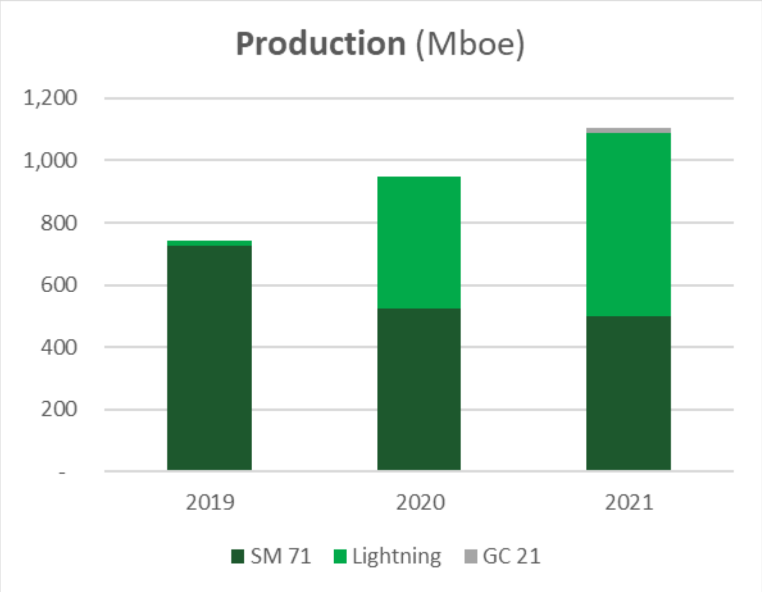
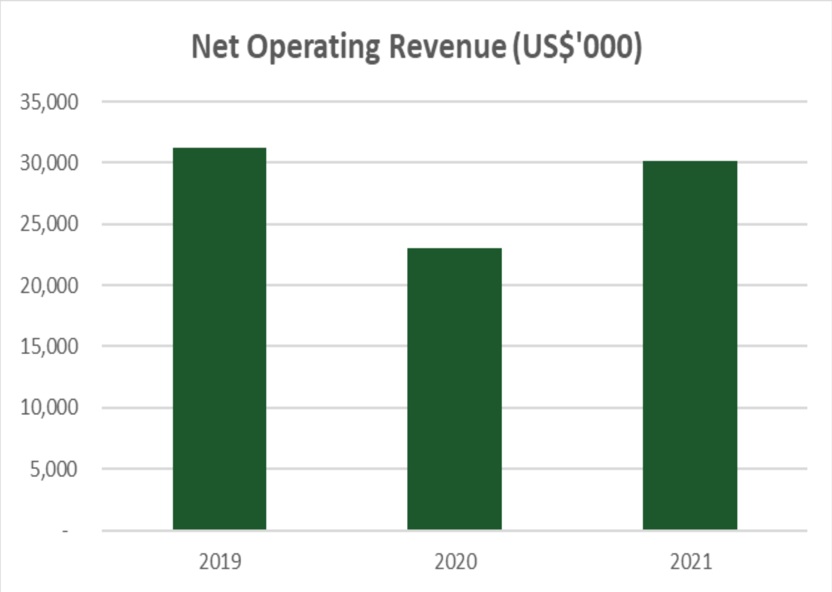
OPERATIONAL SUMMARY

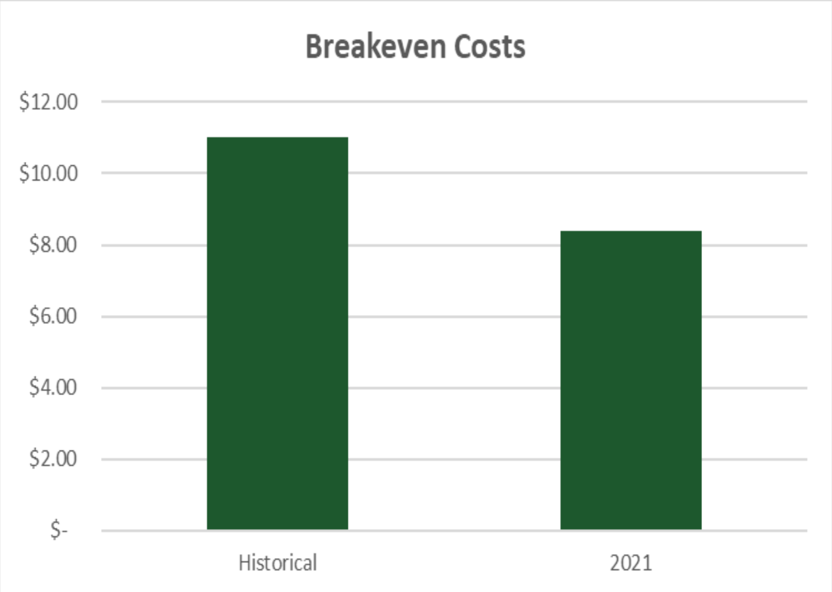
	30 June 2021	30 June 2020	30 June 2019
Production Volumes (Mboe)			
South Marsh 71	498	527	726
Lightning	590	420	15
Green Canyon 21	18	-	-
Cash Flows (US$'000)			
Net cash outlflow from operating activities	30,137	23,028	31,258
Capital expenditures	14,931	27,395	45,771
Reserves (Mboe) (1)			
Proved	4,122	4,820	3,670
Probable	2,355	3,234	3,432
Possible	1,971	3,664	3,050

(1) Please refer to Annual Reserves and Resources Statement released on 9 September 2021

FY 21 – Operating Summary







Controlling costs, Improving Cash Flow

- A key strategic initiative has been to reduce the Company's cost base and ensure an efficient yet effective cost profile, relative to Otto peers
- The Company has reduced its G&A costs per boe by 28% in the past year to 30 June 2021 by streamlining management costs, reducing personnel costs, shifting office space and minimising legal fees and consultant usage
- The Company has reduced its field lifting costs per boe by 62% (operating expenses, business development, exploration costs) in the past year

FY 21 – Financial Summary

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FINANCIAL SUMMARY

US$('000)	30 June 2021	30 June 2020	30 June 2019
Key Metrics			
Operating Revenue, net of Royalties	30,137	23,028	31,258
Adjusted EBITDAX (1)	29,114	16,699	23,484
Adjusted EBITDA (1)	26,438	3,632	(14,365)
Adjusted EBIT (1)	20,610	(3,138)	(19,372)
Adjusted Net Income (Loss) before tax (1)	17,890	(5,530)	(18,407)
Unrealized gain (loss) on derivatives	(9,673)	4,174	-
Impairment expense	(12,850)	-	-
Net Income (Loss) before tax	(4,633)	(1,356)	(18,407)
NPAT	(4,638)	(1,358)	(18,409)
Key Ratios			
Return on Equity(%)	-1.1%	-3.0%	-49.5%
Return on Assets (%)	-0.7%	-2.4%	-45.3%
ROACE (adjusted EBIT (1)) (%)	39.1%	-6.4%	-63.6%
Earnings (US cps)	-0.01	-0.05	-0.95
Gearing (%)	18.8%	29.9%	n/a

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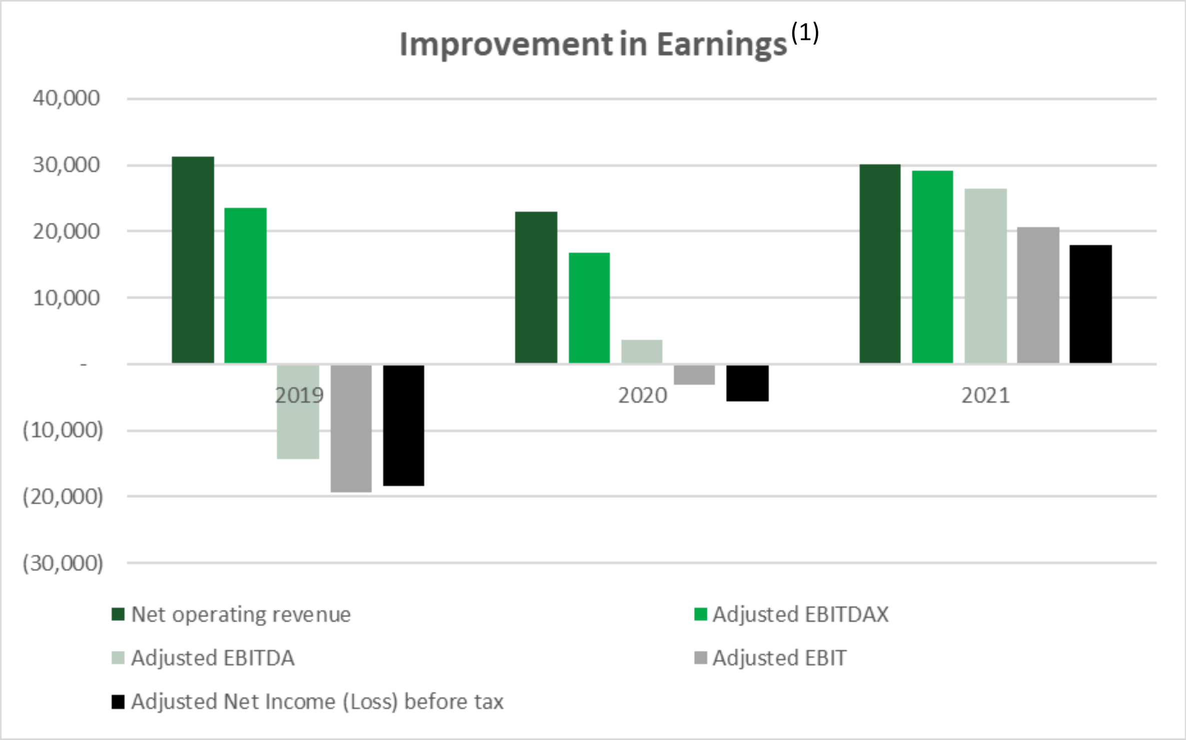
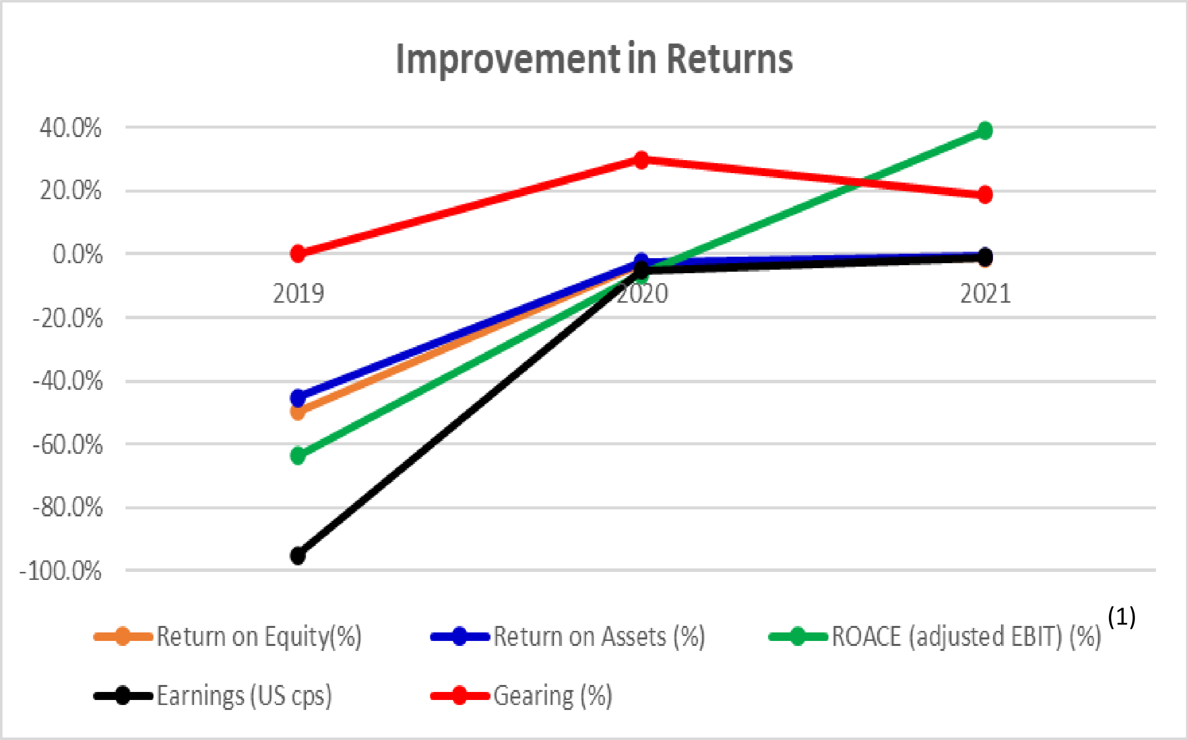
FY 21 – Financial Summary





Strengthening the balance sheet and managing risk

- Otto's objective has been to maintain a simple capital structure, providing the Company with valuable optionality for discretionary capital
- Effective net debt of US$0. When coupled with the improved energy price environment and the Company's commitment to cost discipline, this sets the Company up for a strong FY 2022

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FY 21 – Liquidity Summary

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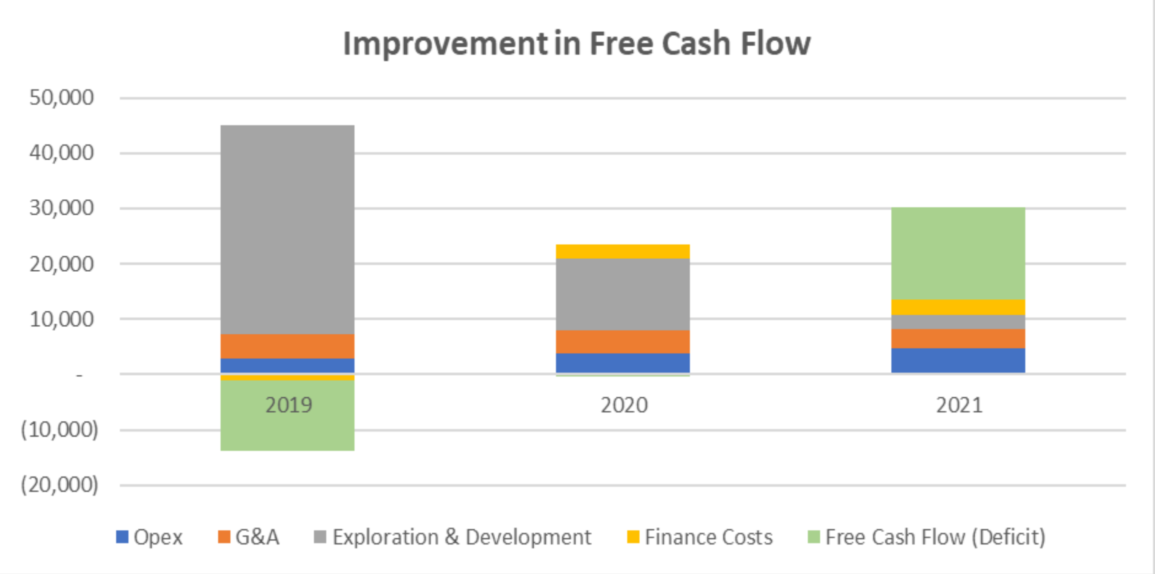
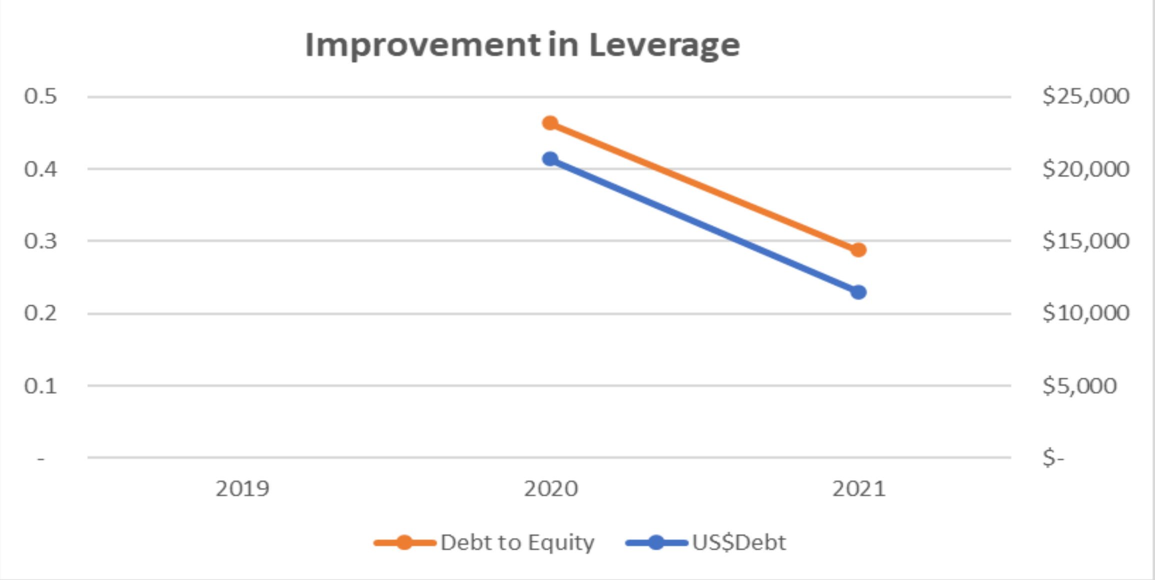
LIQUIDITY

(US$'000), except ratios	30 June 2021	30 June 2020	30 June 2019
Balance Sheet - Assets			
Cash	11,100	16,551	7,383
Accounts Receivable	3,884	2,111	3,311
Marketable Securities	8,129	-	-
Total Current Assets	23,550	26,942	11,932
Balance Sheet - Liabilities			
Accounts Payable	1,675	1,958	4,473
Total Current Liabilities	14,730	10,470	4,646
Total Debt	11,500	20,700	-
Key Ratios			
Working Capital	8,820	16,472	7,286
Debt to Equity (%)	29%	46%	n/a
Current Ratio	1.6	2.6	2.6
Quick Ratio	1.6	1.8	2.3
Cash Ratio	1.3	1.6	1.6





Otto performance objectives

Maximise our base business while creating future value

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PERFORMANCE OBJECTIVES

BASE AND ORGANIC GROWTH OPTIONS Base business + organic options (3-year group targets)		INORGANIC GROWTH OPPORTUNITIES Facilitated by underlying base business Key targeting criteria
Base business outcome *(3 years forward)*	Base outcome incl. exercise of organic options *(3 years forward)*	Year on year metrics
ROACE > 20%	ROACE > 17.5%	ROACE > 15%
IRR > 75% (Success case)	IRR > 75% (Success Case)	ROE > 15%
IRR > 25% (Full cycle)	IRR > 25% (Full Cycle)	DROI (15) > 25%
FCF > US$40M	FCF > US$40M	NAV growth > 10% CAGR
Gearing – <10%	Gearing – <10%	Gearing – 45-65%
Debt to equity – <10%	Debt to equity – <10%	Debt to equity ratio - <50%
Drives strong operating cash flow and balance sheet		***Drives effective capital allocation discipline***

Otto Energy: delivering value

1 The GoM

A mature, opportunity-rich environment

2 Our base

A diverse, liquids-rich, high-margin portfolio

3 Internal levers

Leveraging a strong balance sheet to deliver organic growth

4 External assessment

Creating growth access through rigorous inorganic opportunities evaluation

5 Shareholder returns

Against a highly disciplined approach to capital management