

## GROWTH ACTIVITIES BOOSTING OUTPUT

- Oyster Bayou South, A0391#1 well commences production; flowing back at an exceptional rate of 807 bbl/d oil and 4.6 MMscf/d gas, which far exceeds Otto's initial estimates of 150 bbl/d oil.
- Mosquito Bay West, Point Au Fer LLC #1 well producing strongly at 205 bbl/d oil and 3.3 MMscf/d gas; Condensate Gas Ratio (CGR) of 62 bbl/MMscf significantly higher than Otto's pre flowback estimate of 26 bbl/MMscf.
- Oyster Bayou South and Mosquito Bay West combined output equals 2,329 boe/d, equating to approximately 700 boe/d Otto WI with 43% liquids; this represents a 33% boost relative to Otto's Q2 CY2022 average daily WI production rate of 2,117 boe/d (SM 71, Lightning and GC 21).
- GC 21 recompletion proceeding well; first production from DTR-10 expected in September 2022.
- SM 71 F2 well successfully recompleted in the J1 sand and producing at 171 bbl/d oil and 83 Mcf/d gas (92 boe/d Otto WI); well rates to be optimized following stabilization.
- Eaves well awaiting gas meter connection, first production still expected in September 2022.

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

*"Otto is very pleased by the results being seen from its participation in the drilling of the Mosquito Bay West and Oyster Bayou South wells, as well as the SMI 71 F2 well recompletion. With the addition of the anticipated outcomes from the GC 21 recompletion, and the final tie-in of the Eaves well, we are expecting a substantial uplift in net production and cash flow realizations as we enter the final quarter of CY2022. We are also positioned to reap the benefit of a fully unhedged production base on a go-forward basis.*

*"The results from these growth activities to date validate both our commercial strategy and the quality of the opportunities afforded by our strategic relationships over the past 12 months. The growing strength of our balance sheet will also enable us to continue to seek to participate in quality prospects, as well as embark on potential small-scale acquisitions in order to continue expanding and diversifying our portfolio of assets."*

Otto Energy Limited (ASX: OEL) (**Otto** or the **Company**) is pleased to provide the following operational update.

### **Oyster Bayou South**

The Oyster Bayou South well has commenced flowback to sales and is producing at a rate of 807 bbl/d of oil and 4.6 MMscf/d of gas (1,574 boe/d 8/8ths) at a 3614 psi FTP (Flowing Tubing Pressure) and a conservative 15/64th choke setting. Oyster Bayou South was originally expected to flow at an initial oil rate of 150 bbl/d. The well continues to unload, is in the early stages of production and is still being optimized. Otto holds a 30% WI / 22.65% NRI in this field.



*Oyster Bayou South Crude Sample*

### **Mosquito Bay West**

The Mosquito Bay West Point Au Fer LLC #1 well continues to produce strongly from the Disc 12-2 sand. The well is currently producing at a rate of 205 bbl/d of oil and 3.3 MMscf/d of gas (755 boe/d 8/8ths) and 72 bbl/d of water at a 3544 psi FTP and a conservative 16.5/64th choke setting. The Condensate Gas Ratio (CGR) of approximately 62 bbl/MMscf is significantly higher than Otto's pre flowback estimate of 26 bbl/MMscf. Otto holds a 30% WI / 22.35% NRI in this field. The well continues to unload, is in the early stages of production and is still being optimized.

### **GC 21**

The Seadrill Sevan Louisiana drilling rig was mobilized to location at GC 21 on 8 August 2022 where it initially underwent pre-acceptance rig maintenance. The rig has cut and removed 4.5" production tubing associated with the previously productive zone (MP Sand).

Cement has been pumped and set in the well with a packer to be set beneath the DTR-10 zone. The well will then be perforated and a frac pack run in the well prior to flow back to sales. Otto holds a 16.67% WI / 13.33% NRI in this lease. The well is expected to produce in September 2022.

### **SM 71 F2**

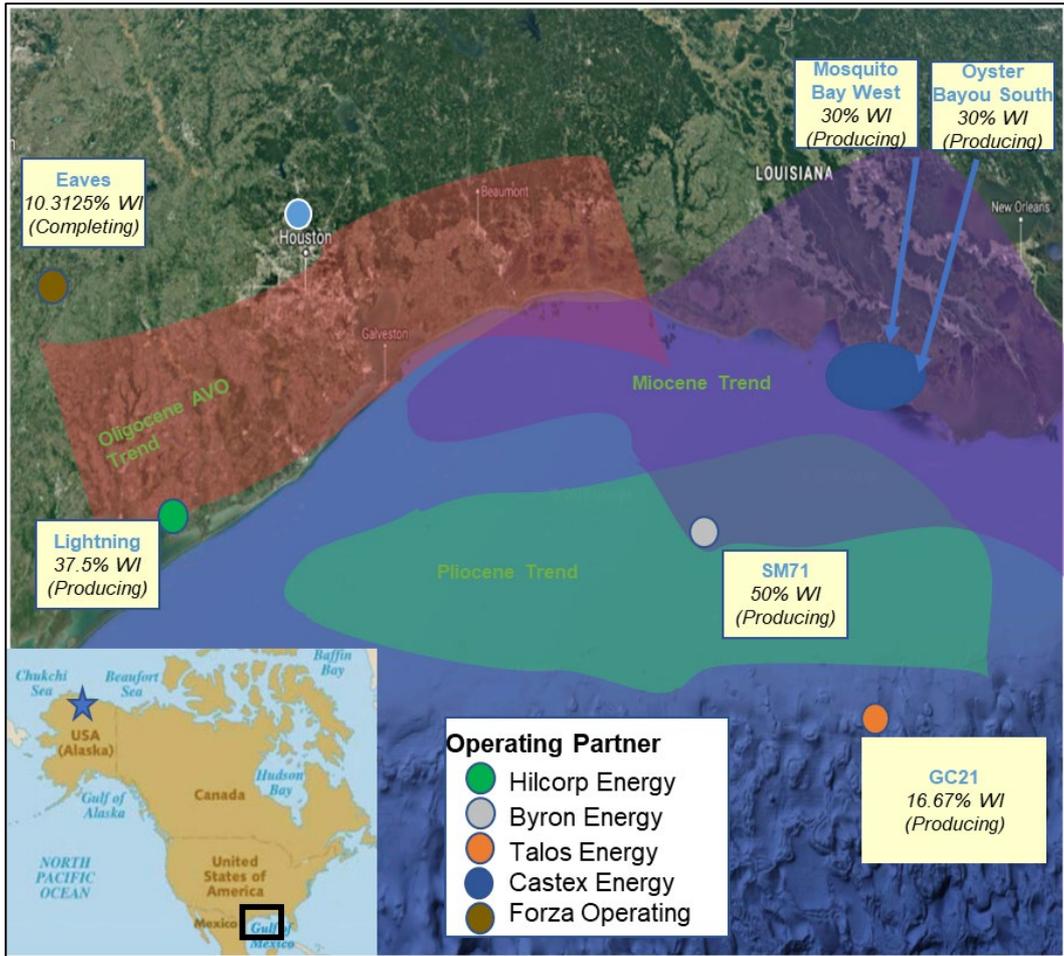
The SM 71 F2 well has successfully been recompleted in the J1 sand and is currently producing at 171 bbl/d of oil and 83 Mcf/d of gas on a 16/64<sup>th</sup> choke (92 boe/d Otto WI). The well continues to unload completion fluids and, until the fluids clean up, the well will be held at a rate of around 200 bbl/d. Once the completion fluids are fully produced, the flowing tubing pressure will be evaluated with respect to reservoir support which may lead to further rate adjustments.

### **Eaves**

The Eaves well is still awaiting gas meter connection, with first production expected in September 2022, as previously advised. Otto holds a 10.3125% WI / 7.734375% NRI in the Vick #1 well.

### **Lease Sale 257**

On August 16, 2022, the US Inflation Reduction Act (2022) was signed into law by President Biden. The Act reinstates Lease Sale 257 and provides that high bidders are to be awarded leases, which Otto anticipates in the near term.



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

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### **Definitions**

“\$m” means USD millions of dollars

“bbl” means barrel

“bbls” means barrels

“bopd” means barrels of oil per day

“Mbb” means thousand barrels

“Mscf” means 1000 standard cubic feet

“MMscf” means million standard cubic feet

“boe” or “BOE” means barrels of oil equivalent 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

“Mboe” means thousand barrels of oil equivalent (“BOE”)

“MMboe” means million barrels of oil equivalent (“BOE”)

“MMbtu” means million British thermal units

“NGLs” means natural gas liquids