

ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS

Dear Shareholders,

This time last year I did not expect to be back for a third time as Chairman. I thank the Board for its trust and confidence in re-electing me.

We talk every year about the challenging market and geopolitical environment. The last 12 months have been no different. Energy, and oil and gas in particular, are commodities affected not only by normal market supply and demand, but often by global politics. The ongoing war in Ukraine and climate change are currently major influences on the price of energy, and for oil and gas companies navigating this uncertain global environment is never easy.

Against that backdrop I am pleased to report that operationally and financially our business is in better shape than ever before. Whilst GC21 has been a disappointment given the numerous delays and cost overruns experienced, it is now finally in production, so that all five of our projects (SM71, Lightning, Mosquito Bay, Oyster Bayou and GC21) are operating and contributing to the bottom line at a time of elevated oil prices.

Although we have had to report a loss after tax of US \$7.0 million for the financial year ended 30 June 2023, this was due entirely to the cost overruns and lower estimated production profile at GC21 resulting in a US \$19.8 million impairment charge. Our operating profit for the year was US \$21.7 million, and we are currently generating a healthy monthly cashflow as I am writing this report. As a consequence the Board is recommending a significant return of capital to shareholders of up to A \$40.0 million, or A \$0.008 per share. We will seek approval for this return at today's Annual General Meeting. Subject to approval by the Australian Taxation Office, this capital will be returned tax free to shareholders. This return equates to a 40% return on our recent share price of A \$0.02.

Earlier this year we announced a strategic review of our business and initiation of an M&A process leading to the likely sale of the company. This process has proven more difficult and protracted than expected partly due to the difficult market and political environment mentioned. On one hand energy prices are high leading to strong profitability, but the uncertain political environment and high interest rate environment makes companies reluctant to invest. Whilst we continue negotiations, we will only recommend a transaction if and when we obtain terms which are in the best interests of all shareholders.

I would like to thank our management team for their continued commitment and achievements, and my fellow Board members for their thoughtful advice and counsel. On behalf of the Board I would like to also thank our shareholders for their continued support.

John Jetter
Chairman

This release is authorised by the Board of Otto.

For further information, please contact

Steve Herod CEO +61 8 6467 8800 info@ottoenergy.com	Investors: Mark Lindh AE Advisors +61 (0) 414 551 361
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