

QUARTERLY ACTIVITIES REPORT

For the Three Months ended 30 September 2021

Otto Energy Limited (ASX:OEL) (**Otto** or the **Company**) presents its quarterly activities report for the period ended 30 September 2021.

SUMMARY QUARTERLY PROD. VOLUMES (WI BASIS)

	30-Sep-21	30-Jun-21	% change	31-Mar-21	31-Dec-20
Total Oil (Bbls)	108,523	132,585	-18%	136,331	138,758
Total Gas (Mcf)	574,604	665,060	-14%	717,724	800,233
Total NGLs (Bbls)	18,065	19,929	-9%	22,871	24,941
Total BOE	222,355	263,357	-16%	278,823	297,071
Total (Boe/d)	2,417	2,894	-16%	3,098	3,229
Percent Liquids (%)	57%	58%	-2%	57%	55%
Total WI Revenue (US\$MM)	\$ 10.4	\$ 10.8	-4%	\$ 14.5	\$ 7.8

1Q FY2022 HIGHLIGHTS

Strategic Delivery

- The Company's strategic plan is built upon three pillars:
- **Pillar 1 – Base asset delivery excellence**
 - Base production from South Marsh 71 (**SM 71**) and Lightning continues to be at or above expectations; September quarter volumes impacted by shut-ins necessitated for Hurricane Ida.
 - Green Canyon 21 "Bulleit" well (**GC 21**) continues to produce from the MP Sand while awaiting a recompletion in the shallower DTR-10 Sand, expected in mid CY 2022. Recompletion costs are expected to be paid out of free cash flow.
- **Pillar 2 – Organic growth within existing base**
 - No capital expenditures were performed or budgeted on our existing assets during the current quarter.
 - At SM 71, recompletion potential for the F2 well and re-entry potential for the temporarily abandoned F5 are being targeted for CY 2022, consistent with our current planning and budget.

- Resource progression at Lightning targeted for CY 2022, consistent with our current planning and budget. Seismic data and mapping are ongoing to develop specific well proposals for Green #3 and #4.

▪ **Pillar 3 – Inorganic growth via opportunity capture to enhance value**

- On 14 October 2021, Otto announced that it had agreed to participate in two onshore Gulf Coast exploration wells. Both wells are expected to be drilled during Q4 CY 2021.
- On 21 October 2021, Otto announced that it had successfully sold 11,000,000 shares of Pantheon Resources Plc (LSE: PANR) stock in exchange for approximately US\$10.5 million. The Company retains 3,272,592 Pantheon shares.
- Otto continues to evaluate prospects, assets and corporate entities with respect to whether a purchase and/or consolidation would be a good fit within its portfolio.

Financial Delivery

- **Revenue** – Revenue for the September quarter decreased by approximately 4% when compared to the June quarter, due in large part to SM 71 and GC 21 being shut in for 14 days and 15 days, respectively, as a result of Hurricane Ida. This decrease in production was partially offset by an increase in crude oil, natural gas, and NGL prices.
- **Capex investments** – All costs to drill, complete and bring the GC 21 well to production in the MP Sand have been fully paid, excluding any forecasted costs to recomplete to the DTR-10 in mid CY2022.
- **Opex cost management** –
 - **32%** lower field lifting costs versus budget for the September quarter.
 - Non-field lifting costs for the September quarter consistent with budget.
- **Operating cash flow** –
 - Positive net cash from operating activities of US\$5.0 million for the September quarter.

Liquidity

- Cash balance at the end of the September quarter was US\$13.7 million. This does not include the US\$10.5 million proceeds from the sale of Pantheon stock in October 2021.
- Residual equity interest held in Pantheon valued at US\$3.4 million (as at 20 October 2021).¹
- Debt balance at the end of the September quarter was US\$9.2 million.

¹ Based on prevailing PANR share price of 75.70 pence and a 1.38 US\$ to GBP exchange rate

COMMENT FROM OTTO EXECUTIVE CHAIRMAN, MIKE UTSLER

"We continue to rapidly improve our liquidity base and have now moved to a net cash position. Subsequent to quarter end, we announced participation in two onshore Gulf Coast exploration wells which are currently in execution. We also announced the successfully monetization of 11,000,000 shares of Pantheon Resources Plc stock in exchange for approximately US\$10.5 million."

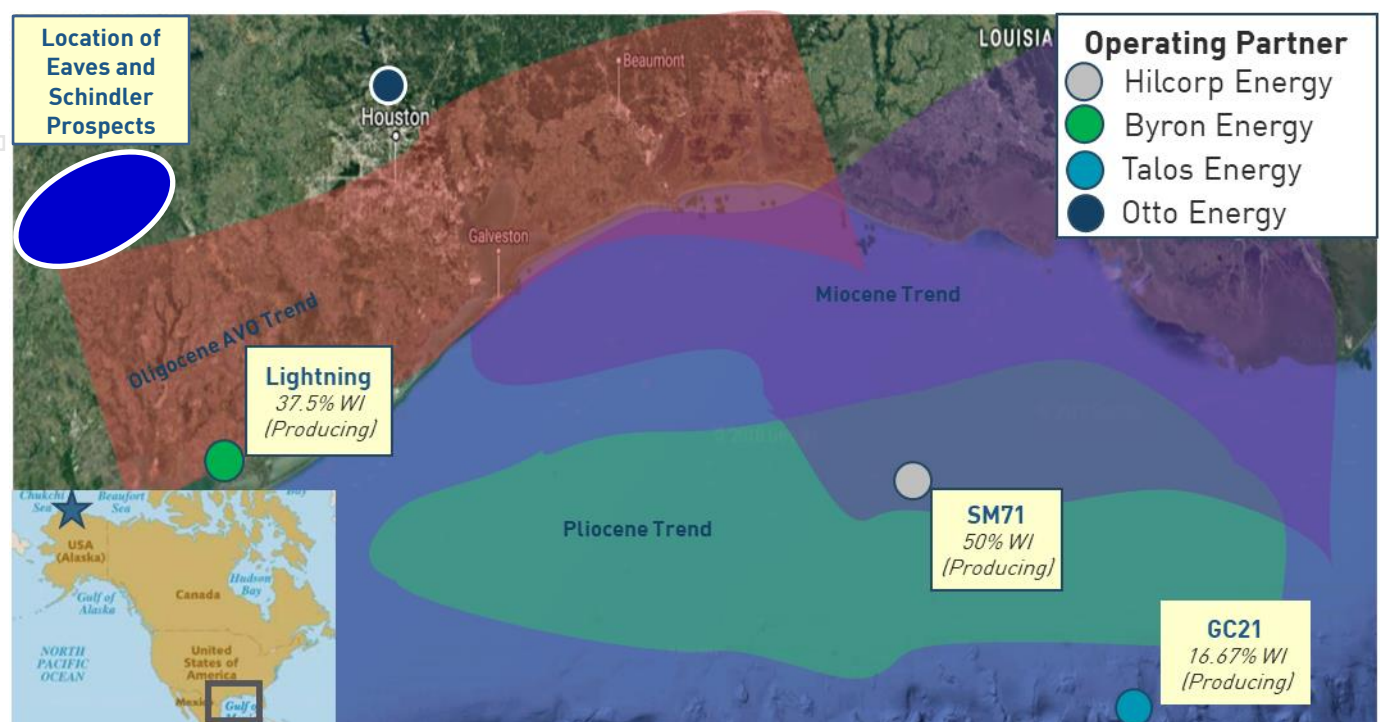
"The allocation of these additional funds will be undertaken under Otto's stated capital management strategy, which may involve any one, or a combination of, application to general working capital, participating in additional prospects we have identified, paying off debt, or returning to shareholders via dividends, stock buybacks or distributions. As previously stated, with the remaining Pantheon shares we hold, plus the ORRI, we continue to hold leverage in Pantheon's broader, high quality Alaskan portfolio as they progress their drilling and evaluation activities."

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%	28.2%	Hilcorp	2 wells
Green Canyon 21 (GC 21)	Producing	16.7%	13.3%	Talos Energy	1 well
Schindler Well *	To be spud Q4 CY 21	25.0%	18.3%	Castex Energy	1 well
Eaves Well **	To be spud Q4 CY 21	10.3%	7.7%	Private US Company	1 well

* Otto to earn a 25.00% WI/18.25% NRI by paying 33.33% of the Schindler well costs

**Otto to earn a 10.31% WI/7.73% NRI by paying 12.50% of the Eaves well costs



SOUTH MARSH ISLAND 71 (SM 71)

Location:	Louisiana/Offshore Gulf of Mexico
Area:	12.16 km ²
Water Depth:	137 feet
Otto's Working Interest:	50.00% (Byron Energy Inc. – Operator)

During the quarter, on a working interest basis, the F1, F2 and F3 wells produced approximately 103.0 Mboe (-19% over prior quarter), or 1,120 Boe/d, which was lower than the June quarter due to 14 days of downtime associated with Hurricane Ida. Production was approximately 1,379 Boe/d as of 30 September 2021. As of the date of this report, daily production rates are consistent with the daily production rates as of 30 September 2021.

Recompletion potential for the F2 well and re-entry potential for the temporarily abandoned F5 well remain under evaluation for CY 2022.

The SM 71 lease ranks number 3 of all Gulf of Mexico 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 2 active oil producing wells.

SM 71 Quarterly Production and Revenue Summary

SM 71 Production Volumes		30-Sep-21	30-Jun-21	% change	31-Mar-21	31-Dec-20
WI	Oil (bbls)	91,511	112,232	-18%	113,496	110,393
	Gas (Mscf)	69,145	94,085	-27%	79,715	83,515
	Total (Boe)	103,035	127,913	-19%	126,782	124,312
	Total (Boepd)	1,120	1,406	-20%	1,409	1,351
NRI	Oil (bbls)	74,353	91,189	-18%	92,216	89,694
	Gas (Mscf)	56,180	76,444	-27%	64,769	67,856
	Total (Boe)	83,716	103,930	-19%	103,011	101,003
	Total (Boepd)	910	1,142	-20%	1,145	1,098
SM 71 Sales Revenue		30-Sep-21	30-Jun-21	% change	31-Mar-21	31-Dec-20
WI	Oil - \$million	\$ 6.1	\$ 7.0	-13%	\$ 6.2	\$ 4.3
	Oil - \$ per bbl	\$ 66.89	\$ 62.81	7%	\$ 54.31	\$ 38.75
	Gas - \$million	\$ 0.4	\$ 0.3	2%	\$ 0.3	\$ 0.2
	Gas - \$ per MMBtu	\$ 4.51	\$ 3.29	37%	\$ 2.77	\$ 2.45
	Total - US\$million	\$ 6.5	\$ 7.4	-12%	\$ 6.5	\$ 4.5
NRI	Total - US\$million	\$ 5.3	\$ 6.0	-13%	\$ 5.2	\$ 3.7

LIGHTNING

Location:	Onshore Matagorda County, Texas
Otto's Working Interest:	37.50% (Hilcorp Energy – Operator)

During the quarter, on a working interest basis, the Green #1 and #2 wells produced approximately 117.0 Mboe [-11% over prior quarter], or 1,271 Boe/d, which was slightly lower than the June quarter, due to normal production characteristics. Production was approximately 1,168 Boe/d as of 30 September 2021. As of the date of this report, daily production rates are consistent with the daily production rates as of 30 September 2021.

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, the lower Tex Miss 2/3 zone was tested in both wells while they were being drilled. The Tex Miss 2/3 zone appears to be significantly larger in area and potentially thicker but indicates lower permeability. Future wells (i.e. Green #3 in FY2022) 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-21	30-Jun-21	% change	31-Mar-21	31-Dec-20
WI	Oil (bbls)	15,906	18,437	-14%	21,410	22,962
	Gas (Mscf)	499,836	563,559	-11%	621,573	693,344
	NGLs (bbls)	17,764	19,581	-9%	22,313	24,090
	Total (Boe)	116,976	131,945	-11%	147,319	162,609
	Total (Boepd)	1,271	1,450	-12%	1,637	1,767
NRI	Oil (bbls)	11,967	13,871	-14%	16,108	17,276
	Gas (Mscf)	376,059	424,002	-11%	467,651	521,648
	NGLs (bbls)	13,365	14,732	-9%	16,788	18,124
	Total (Boe)	88,009	99,271	-11%	110,838	122,341
	Total (Boepd)	957	1,091	-12%	1,232	1,330

Lightning Sales Revenue		30-Sep-21	30-Jun-21	% change	31-Mar-21	31-Dec-20
WI	Oil - \$million	\$ 1.1	\$ 1.2	-7%	\$ 1.2	\$ 0.9
	Oil - \$ per bbl	\$ 68.35	\$ 63.25	8%	\$ 55.74	\$ 39.55
	Gas - \$million	\$ 2.1	\$ 1.7	27%	\$ 6.2	\$ 1.9
	Gas - \$ per MMBtu	\$ 4.24	\$ 2.96	43%	\$ 10.01	\$ 2.67
	NGLs - \$million	\$ 0.6	\$ 0.4	38%	\$ 0.5	\$ 0.3
	NGLs - \$ per bbl	\$ 31.66	\$ 20.75	53%	\$ 21.10	\$ 11.76
Total - US\$million		\$ 3.8	\$ 3.3	16%	\$ 7.9	\$ 3.1
NRI	Total - US\$million	\$ 2.8	\$ 2.4	16%	\$ 5.9	\$ 2.3

GREEN CANYON 21 (GC 21)

Location:	Offshore, Gulf of Mexico
Water Depth:	1,200 feet
Otto's Working Interest:	16.67% (Talos Energy – Operator)

The “Bulleit” appraisal well located at GC 21 commenced production from the deeper MP Sand in October 2020. During the quarter, on a working interest basis, the GC 21 well produced approximately 2.3 Mboe (-33% over prior quarter), or 25 Boe/d, as production is currently being managed by the operator. Additionally, the well was shut-in for 15 days during the quarter as a result of Hurricane Ida.

Detailed bottomhole pressure and reservoir performance data indicate a smaller reservoir than originally anticipated. While additional technical work is ongoing, the currently favoured path forward is to move away from the MP Sand and execute a recompletion of the well in the shallower DTR-10 Sand.

A DTR-10 recompletion will require the procurement of long lead items from manufacturers, which are expected to cost approximately US\$3.5 million (US\$0.6 million, net to Otto). Due to deepwater rig availability, weather, timing and long lead items, the recompletion is expected to begin in mid CY 2022, at an estimated remaining cost (after long lead items) of approximately US\$28.5 million (US\$4.75 million, net to Otto), with production immediately following in mid to late CY 2022. These costs are expected to be paid out of existing free cash flow.

GC 21 Quarterly Production and Revenue Summary

GC 21 Production Volumes		30-Sep-21	30-Jun-21	% change	31-Mar-21	31-Dec-20
WI	Oil (bbls)	1,106	1,916	-42%	1,425	5,403
	Gas (Mscf)	5,624	7,416	-24%	16,436	23,374
	NG Ls (bbls)	301	347	-13%	558	851
	Total (Boe)	2,344	3,500	-33%	4,722	10,150
	Total (Boepd)	25	38	-34%	52	110
NRI	Oil (bbls)	885	1,533	-42%	1,140	4,323
	Gas (Mscf)	4,499	5,932	-24%	13,149	18,699
	NG Ls (bbls)	241	278	-13%	446	680
	Total (Boe)	1,875	2,800	-33%	3,778	8,120
	Total (Boepd)	20	31	-34%	42	88

GC 21 Sales Revenue		30-Sep-21	30-Jun-21	% change	31-Mar-21	31-Dec-20
WI	Oil - \$million	\$ 0.07	\$ 0.12	-40%	\$ 0.08	\$ 0.22
	Oil - \$ per bbl	\$ 65.87	\$ 63.57	4%	\$ 52.83	\$ 40.09
	Gas - \$million	\$ 0.03	\$ 0.02	31%	\$ 0.05	\$ 0.06
	Gas - \$ per MMbtu	\$ 4.33	\$ 2.31	88%	\$ 2.77	\$ 2.83
	NGLs - \$million	\$ 0.01	\$ 0.01	16%	\$ 0.01	\$ 0.01
	NGLs - \$ per bbl	\$ 29.53	\$ 22.14	33%	\$ 19.90	\$ 9.60
	Total - US\$million	\$ 0.11	\$ 0.15	-28%	\$ 0.14	\$ 0.29
NRI	Total - US\$million	\$ 0.08	\$ 0.12	-36%	\$ 0.11	\$ 0.22

It is estimated that point-forward economics for the recompletion are highly positive and strongly value accretive.

CORPORATE

PANTHEON STOCK (LSE: PANR)

As of 30 September 2021, the Company held 14,272,592 shares of Pantheon Resources plc (LSE: PANR) (**Pantheon**) valued at US\$13.8 million, 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.

On 21 October 2021, the Company announced that it had successfully sold 11,000,000 shares of PANR in exchange for approximately US\$10.5 million. The Company continues to own 3,272,592 shares of PANR, valued at US\$3.4 million as at 20 October 2021² plus the ORRI.

NET REVENUE

Net revenue for the quarter, on a WI basis, was approximately US\$10.4 million, a 4% decrease over the prior quarter due to a decrease in production. Otto's hydrocarbon sales for the quarter equate to 2,417 Boe/d, a 16% decrease over the prior quarter as a result of Hurricane Ida, as both SM 71 and GC 21 were shut-in for 14 days and 15 days, respectively, because of the storm.

Partially offsetting this decrease in production was a weighted 14% increase in commodity prices, made up of a 7% increase in crude oil prices, a 42% increase in natural gas prices, and a 52% increase in NGL prices.

² Based on PANR closing share price of 75.70 pence and a 1.38 USD to GBP exchange rate as of 20 October 2021

From a cash receipts perspective, Otto received proceeds of approximately US\$8.7 million during the quarter, predominantly related to production, net of royalties, for June, July, and August 2021.

Working Interest, net to Otto	30-Sep-21	30-Jun-21	% change	31-Mar-21	31-Dec-20
Oil revenue (\$millions)	\$ 7.3	\$ 8.3	-13%	\$ 7.4	\$ 5.4
Avg oil price (\$/Bbl) - pre-hedges	\$ 67.09	\$ 62.88	7%	\$ 54.52	\$ 38.93
Avg oil price (\$/Bbl) - post-hedges	\$ 54.59	\$ 54.14	1%	\$ 50.41	\$ 42.03
Gas revenue (\$millions)	\$ 2.5	\$ 2.0	23%	\$ 6.6	\$ 2.1
Avg gas price (\$/Mmbtu) - pre-hedges	\$ 4.27	\$ 3.00	42%	\$ 9.03	\$ 2.64
Avg gas price (\$/Mmbtu) - post-hedges	\$ 4.13	\$ 3.00	37%	\$ 9.03	\$ 2.64
NGL revenue (\$millions)	\$ 0.6	\$ 0.4	38%	\$ 0.5	\$ 0.3
Avg NGL price (\$/Bbl)	\$ 31.62	\$ 20.78	52%	\$ 21.07	\$ 11.68
Total revenue (\$millions)	\$ 10.4	\$ 10.8	-4%	\$ 14.5	\$ 7.8
Avg WA price (\$/Boe) - pre-hedges	\$ 46.61	\$ 41.00	14%	\$ 52.06	\$ 26.40
Avg WA price (\$/Boe) - post-hedges	\$ 40.12	\$ 36.60	10%	\$ 50.05	\$ 27.85

See attached Appendix 5B for detailed cash flow disclosures.

COMMODITY PRICE RISK MANAGEMENT

As of 30 September 2021, Otto had a crude oil hedge book of 184,778 barrels of oil hedged through September 2022 via swaps, at a weighted average LLS price of US\$50.03 as follows:

Months	Volume (Bbls)	Weighted Avg Price (LLS)
October – December 2021	57,539	US\$50.27
January – September 2022	127,239	US\$49.92

Additionally, the Company had a natural gas hedge book of 82,588 Mmbtu of natural gas hedged through December 2021 via swaps, at a weighted average Houston Ship Channel price of US\$3.11 as follows:

Months	Volume (Mmbtu)	Weighted Avg Price (HSC)
October – December 2021	82,588	US\$3.11

As a result of the recent increase in crude oil and natural gas prices, the Company realized a loss on hedges for the quarter of approximately US\$1.5 million.

In October 2021, the Company added additional oil hedges, resulting in a weighted average LLS price of US\$57.17 for CY 2021 and US\$56.36 for CY 2022 (on forecasted SM 71 and Lightning volumes), resulting in a total hedge book of 242,384 barrels of oil hedged through September 2022 via swaps, at a weighted average LLS price of US\$56.61.

COST PERFORMANCE

Office operating outflows, or non-field lifting costs, for the September quarter were approximately US\$1.3 million, which equates to the amount budgeted for the quarter. The FY2022 budget was established with multiple areas of targeted reduction, including administrative, licensing, and advisory/consultant costs.

LIQUIDITY AND DEBT

Otto's cash on hand at the end of the September quarter was approximately US\$13.7 million (June quarter: US\$11.1 million).

On 2 November 2019, the Company entered a three-year senior secured US\$55 million facility with Macquarie Bank Limited (**Macquarie**) (the **Credit Facility**). The initial commitment under the Credit Facility is US\$35 million (made up of US\$25 million available under Tranche A1 and US\$10 million available under Tranche A2), with an additional US\$20 million subject to further credit approval from Macquarie, with an interest rate of LIBOR plus 8.0% per annum. Quarterly principal repayments commenced on 31 March 2020.

As of 30 September 2021, the Company had drawn US\$25 million under Tranche A1 and had repaid US\$15.8 million, resulting in a closing debt balance of US\$9.2 million. Tranche A2 remains undrawn as of 30 September 2021. On 23 August 2021, the Company announced that the Credit Facility had been amended as follows:

- Removed all timing and production requirements associated with GC 21;
- Extended the minimum group quarterly production rate average (WI basis) of 1,900 boepd until 31 December 2021, and then reduces it to 1,400 boepd from 1 January 2022 until the maturity date (4 November 2022).

The Credit Facility is secured by substantially all of the Company's oil and gas producing assets.

RELATED PARTY TRANSACTIONS

Payments to related parties and their associates totaled US\$119k consisting of Executive Directors fees (US\$75k) and Non-Executive Directors fees including superannuation payments (US\$44k).

SHAREHOLDERS

Otto's issued capital as at 26 October 2021:

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

Otto's Top 20 Holders as at 26 October 2021:

Rank	Name	Units	% of Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,342,574,616	48.85%
2	CITICORP NOMINEES PTY LIMITED	198,617,288	4.14%
3	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	144,756,565	3.02%
4	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD	90,781,664	1.89%
5	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	62,254,674	1.30%
6	CS THIRD NOMINEES PTY LIMITED	59,827,461	1.25%
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED A/C 2	57,421,698	1.20%
8	MR JOHN PHILIP DANIELS	44,406,330	0.93%
9	BNP PARIBAS NOMS PTY LTD	33,917,470	0.71%
10	FOSTER CAPITAL NZ LIMITED	30,000,000	0.63%
11	MR NEIL DAVID OLOFSSON & MRS BELINDA OLOFSSON	26,850,333	0.56%
12	MR DOUGAL JAMES FERGUSON	24,340,000	0.51%
13	MR ANASTASIOS MAZIS	23,807,812	0.50%
14	TROPICAL INVESTMENTS WA PTY LTD	22,555,555	0.47%
15	MR THOMAS FRITZ ENSMANN	20,000,000	0.42%
16	AYERS CAPITAL PTY LTD	19,000,000	0.40%
17	ASB NOMINEES LIMITED	18,703,524	0.39%
18	MR DANIEL LEE	18,211,778	0.38%
19	BNP PARIBAS NOMINEES PTY LTD	18,149,869	0.38%
20	DANIEL LEE PTY LTD	17,771,431	0.37%
Total Top 20 Shareholders		3,273,948,068	68.28%
Total Remaining Shareholders		1,521,061,705	31.72%
Total Shares on Issue		4,795,009,773	100.0%

³ 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.

⁴ 2,788,667 rights expire in November 2022; and 21,156,000 rights expire in November 2023

Substantial Holders as at 26 October 2021:

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

Director Holdings as at 26 October 2021:

Name	Units	% of Units
John Jetter	57,881,668	1.21%
Paul Senyia	7,959,387	0.17%
Mike Utsler	5,000,000	0.10%

This announcement is approved for release by the Board of Otto Energy Limited.

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 oil production from its SM 71 and GC 21 fields in the Gulf of Mexico and gas/condensate production from its Lightning asset in onshore Matagorda County, 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 Senyia – Non-Executive

CHIEF FINANCIAL OFFICER

Sergio Castro

COMPANY SECRETARY

Kaitlin Smith (AE Administrative Services)

ASX Code: OEL

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

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 2021

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	8,719	8,719
1.2	Payments for		
	(a) exploration & evaluation	(273)	(273)
	(b) development	185	185
	(c) production	(717)	(717)
	(d) staff costs	(518)	(518)
	(e) administration and corporate costs	(573)	(573)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(335)	(335)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		
	(a) derivative instruments	(1,484)	(1,484)
	(b) other	-	-
1.9	Net cash from / (used in) operating activities	5,004	5,004
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(53)	(53)
	(d) exploration & evaluation	-	-
	(e) investments	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
	(f) other non-current assets	-	-
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	(53)	(53)

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	11,100	11,100
4.2	Net cash from / (used in) operating activities (item 1.9 above)	5,004	5,004
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(53)	(53)
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	(5)	(5)
4.6	Cash and cash equivalents at end of period	13,746	13,746

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	13,746	11,100
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)	13,746	11,100

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	119
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\$119k consisting of Executive Directors fees (US\$75k) and Non-Executive Directors fees including superannuation payments (US\$44k)</i></p>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>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	39,200	9,200
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	39,200	9,200
7.5	Unused financing facilities available at quarter end		10,000
7.6	<p>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> <p>On 2 November 2019, Otto Energy entered into a three-year senior secured US\$55 million term debt facility with Macquarie Bank Limited (Macquarie) as follows:</p> <p><u>Initial commitment of \$35 million</u></p> <ul style="list-style-type: none"> Tranche A1 (\$25 million) available upon facility close. Fully drawn. Repaid amounts are not available for re-borrowing Tranche A2 (\$10 million) available on successful exploration. No funds drawn as of 30 September 2021 Interest rate of LIBOR plus 8.0% per annum; Matures in November 2022; Quarterly principal repayments commenced 31 March 2020; Senior secured non-revolving facility with security over US based assets; and The Facility may be repaid early without penalty. <p><u>Additional \$20 million available</u></p> <ul style="list-style-type: none"> Subject to further credit approval from Macquarie on same terms as above 		

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	5,004
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)	5,004
8.4	Cash and cash equivalents at quarter end (item 4.6)	13,746
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)	23,746

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8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
<p><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></p>		
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:	
<p><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></p>		

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2021.....

Authorised by: The Board of Directors of Otto Energy Limited.....
(Name of body or officer authorising release – see note 4)

Notes

- 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.
- 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.
- 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.
- 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".
- 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

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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.

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