

QUARTERLY ACTIVITY REPORT

For the three months ended 31 December 2023

Otto Energy Limited (ASX:OEL) (**Otto** or the **Company**) presents its quarterly activity report for the period ended 31 December 2023.

HIGHLIGHTS

Continued robust operational and financial performance

- Production from Otto's existing asset base continues to meet expectations.
- Revenue of US\$6.4 million (WI basis) and after royalty payments US\$5.0 million (NRI basis) for the quarter (consistent with prior quarter of US\$6.3 million (WI) and US\$5.0 million (NRI)), reflects consistent production quarter over quarter.
- Free cash flow (operating net investing) of US\$1.8 million. The receipt of US\$1.05 million proceeds from sale of Pantheon Resources plc shares (LSE: PANR) was offset by a US\$1.4 million tax payment for the 2021-2022 Danish tax liability resulting from the mark-to-market gain on the Pantheon shareholding.

Debt free, unhedged and continued strengthening of overall liquidity

- Cash balance at quarter end of US\$34.1 million (+6% over prior quarter) with zero debt.
- The remaining 3,272,592 shares in Pantheon Resources plc (LSE: PANR) were sold for net proceeds of US\$1.05 million at an average price of GBP 0.25/share (US\$0.32/share)
- No hedged positions for the quarter (or at the date of this report).
- Confirmation received from insurance adjustor on final settlement payment under the GC-21 insurance claim. Funds of US\$1.75 million are expected to be received in Q1 2024.

Continued focus on enhancing shareholder value

- A return of up to A\$40.0 million, or A\$0.008 per share was approved at the Annual General Meeting on 30 November 2023. The Company is in the process of seeking an Australian Tax Office class ruling that the return is deemed a tax-free return of capital. Additional information will be provided when available.
- As set out in the ASX announcement dated 29 March 2023, Otto has initiated a formal review process to maximise shareholder value. The process includes an assessment of a potential partial or full sale of the Company and/or its assets. The strategic review was initiated due to the Board of Director's belief that Otto's shares have consistently traded at a discount relative to the intrinsic value of the underlying assets. The return of capital is a key first step in the Company's plan to reward shareholders.
- Otto will only undertake a sales transaction if and when the Company obtains terms which are in the best interests of all shareholders. If successful, this would enable Otto to reward shareholders with an additional return of capital from the proceeds of a sale of assets, or make additional capital returns from excess liquidity given the strong expected cashflow.

COMMENT FROM OTTO CHIEF EXECUTIVE OFFICER, STEVE HEROD

“We had another strong quarter of positive operational and financial performance with production volumes returned to expected levels at SM 71 after planned pipeline maintenance in September. We continued to generate meaningful free cash flow and strengthened our balance sheet by increasing our cash balance to US\$34.1 million, which enhances our financial flexibility.”

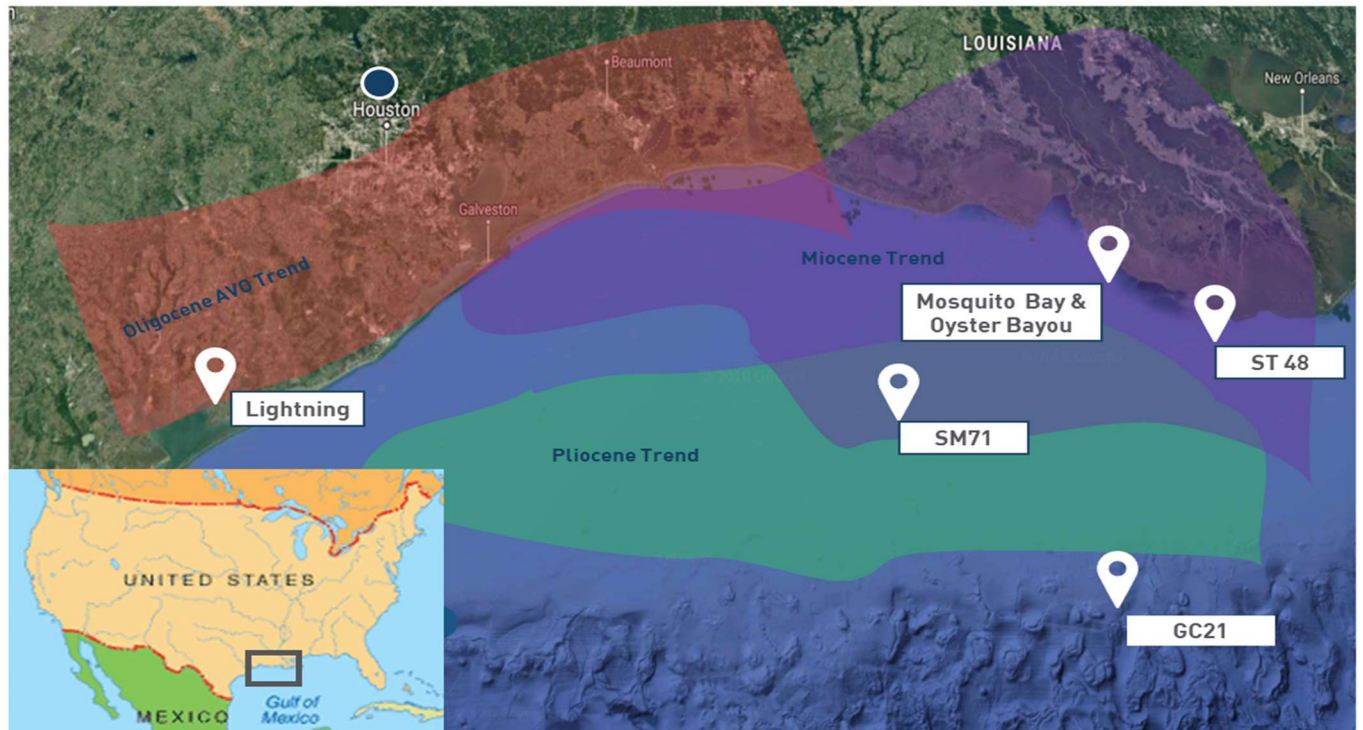
“We remain committed to enhancing shareholder value, as evidenced by the plan to return up to A\$40.0 million, or A\$0.008 per share, to shareholders in early 2024. This is only the first step as we continue to evaluate other opportunities to reward shareholders.”

SUMMARY QUARTERLY PRODUCTION VOLUMES (WI BASIS)

	31-Dec-23	30-Sep-23	% change	30-Jun-23	31-Mar-23
Total Oil (Bbls)	63,853	62,759	2%	81,785	87,199
Total Gas (Mcf)	477,150	499,060	-4%	505,238	539,154
Total NGLs (Bbls)	15,896	16,702	-5%	16,947	17,751
Total BOE	159,274	162,637	-2%	182,938	194,809
Total (Boe/d)	1,731	1,768	-2%	2,010	2,165
Percent Liquids (%)	50%	49%	2%	54%	54%
Total WI Revenue (US\$MM)	\$ 6.4	\$ 6.3	0%	\$ 7.0	\$ 8.3

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
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
Oyster Bayou South	Producing	30.0%	22.7%	Castex Energy, Inc.	1 well
South Timbalier 48	Prospect	100.0%	87.5%	TBD	-



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 (WI) basis, the F1, F2 and F3 wells produced approximately 42.8 Mboe (+9% from prior quarter), or 465 Boe/d, an increase attributable to the prior quarter shut in of the SM 71 pipeline for scheduled maintenance and repairs for over three weeks in September. Production, on a working interest basis, was approximately 531 Boe/d as of 31 December 2023.

In late June 2022, traces of water were detected from the F3 well. At that time, the F3 well had a 2% water cut. During the month of December 2023, the average water cut in the F3 well was approximately 89%, which is consistent with Otto's mapping and reservoir modelling. The F1 well, up dip to the F3 well, continues to produce water-free.

SM 71 Quarterly Production and Revenue Summary

SM 71 Production Volumes		31-Dec-23	30-Sep-23	% change	30-Jun-23	31-Mar-23
WI	Oil (bbls)	37,907	33,857	12%	49,014	60,710
	Gas (Mcf)	29,350	32,175	-9%	43,895	47,041
	Total (Boe)	42,799	39,220	9%	56,330	68,550
	Total (Boe/d)	465	426	9%	619	762
NRI	Oil (bbls)	30,799	27,509	12%	39,824	49,327
	Gas (Mcf)	23,847	26,142	-9%	35,665	38,221
	Total (Boe)	34,774	31,866	9%	45,768	55,697
	Total (Boe/d)	378	346	9%	503	619

SM 71 Sales Revenue		31-Dec-23	30-Sep-23	% change	30-Jun-23	31-Mar-23
WI	Oil - \$million	\$ 2.9	\$ 2.5	13%	\$ 3.4	\$ 4.4
	Oil - \$ per bbl	\$ 75.58	\$ 74.91	1%	\$ 70.36	\$ 72.65
	Gas - \$million	\$ 0.1	\$ 0.1	-7%	\$ 0.1	\$ 0.2
	Gas - \$ per MMBtu	\$ 3.11	\$ 3.00	4%	\$ 2.75	\$ 3.09
	Total – US\$million	\$ 3.0	\$ 2.6	12%	\$ 3.6	\$ 4.6
NRI	Total – US\$million	\$ 2.4	\$ 2.2	12%	\$ 2.9	\$ 3.7

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 83.7 Mboe (-4% over prior quarter), or 910 Boe/d. Production, on a working interest basis, was approximately 792 Boe/d as of 31 December 2023.

Reinterpretation of the 3D seismic 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 could 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		31-Dec-23	30-Sep-23	% change	30-Jun-23	31-Mar-23
WI	Oil (bbls)	11,235	11,380	-1%	11,934	11,943
	Gas (Mcf)	361,395	377,329	-4%	369,417	372,292
	NGLs (bbls)	12,276	12,809	-4%	12,879	12,675
	Total (Boe)	83,744	87,077	-4%	86,382	86,666
	Total (Boe/d)	910	946	-4%	949	963
NRI	Oil (bbls)	8,341	8,449	-1%	8,860	8,867
	Gas (Mcf)	268,314	280,143	-4%	274,269	276,403
	NGLs (bbls)	9,114	9,510	-4%	9,562	9,410
	Total (Boe)	62,174	64,649	-4%	64,133	64,344
	Total (Boe/d)	676	703	-4%	705	715
Lightning Sales Revenue		31-Dec-23	30-Sep-23	% change	30-Jun-23	31-Mar-23
WI	Oil - \$million	\$ 0.9	\$ 0.9	-5%	\$ 0.9	\$ 0.9
	Oil - \$ per bbl	\$ 77.59	\$ 80.26	-3%	\$ 71.49	\$ 73.61
	Gas - \$million	\$ 0.9	\$ 0.9	5%	\$ 0.7	\$ 1.0
	Gas - \$ per MMbtu	\$ 2.51	\$ 2.33	8%	\$ 1.83	\$ 2.76
	NGLs - \$million	\$ 0.2	\$ 0.2	-2%	\$ 0.2	\$ 0.3
	NGLs - \$ per bbl	\$ 16.07	\$ 15.70	2%	\$ 13.54	\$ 20.39
	Total - US\$million	\$ 2.0	\$ 2.0	0%	\$ 1.7	\$ 2.2
NRI	Total - US\$million	\$ 1.5	\$ 1.5	0%	\$ 1.3	\$ 1.6

GREEN CANYON 21 (GC 21)

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

The GC 21 well commenced production from the deeper MP sands in October 2020. In August 2022, recompletion operations began in the shallow DTR-10 sands, with production from both DTR-10 zones commencing in May 2023.

In January 2023, Otto and the operator both filed a Control of Well event insurance claim regarding the recompletion at GC 21 with the same insurance adjuster. During the recompletion, the tubing string, control lines, casing and clamps were damaged by increased loop eddy currents. The Company received an initial insurance payment of US\$5.8 million, net to Otto, in August 2023. During the quarter, Otto received confirmation of the final settlement payment relating to the claim with US\$1.75 million expected to be received in Q1 of 2024.

During the quarter, on a WI basis, the GC 21 well produced approximately 11.0 Mboe (-17% over prior quarter), or 119 Boe/d. Production, on a WI basis, was approximately 133 Boe/d as of 31 December 2023.

GC 21 Quarterly Production and Revenue Summary

GC 21 Production Volumes		31-Dec-23	30-Sep-23	% change	30-Jun-23	31-Mar-23
WI	Oil (bbls)	7,998	10,178	-21%	12,542	971
	Gas (Mcf)	12,146	11,455	6%	10,648	564
	NGLs (bbls)	944	1,057	-11%	942	-
	Total (Boe)	10,966	13,144	-17%	15,259	1,065
	Total (Boe/d)	119	143	-17%	168	12
NRI	Oil (bbls)	6,399	8,142	-21%	10,034	777
	Gas (Mcf)	9,717	9,164	6%	8,519	451
	NGLs (bbls)	755	846	-11%	753	-
	Total (Boe)	8,773	10,515	-17%	12,207	852
	Total (Boe/d)	95	114	-17%	134	9
GC 21 Sales Revenue		31-Dec-23	30-Sep-23	% change	30-Jun-23	31-Mar-23
WI	Oil - \$million	\$ 0.6	\$ 0.8	-25%	\$ 0.9	\$ 0.1
	Oil - \$ per bbl	\$ 74.96	\$ 78.79	-5%	\$ 69.29	\$ 71.04
	Gas - \$million	\$ 0.03	\$ 0.03	9%	\$ 0.02	\$ 0.00
	Gas - \$ per MMbtu	\$ 2.55	\$ 2.49	2%	\$ 1.68	\$ 6.54
	NGLs - \$million	\$ 0.02	\$ 0.02	-20%	\$ 0.02	\$ -
	NGLs - \$ per bbl	\$ 19.35	\$ 21.67	-11%	\$ 16.85	\$ -
	Total - US\$million	\$ 0.6	\$ 0.9	-24%	\$ 0.9	\$ 0.07
NRI	Total - US\$million	\$ 0.5	\$ 0.7	-24%	\$ 0.7	\$ 0.06

MOSQUITO BAY WEST

Location:	Offshore Terrebonne Parish, Louisiana
Status:	Producing
Otto WI/NRIU:	30.0%/22.4% (Castex Energy – Operator)

During the quarter, on a working interest basis, the Mosquito Bay West well produced approximately 14.8 Mboe (consistent with prior quarter), or 161 Boe/d. Production, on a working interest basis, was approximately 155 Boe/d as of 31 December 2023.

Production from Mosquito Bay began in August 2022 and has cumulatively produced over 63,000 bbls of oil and 1,470 MMcf of gas (8/8ths) as of 31 December 2023.

Mosquito Bay West Quarterly Production and Revenue Summary

Mosquito Bay West Production Volumes		31-Dec-23	30-Sep-23	% change	30-Jun-23	31-Mar-23	
WI	Oil (bbls)	2,321	1,996	16%	2,146	5,041	
	Gas (Mcf)	61,496	62,819	-2%	64,042	92,508	
	NGLs (bbls)	2,216	2,281	-3%	2,468	4,066	
	Total (Boe)	14,786	14,747	0%	15,288	24,525	
	Total (Boe/d)	161	160	0%	168	272	
NRI	Oil (bbls)	1,729	1,487	16%	1,599	3,755	
	Gas (Mcf)	45,815	46,800	-2%	47,711	68,919	
	NGLs (bbls)	1,651	1,699	-3%	1,838	3,029	
	Total (Boe)	11,016	10,986	0%	11,389	18,271	
	Total (Boe/d)	120	119	0%	125	203	
Mosquito Bay West Sales Revenue		31-Dec-23	30-Sep-23	% change	30-Jun-23	31-Mar-23	
WI	Oil - \$million	\$ 0.2	\$ 0.2	9%	\$ 0.2	\$ 0.4	
	Oil - \$ per bbl	\$ 78.58	\$ 83.91	-6%	\$ 74.37	\$ 76.44	
	Gas - \$million	\$ 0.2	\$ 0.2	4%	\$ 0.1	\$ 0.3	
	Gas – \$ per MMbtu	\$ 2.68	\$ 2.51	7%	\$ 2.06	\$ 2.73	
	NGLs - \$million	\$ 0.03	\$ 0.03	-19%	\$ 0.03	\$ 0.07	
	NGLs – \$ per bbl	\$ 11.81	\$ 14.20	-17%	\$ 10.19	\$ 17.74	
	Total – US\$million	\$ 0.4	\$ 0.4	4%	\$ 0.3	\$ 0.7	
	NRI	Total – US\$million	\$ 0.3	\$ 0.3	4%	\$ 0.2	\$ 0.5

OYSTER BAYOU SOUTH

Location:	Offshore Terrebonne Parish, Louisiana
Status:	Producing
Otto WI:	30.0%
Otto NRI:	22.7% (Castex Energy – Operator)

During the quarter, on a working interest basis, the Oyster Bayou South well produced approximately 7.0 Mboe (-17% over prior quarter), or 76 Boe/d, a decrease attributable to increased water production and normal field decline. Production, on a working interest basis, was approximately 59 Boe/d as of 31 December 2023.

Production from Oyster Bayou began in August 2022 and has cumulatively produced over 195,000 bbls of oil and 571 MMcf of gas (8/8ths) as of 31 December 2023. Beginning in November 2022, the well began producing small amounts of water, with a water cut of approximately 10%. Since then, the water rate has continued to increase while the oil rate has declined. During December 2023, the average water cut in the well was approximately 87%.

Oyster Bayou South Quarterly Production and Revenue Summary

Oyster Bayou South Production Volumes		31-Dec-23	30-Sep-23	% change	30-Jun-23	31-Mar-23
WI	Oil (bbls)	4,392	5,348	-18%	6,148	8,500
	Gas (Mcf)	12,763	15,282	-16%	17,068	23,002
	NGLs (bbls)	460	555	-17%	658	1,010
	Total (Boe)	6,979	8,450	-17%	9,651	13,344
	Total (Boe/d)	76	92	-17%	106	148
NRI	Oil (bbls)	3,316	4,038	-18%	4,641	6,460
	Gas (Mcf)	9,636	11,538	-16%	12,886	17,482
	NGLs (bbls)	347	419	-17%	497	768
	Total (Boe)	5,269	6,380	-17%	7,286	10,141
	Total (Boe/d)	57	69	-17%	80	113

Oyster Bayou South Sales Revenue		31-Dec-23	30-Sep-23	% change	30-Jun-23	31-Mar-23
WI	Oil - \$million	\$ 0.3	\$ 0.4	-22%	\$ 0.5	\$ 0.6
	Oil - \$ per bbl	\$ 79.00	\$ 83.09	-5%	\$ 74.33	\$ 76.43
	Gas - \$million	\$ 0.04	\$ 0.04	-9%	\$ 0.04	\$ 0.1
	Gas - \$ per MMbtu	\$ 2.70	\$ 2.51	7%	\$ 2.06	\$ 2.56
	NGLs - \$million	\$ 0.01	\$ 0.01	-31%	\$ 0.01	\$ 0.02
	NGLs - \$ per bbl	\$ 11.85	\$ 14.15	-16%	\$ 10.48	\$ 17.72
	Total - US\$million	\$ 0.4	\$ 0.5	-21%	\$ 0.5	\$ 0.7
NRI	Total - US\$million	\$ 0.3	\$ 0.4	-21%	\$ 0.4	\$ 0.6

CORPORATE

Otto sold the remaining 3,272,592 shares of PANR, for net proceeds of US\$1.05 million in November and December 2023 and continues to hold 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.

There have been several recent management changes during the quarter. Per ASX announcement 20 December 2023, Sergio Castro (CFO) resigned effective immediately and Julie Dunmore (Group Financial Controller) was promoted to the CFO position. Phil Trajanovich was promoted to Senior Vice President and Chief Commercial Officer.

In line with Otto's strategic review process to reduce costs and drill no new wells, the position of Senior VP Exploration and New Ventures ceased as at 31 December 2023.

All remaining 16,316,000 employee performance rights expired in November 2023 along with 42,500,000 options issued to Macquarie Bank Limited.

NET REVENUE

Net revenue for the quarter, on a WI basis, was approximately US\$6.4 million, consistent with the prior quarter due to a 2% decrease in production, offset by a 3% increase in weighted average commodity prices.

Otto's hydrocarbon sales for the quarter equate to 1,731 Boe/d, a 2% decrease from the prior quarter due to decreases for Lightning and GC-21 production as well as normal field decline across the Company's assets, offset by the return to production for South Marsh 71 field after over three weeks for scheduled pipeline maintenance in September 2023.

Otto received cash proceeds from sales customers of approximately US\$4.9 million during the quarter, predominantly related to production revenue, net of royalties, for September, October and November.

Working Interest, net to Otto	31-Dec-23	30-Sep-23	% change	30-Jun-23	31-Mar-23
Oil revenue (\$millions)	\$ 4.9	\$ 4.9	0%	\$ 5.8	\$ 6.4
Avg oil price (\$/Bbl)	\$ 76.20	\$ 77.49	-2%	\$ 70.76	\$ 73.35
Gas revenue (\$millions)	\$ 1.3	\$ 1.2	3%	\$ 1.0	\$ 1.5
Avg gas price (\$/Mmbtu)	\$ 2.58	\$ 2.41	7%	\$ 1.95	\$ 2.75
NGL revenue (\$millions)	\$ 0.2	\$ 0.3	-6%	\$ 0.2	\$ 0.3
Avg NGL price (\$/Bbl)	\$ 15.55	\$ 15.83	-2%	\$ 13.12	\$ 19.63
Total revenue (\$millions)	\$ 6.4	\$ 6.3	0%	\$ 7.0	\$ 8.3
Avg WA price (\$/Boe)	\$ 39.98	\$ 38.99	3%	\$ 38.38	\$ 42.54

See attached Appendix 5B for detailed cash flow disclosures.

COMMODITY PRICE RISK MANAGEMENT

As of 31 December 2023, the Company did not have any open hedge positions.

LIQUIDITY

Otto's cash on hand at the end of the December quarter was approximately US\$34.1 million (September quarter: US\$32.3 million).

RELATED PARTY TRANSACTIONS

Payments to related parties and their associates during the quarter totaled approximately US\$81,000, consisting of non-executive director fees, including superannuation.

SHAREHOLDERS

Otto's issued capital as at 29 December 2023:

Class	Number
Fully paid ordinary shares	4,795,009,773
Options ¹	30,000,000
Performance Rights ²	-

¹ 42,500,000 options at A\$0.08 expired 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.

² Expired in November 2023.

Otto's Top 20 Holders as at 29 December 2023:

Rank	Name	Units	% of Units
1	HSBC Custody Nominees (Australia) Limited	2,338,459,082	48.77%
2	BNP Paribas Nominees Pty Ltd	269,658,662	5.62%
3	Monex Boom Securities (HK) Ltd	249,299,499	5.20%
4	BNP Paribas Nominees Pty Ltd	133,710,857	2.79%
5	Global Mosaic Pty Ltd	125,881,788	2.63%
6	Mr Kenneth Joseph Hall	86,000,000	1.79%
7	Citicorp Nominees Pty Limited	76,559,322	1.60%
8	BNP Paribas Nominees Pty Ltd Acf Clearstream	76,065,759	1.59%
9	Merrill Lynch (Australia) Nominees Pty Limited	54,006,961	1.13%
10	Palm Beach Nominees Pty Limited	37,328,594	0.78%
11	Mr Dougal James Ferguson	29,340,000	0.61%
12	Mr Neil David Olofsson & Mrs Belinda Olofsson	25,050,000	0.52%
13	Mr Anastasios Mazis	25,000,000	0.52%
14	Shenton James Pty Ltd	23,000,000	0.48%
15	Tropical Investments Wa Pty Ltd	22,555,555	0.47%
16	National Nominees Limited	21,345,041	0.45%
17	BNP Paribas Nominees (NZ) Ltd	18,278,668	0.38%
18	Mr Daniel Lee	18,211,778	0.38%
19	Daniel Lee Pty Ltd	17,771,431	0.37%
20	Ms Anna Czarnocka	16,500,000	0.34%
Total Top 20 Shareholders		3,664,022,997	76.41%
Total Remaining Shareholders		1,130,986,776	23.59%
Total Shares on Issue		4,795,009,773	100.0%

Substantial Holders as at 29 December 2023:

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

Director Holdings as at 29 December 2023:

Name	Units	% of Units
John Jetter	57,881,668	1.21%
Paul Senycia	8,691,134	0.18%
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 assets in onshore Texas. Cashflow from its producing assets underpins its strategy and financial stability.

DIRECTORS

John Jetter – Non-Executive Chairman
 Paul Senyca – Non-Executive Deputy Chairman
 John Madden – Non-Executive
 Geoff Page – Non-Executive

CHIEF EXECUTIVE OFFICER

Steve Herod

CHIEF FINANCIAL OFFICER

Julie Dunmore

ASX Code: OEL

COMPANY SECRETARY

Kaitlin Smith (AE Administrative Services)

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Definitions

“bbl” = barrel
 “bbls” = barrels
 “boe/d” = barrels of oil equivalent per day
 “Mbbbl” = thousand barrels
 “Mcf” = 1000 cubic feet
 “NGLs” = natural gas liquids
 “MMcf” = million cubic feet
 “Mmbtu” = million British thermal units

“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 – 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency
 “MMboe” = million barrels of oil equivalent (“boe”) with a boe determined on the same basis as above
 “NRI” means Net Revenue Interest
 “WI” means Working Interest

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Otto's production and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Otto believes its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

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")

31 December 2023

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,851	10,588
1.2 Payments for		
(a) exploration & evaluation	(119)	(286)
(b) development	(356)	(1,877)
(c) production	(1,544)	(2,984)
(d) staff costs	(472)	(1,181)
(e) administration and corporate costs	(570)	(1,928)
1.3 Dividends received (see note 3)		
1.4 Interest received	366	571
1.5 Interest and other costs of finance paid	--	-
1.6 Income taxes paid	(1,385)	(1,385)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
(a) derivative instruments	-	-
(b) insurance proceeds	-	5,800
1.9 Net cash from / (used in) operating activities	771	7,318

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	1,052	1,052
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (6 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	1,052	1,052

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	-	-
3.7 Transaction costs related to loans and borrowings	-	(101)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-	(101)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	32,297	25,856
4.2 Net cash from / (used in) operating activities (item 1.9 above)	771	7,318
4.3 Net cash from / (used in) investing activities (item 2.6 above)	1,052	1,052
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	(101)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 months) \$US'000
4.5	Effect of movement in exchange rates on cash held	-	(5)
4.6	Cash and cash equivalents at end of period	34,120	34,120

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	34,120	32,297
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)	34,120	32,297

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	81
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p><i>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.</i></p> <p><i>Payments to related parties and their associates totalled US\$81k consisting of Non-Executive Directors fees including superannuation payments</i></p>		

7.	Financing facilities <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>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	7,318
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)	7,318
8.4	Cash and cash equivalents at quarter end (item 4.6)	34,120
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	34,120
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:	
	<i>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.</i>	

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 January 2024.....

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.