

# COMMERCIAL GAS CONDENSATE DISCOVERY AT OYSTER BAYOU SOUTH

- **A0391 #1 well located on Oyster Bayou South prospect has encountered 68 feet TVT of net pay, consistent with Otto's pre-drill Mid Case Prospective Resource estimate.**
- **Currently being completed as a producing well with first production expected Q4 CY 2022.**
- **Delivers further strong validation of Otto's disciplined opportunity filter and growth strategy, with three consecutive exploration well successes now delivered.**

Otto Energy Limited (ASX: OEL) (**Otto** or the **Company**) provides an operational update on the Oyster Bayou South exploration prospect located in Terrebonne Parish, Louisiana.

After being spud on 27 June 2022, the A0391 #1 well was safely drilled to target depth of 14,137' MD (Measured Depth) / 13,064' TVD (True Vertical Depth) on 8 July 2022, ahead of schedule. The well encountered proved net gas pay of 68 feet TVT (True Vertical Thickness) Miocene pay. This is a strong result, representing a net pay count consistent with the mid-case expectation on a pre-drill basis<sup>1</sup>. Updated resource estimates will be made available when completed.

The well is currently being completed and is scheduled for first production during Q4 CY 2022.

Oyster Bayou South represents Otto's third consecutive exploration success in the last six months, following the preceding Eaves and Mosquito Bay West discoveries. This presents a robust technical and commercial proof point for successful application of Otto's capital investment framework to potential new opportunities with Mosquito Bay West and Oyster Bayou South each being discovered and developed for a F&D (finding and development) cost of between US\$6/boe and US\$7/boe. Otto continues to review opportunities in the market applying the same capital investment framework to additional new ventures opportunities and will update the market when deals are concluded.

In addition to these discoveries, Otto's production base is expected to be further boosted during H2 CY 2022 via the recompletion of the SM 71 F2 well into the J1 sand and the recompletion of the GC 21 Bulleit well into the DTR-10 sand.

## **Otto Executive Chairman, Mike Utsler, commented:**

*"This is another excellent result for the participating partners in the Oyster Bayou South and Mosquito Bay West prospects. Both wells were also drilled safely and ahead of schedule, and we congratulate Castex Energy on their continued strong operating performance. We look forward to*

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<sup>1</sup> Please see Otto's ASX release dated 2 March 2022, which details pre-drill Prospective Resources for Mosquito Bay West and Oyster Bayou South

*first production from these discoveries over coming months, directly into current high-priced oil and gas markets and delivering a significant positive impact to Otto free cash flow.”*

### **Mosquito Bay West development update**

Impressive progress is being made advancing the Mosquito Bay West discovery towards production, with the platform being installed on location, and topside and pipeline materials and contractors having been mobilized. First production is on schedule for Q3 CY 2022 which will be an impressive achievement of having first production and cash flow within 4 months of exploration spend which is further validation of Otto's commercial and technical framework for evaluating new ventures opportunities.





*This release is authorized by the Board of Otto.*

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