

QUARTERLY ACTIVITIES REPORT

For the Three Months ended 30 September 2022

Otto Energy Limited (ASX:OEL) (**Otto** or the **Company**) presents its quarterly activities report for the period ended 30 September 2022.

HIGHLIGHTS

Debt-Free and unhedged

- Final repayment made under existing credit facility; Otto now debt-free
- Hedge book completely rolled off, delivering full leverage to current high prices
- Frees up incremental approx. US\$1.5 million per month for accretive growth opportunities

Enabling continued growth in resources to reserves to production via disciplined exploration

- Commenced production at Mosquito Bay West (August 2022)
- Commenced production at Oyster Bayou South (September 2022)
- Commenced production at Vick #1 well in Lavaca County, Texas (September 2022)
- Completed recompletion at SM 71 F-2 well under budget and on schedule
- First production from GC 21 recompletion now expected in Q1 CY2023

Further boosted liquidity position

- 20% increase in production for the September 2022 quarter, compared to the prior quarter
- 7% reduction in non-field lifting costs for the quarter, compared to the prior-year quarter
- Revenue of US\$13.9 million (WI basis) for the quarter
- Cash balance at quarter end of US\$24.9 million
- Residual equity interest in Pantheon Resources plc (LSE: PANR) at quarter end valued at US\$3.8 million¹ plus an additional 0.5% ORRI in the Talitha Unit within Pantheon's holdings

Existing credit facility amended and extended to 31 December 2023

- Delivers extra liquidity; no immediate plans to draw on this extended facility
- Available for potential PDP acquisition
- Reduction in Debt Service Reserve Account requirement from US\$5 million to US\$3 million (if drawn)

Existing fields continue to optimize ultimate cost-effective hydrocarbon recoveries

- Base production from SM 71 and Lightning continues to be at or above expectations
- Resource progression at Lightning continues; drill cost estimates, seismic data and specific development drilling site mapping are ongoing to develop well proposals for Green #3 and #4

¹ Based on prevailing PANR share price of 104 pence and a 1.113 US\$ to GBP exchange rate as of 30 September 2022.

COMMENT FROM OTTO EXECUTIVE CHAIRMAN, MIKE UTSLER

“Otto continues to solidify and grow its foundation for durable free cash flow generation. We commenced production from three new assets during the quarter, which drove total production up approximately 20% quarter-on-quarter. A full quarter’s contribution from these new assets is expected to increase output by more than 30% relative to Q2 CY2022.”

“Despite the increase in production, revenue for the quarter decreased by approximately 7% due to a softening in commodity prices. We believe this market outlook is temporary, as global supply and demand markets reset, and look forward to expected ongoing strength in our key output prices.”

“With cash of approximately US\$25 million and zero debt, Otto’s balance sheet is now highly robust. When combined with our abilities to access additional liquidity via facilities in place, we are well positioned to deliver value-added growth via further targeted drilling opportunities with attractive risk-weighted rates of return.”

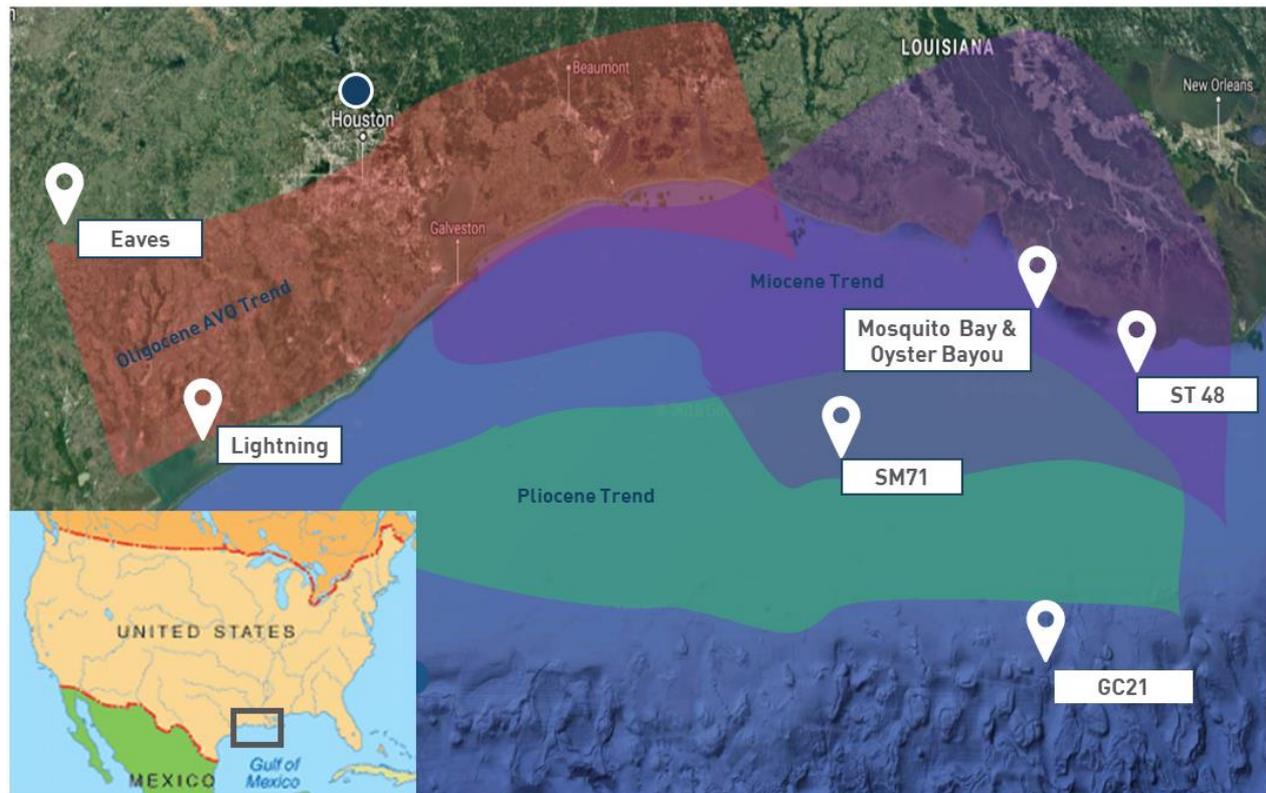
“We continue to work on simplifying our corporate structure, whilst remaining true to our established and disciplined series of operating, commercial, technical, and financial models. This includes an ongoing relentless focus on direct and indirect costs, as well as continuing to build Otto’s reputation as a project partner of choice. Above all, we remain committed to building shareholder value whilst maintaining high-quality production and capitalizing on accretive growth opportunities.”

SUMMARY QUARTERLY PRODUCTION VOLUMES (WI BASIS)

	30-Sep-22	30-Jun-22	% change	31-Mar-22	31-Dec-21
Total Oil (Bbls)	118,003	105,199	12%	114,006	122,710
Total Gas (Mcf)	569,177	444,286	28%	467,266	522,044
Total NGLs (Bbls)	18,118	13,417	35%	13,246	15,222
Total BOE	230,984	192,664	20%	205,130	224,940
Total (Boe/d)	2,511	2,117	19%	2,279	2,445
Percent Liquids (%)	59%	62%	-4%	62%	61%
Total WI Revenue (US\$MM)	\$ 13.9	\$ 15.0	-7%	\$ 13.4	\$ 12.3

SUMMARY OF OPERATIONS

Area	Status	WI	NRI	Operator	Comments
South Marsh 71 (SM 71)	Producing	50.0%	40.6%	Byron Energy	3 wells
Lightning	Producing	37.5%	27.8%	Hilcorp	2 wells
Oyster Bayou South	Producing	30.0%	22.8%	Castex Energy, Inc.	1 well
Green Canyon 21 (GC 21)	Producing	16.7%	13.3%	Talos Energy	1 well
Mosquito Bay West	Producing	30.0%	22.4%	Castex Energy, Inc.	1 well
Eaves Well	Producing	10.3%	7.7%	Forza Operating	1 well
South Timbalier 48	Prospect	TBD	TBD	TBD	1 well



SOUTH MARSH ISLAND 71 (SM 71)

Location:	Louisiana/Offshore Gulf of Mexico
Status:	Producing
Water Depth:	137 feet
Otto WI/NRI:	50.0%/40.6% (Byron Energy Inc. – Operator)

During the quarter, on a working interest basis, the F1, F2 and F3 wells produced approximately 103 Mboe (1% over prior quarter), or 1,119 Boe/d, which is approximately equal to the prior quarter, despite the F-2 well being shut in for 27 days during the current quarter for recompletion operations. The recompletion was completed on-time and under budget. During the June quarter, the wells were shut in for five days due to repairs on the third-party oil sales pipeline.

In late June 2022, traces of water were detected from the F3, which have remained consistent. Importantly, the F3 continues to produce at the same daily oil rate. This occurrence is entirely consistent with Otto's mapping and reservoir modelling. The F1, updip to the F3, continues to produce water-free. Net production from the field was approximately 1,013 Boe/d as of 30 September 2022. As of the date of this report, daily production rates are consistent with the daily production rates as of 30 September 2022.

The SM 71 lease ranks number 2 of all currently active oil producing leases on the US Gulf of Mexico shelf with the SM 71 F3 and F1 ranked as the number 1 and number 3 active oil producing wells.

SM 71 Quarterly Production and Revenue Summary

SM 71 Production Volumes		30-Sep-22	30-Jun-22	% change	31-Mar-22	31-Dec-21
WI	Oil (bbls)	92,073	91,995	0%	99,951	107,431
	Gas (Mscf)	65,415	61,134	7%	75,566	85,277
	Total (Boe)	102,976	102,184	1%	112,545	121,644
	Total (Boepd)	1,119	1,123	0%	1,251	1,322
NRI	Oil (bbls)	74,810	74,746	0%	81,210	87,287
	Gas (Mscf)	53,149	49,671	7%	61,397	69,288
	Total (Boe)	83,668	83,025	1%	91,443	98,835
	Total (Boepd)	909	912	0%	1,016	1,074
SM 71 Sales Revenue		30-Sep-22	30-Jun-22	% change	31-Mar-22	31-Dec-21
WI	Oil - \$million	\$ 8.4	\$ 9.9	-15%	\$ 9.2	\$ 7.9
	Oil - \$ per bbl	\$ 90.85	\$ 107.42	-15%	\$ 91.88	\$ 73.68
	Gas - \$million	0.6	\$ 0.5	15%	\$ 0.4	\$ 0.5
	Gas - \$ per MMbtu	7.78	\$ 7.45	4%	\$ 4.64	\$ 5.30
	Total - US\$million	\$ 9.0	\$ 10.4	-14%	\$ 9.6	\$ 8.4
NRI	Total - US\$million	\$ 7.3	\$ 8.4	-14%	\$ 7.8	\$ 6.9

LIGHTNING

Location:	Onshore Matagorda County, Texas
Status:	Producing
Otto WI/NRI:	37.5%/27.8% (Hilcorp Energy – Operator)

During the quarter, on a working interest basis, the Green #1 and #2 wells produced approximately 95.8 Mboe (8% over prior quarter), or 1,042 Boe/d. Production was approximately 942 Boe/d as of 30 September 2022 and remains consistent as of the date of this report.

The Lightning prospect was initially leased to a level in excess of 99% of the mineral interests making up the prospect's unit. For the unleased interest, in accordance with the laws of cotenancy, the parties owning the unleased interest were carried for the drilling of the two wells. Prior to payout, the WI parties earned a share of production in relation to their WI, and share in relation to their carried WI attributable to the unleased mineral interest. At payout, the carried WI share of production has reverted to the unleased interests. Going forward, Otto's NRI in relation to Green #1 and Green #2 will be 27.841410%, compared to the prior 28.213712%, factoring in this change.

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, future wells 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		30-Sep-22	30-Jun-22	% change	31-Mar-22	31-Dec-21
WI	Oil (bbls)	13,022	12,353	5%	13,340	14,463
	Gas (Mscf)	409,324	378,266	8%	387,056	432,312
	NGLs (bbls)	14,587	13,295	10%	13,055	14,973
	Total (Boe)	95,830	88,693	8%	90,905	101,488
	Total (Boepd)	1,042	975	7%	1,010	1,103
NRI	Oil (bbls)	9,797	9,294	5%	10,037	10,882
	Gas (Mscf)	307,962	284,595	8%	291,207	325,256
	NGLs (bbls)	10,975	10,003	10%	9,822	11,265
	Total (Boe)	72,099	66,729	8%	68,394	76,356
	Total (Boepd)	784	733	7%	760	830
Lightning Sales Revenue		30-Sep-22	30-Jun-22	% change	31-Mar-22	31-Dec-21
WI	Oil - \$million	\$ 1.2	\$ 1.4	-10%	\$ 1.2	\$ 1.1
	Oil - \$ per bbl	\$ 93.17	\$ 109.50	-15%	\$ 92.78	\$ 75.18
	Gas - \$million	\$ 3.1	\$ 2.6	19%	\$ 2.0	\$ 2.1
	Gas - \$ per MMbtu	\$ 7.44	\$ 6.73	10%	\$ 5.21	\$ 4.86
	NGLs - \$million	\$ 0.6	\$ 0.6	8%	\$ 0.5	\$ 0.5
	NGLs - \$ per bbl	\$ 41.53	\$ 42.27	-2%	\$ 37.76	\$ 35.43
	Total - US\$million	\$ 4.9	\$ 4.5	9%	\$ 3.8	\$ 3.7
NRI	Total - US\$million	\$ 3.7	\$ 3.4	9%	\$ 2.8	\$ 2.8

OYSTER BAYOU SOUTH

Location:	Offshore Terrebonne Parish, Louisiana
Status:	Producing
Otto WI:	30%
Otto NRI:	22.8% before payout and 22.7% after payout (Castex Energy – Operator)

The Oyster Bayou South prospect was spud on 27 June 2022 in state waters in Terrebonne Parish, Louisiana, and safely drilled down to a target depth of 14,137' MD (Measured Depth) / 13,064' TVD (True Vertical Depth) ahead of schedule. The well encountered proved net gas pay of 68 feet TVT (True Vertical Thickness) Miocene pay. This was consistent with Otto's expectations. Production began in September 2022.

During the quarter, on a working interest basis, the Oyster Bayou South well produced approximately 17.3 Mboe, or 188 Boe/d. Production was approximately 523 Boe/d as of 30 September 2022 and remains consistent as of the date of this report.

GREEN CANYON 21 (GC 21)

Location:	Offshore, Gulf of Mexico
Status:	Recompleting
Water Depth:	1,200 feet
Otto WI/NRI:	16.7%/13.3% (Talos Energy – Operator)

The "Bulleit" well located at GC 21 commenced production from the deeper MP Sand in October 2020, with production averaging approximately 21 boe/d (net to Otto) over the past year. In August 2022, recompletion operations began to recomplete the well in the shallower DTR-10 sand.

During recompletion operations, two separate sections of the DTR-10 sand were recompleted, including perforating and frac packing a lower interval, then isolating this interval and perforating an upper interval, running a frac pack on this segment and then setting a production packer above the two intervals. Tracer logs were run across both zones confirming the fracs were effective. However, an issue was discovered with the casing hanger in the wellhead caused by strong loop currents affecting the remaining operations. Additional equipment is required to proceed, and such equipment is not yet readily available. Therefore, the Operator has temporarily suspended the well and will return in the coming months with the necessary equipment to resume operations.

As a result of this operational necessity, the GC-21 DTR-10 recompletion is now expected to commence production in Q1 CY2023. Current field estimates (including the additional equipment required) are in the range of between US\$12-16 million (Otto share), compared to original AFE estimates of US\$5.9 million (Otto share). Of this, approximately US\$4.3 MM has already been paid by Otto, with the remaining portion to be funded from Otto's existing cash reserves over the residual duration of the operations.

MOSQUITO BAY WEST

Location:	Offshore Terrebonne Parish, Louisiana
Status:	Producing
Otto WI/NRI:	30%/22.4% (Castex Energy – Operator)

The Mosquito Bay West prospect was spud in May 2022 in state waters in Terrebonne Parish, Louisiana, and safely drilled down to a target depth of 14,867' MD (Measured Depth) / 12,967' TVD (True Vertical Depth) ahead of schedule. The well encountered a proved net gas pay of 111 feet TVT (True Vertical Thickness) across five separate Miocene intervals, plus another 10 feet TVT potential pay in one other sand that is considered probable or possible. This represents a higher net pay count than Otto was originally expecting. Production began in August 2022.

During the quarter, on a working interest basis, the Mosquito Bay West well produced approximately 13.6 Mboe, or 148 Boe/d. Production was approximately 235 Boe/d as of 30 September 2022. As of the date of this report, daily production rates are consistent with the daily production rate as of 30 September 2022.

EAVES PROSPECT

Location:	Onshore Lavaca County, Texas
Status:	Producing
Otto WI/NRI:	10.3%/7.7% in a 160-acre unit (Forza Operating – Operator)

The Vick #1 well, within the Eaves Prospect, was spud on 9 December 2021 and reached 9,242' TVD (True Vertical Depth) on 22 December 2021. The well was logged and cored across multiple intervals, encountering a total of 12 feet of net pay in the Yegua formation as expected. Production began in September 2022.

During the quarter, on a working interest basis, the Vick #1 well produced approximately 26 Boe. Production was approximately 8 Boe/d as of 30 September 2022. As of the date of this report, daily production rates are consistent with the daily production rate as of 30 September 2022.

CORPORATE

PANTHEON SHAREHOLDING (LSE: PANR)

Otto continues to own 3,272,592 shares of PANR, valued at US\$3.4 million as at 21 October 2022¹, as well as a 0.5% of 8/8ths overriding royalty interest (ORRI) in any future production from the Talitha Unit in Alaska, which is operated by Pantheon.

NET REVENUE

Net revenue for the quarter, on a WI basis, was approximately US\$13.9 million, a 7% decrease over the prior quarter due to a 12% decrease in weighted average commodity prices (crude oil and NGL prices fell 16% and 8%, respectively, while natural gas prices increased 9%), partially offset by an increase in production.

Otto's hydrocarbon sales for the quarter equate to 2,511 Boe/d, a 19% increase over the prior quarter primarily driven by new production at Oyster Bayou South, Mosquito Bay West, and Eaves, as well as higher production at Lightning.

From a cash receipts perspective, Otto received proceeds of approximately US\$11.8 million during the quarter, predominantly related to production, net of royalties, for June, July, and August 2022.

Working Interest, net to Otto	30-Sep-22	30-Jun-22	% change	31-Mar-22	31-Dec-21
Oil revenue (\$millions)	\$ 10.7	\$ 11.3	-6%	\$ 10.5	\$ 9.1
Avg oil price (\$/Bbl)	\$ 90.43	\$ 107.66	-16%	\$ 91.99	\$ 73.86
Gas revenue (\$millions)	\$ 4.5	\$ 3.1	43%	\$ 2.4	\$ 2.7
Avg gas price (\$/Mmbtu)	\$ 7.45	\$ 6.85	9%	\$ 5.09	\$ 4.94
NGL revenue (\$millions)	\$ 0.7	\$ 0.6	25%	\$ 0.5	\$ 0.5
Avg NGL price (\$/Bbl)	\$ 39.00	\$ 42.28	-8%	\$ 37.85	\$ 35.44
Total revenue (\$millions)	\$ 15.8	\$ 15.0	5%	\$ 13.4	\$ 12.3
Avg WA price (\$/Boe)	\$ 68.53	\$ 77.91	-12%	\$ 65.48	\$ 54.50

See attached Appendix 5B for detailed cash flow disclosures.

COMMODITY PRICE RISK MANAGEMENT

As of 30 September 2022, the Company did not have any open hedge positions.

¹ Based on prevailing PANR share price of 92.15 pence and a 1.11 US\$ to GBP exchange rate as of 21 October 2022

COST PERFORMANCE

Continued focus on reducing costs, coupled with a reduction in activities (seismic data purchases and administrative costs) has resulted in non-field lifting costs of US\$1.3 million for the current quarter, compared to US\$1.4 million for the prior-year September 2021 quarter.

LIQUIDITY

Otto's cash on hand at the end of the September quarter was approximately US\$24.9 million (June quarter: US\$26.8 million), with the Company having zero drawn debt.

In November 2019, the Company entered a three-year secured US\$55 million facility with Macquarie Bank Limited (**Macquarie**) (the **Credit Facility**) made up of Tranche A1 (US\$25 million), Tranche A2 (\$10 million), and Tranche B (US\$20 million, subject to further credit approval).

As of 30 September 2022, the Company had drawn and repaid the entire US\$25 million available under Tranche A1, resulting in a closing debt balance of nil. Tranche A1 is therefore no longer available to borrow. In October 2022, the Credit Facility was amended to:

- Extend the availability of Tranche A2 and Tranche B out until 30 September 2023.
- Interest rate based on SOFR instead of LIBOR.
- Extend maturity out until 31 December 2023.
- Reduce Debt Service Reserve Account from US\$5 million to US\$ 3 million (if drawn).

RELATED PARTY TRANSACTIONS

Payments to related parties and their associates during the quarter totaled approximately US\$115,000, consisting of Executive Directors fees (US\$75,000) and Non-Executive Directors fees including superannuation payments (US\$40,000).

SHAREHOLDERS

Otto's issued capital as at 21 October 2022:

Class	Number
Fully paid ordinary shares	4,795,009,773
Options ²	72,500,000
Performance Rights ³	23,944,667

² 42,500,000 options at A\$0.08 expire in November 2023; 20,000,000 options at A\$0.02 expire in August 2024; and 10,000,000 options at A\$0.025 expire in August 2024.

³ 2,788,667 rights expire in November 2022; and 21,156,000 rights expire in November 2023

Otto's Top 20 Holders as at 21 October 2022:

Rank	Name	Units	% of Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,326,031,944	48.51%
2	MONEX BOOM SECURITIES (HK) LTD	180,652,398	3.77%
3	BNP PARIBAS NOMS PTY LTD	138,157,175	2.88%
4	BNP PARIBAS NOMINEES PTY LTD	137,916,726	2.88%
5	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	89,249,366	1.86%
6	MR KENNETH JOSEPH HALL	86,000,000	1.79%
7	MONEX BOOM SECURITIES (HK) LTD	68,647,101	1.43%
8	CITICORP NOMINEES PTY LIMITED	66,186,301	1.38%
9	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	59,153,330	1.23%
10	MR JOHN PHILIP DANIELS	56,367,320	1.18%
11	CRANPORT PTY LTD	40,000,000	0.83%
12	REMOND HOLDINGS PTY LTD	36,000,000	0.75%
13	MR DOUGAL JAMES FERGUSON	29,340,000	0.61%
14	MR NEIL DAVID OLOFSSON & MRS BELINDA OLOFSSON	25,050,000	0.52%
15	MR DAVID ELTON	25,000,000	0.52%
16	GLOBAL MOSAIC PTY LTD	24,650,000	0.51%
17	MR ANASTASIOS MAZIS	23,807,812	0.50%
18	SHENTON JAMES PTY LTD	23,000,000	0.48%
19	TROPICAL INVESTMENTS WA PTY LTD	22,555,555	0.47%
20	DARCYTOM PTY LIMITED	22,000,000	0.46%
Total Top 20 Shareholders		3,479,765,028	72.57%
Total Remaining Shareholders		1,315,244,745	27.43%
Total Shares on Issue		4,795,009,773	100.0%

Substantial Holders as at 21 October 2022:

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

Director Holdings as at 21 October 2022:

Name	Units	% of Units
John Jetter	57,881,668	1.21%
Paul Senyca	8,691,134	0.18%
Mike Utsler	5,000,000	0.10%
John Madden	2,000,000	0.04%

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 production from its SM 71, GC 21, Mosquito Bay West and Oyster Bayou South fields in the Gulf of Mexico and production from its Lightning and Eaves assets in onshore 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
 John Madden – Non-Executive

CHIEF FINANCIAL OFFICER

Sergio Castro

COMPANY SECRETARY

Kaitlin Smith (AE Administrative Services)

ASX Code: OFI

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Definitions

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

This announcement is 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

56 107 555 046

Quarter ended ("current quarter")

30 September 2022

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (3 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	11,827	11,827
1.2 Payments for		
(a) exploration & evaluation	(429)	(429)
(b) development	(6,316)	(6,316)
(c) production	(1,056)	(1,056)
(d) staff costs	(399)	(399)
(e) administration and corporate costs	(591)	(591)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(160)	(160)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
(a) derivative instruments	(2,427)	(2,427)
(b) other	(50)	(50)
1.9 Net cash from / (used in) operating activities	399	399
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	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(2,300)	(2,300)
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)	(2,300)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	26,764	26,764
4.2	Net cash from / (used in) operating activities (item 1.9 above)	399	399
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)	(2,300)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	(3)	(3)
4.6	Cash and cash equivalents at end of period	24,860	24,860

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	24,860	26,764
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)	24,860	26,764

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	115
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 US\$103k consisting of Executive Directors fees (US\$75k) and Non-Executive Directors fees including superannuation payments (US\$43k)

7. Financing facilities	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
<i>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.</i>		
7.1 Loan facilities	20,000	-
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	20,000	-
7.5 Unused financing facilities available at quarter end		0
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.		
<p>In November 2019, Otto Energy entered into a three-year senior secured US\$55 million term credit facility with Macquarie Bank Limited (Macquarie) as follows:</p> <ul style="list-style-type: none"> • Tranche A1 (\$25 million) Fully drawn and repaid as of quarter end. Repaid amounts are not available for re-borrowing. • Tranche A2 (\$10 million) expired undrawn as of 30 June 2022. • Interest rate of LIBOR plus 8.0% per annum. • Matures November 2022. • Senior secured non-revolving facility with security over US based assets. • Tranche B (US\$20 million) available subject to further credit approval from Macquarie. <p>In October 2022, the credit facility was amended as follows:</p> <ul style="list-style-type: none"> • Tranche A2 and Tranche B extended and made available until 30 September 2023. • Interest rate based on SOFR. • Matures 31 December 2023. 		

8. Estimated cash available for future operating activities	\$US'000
8.1 Net cash from / (used in) operating activities (item 1.9)	399
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)	399
8.4 Cash and cash equivalents at quarter end (item 4.6)	24,860
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)	34,860
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
<i>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.</i>	

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:31 October 2022.....

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.