

OTTO CONFIRMED AS HIGH BIDDER FOR OCS LEASE SALE 257

- Otto has placed a bid on South Timbalier 48 lease in the Gulf of Mexico and has been informed that is the apparent high bidder.
- The lease was bid on as a result of prospect generation conducted using Otto's seismic library.
- The bid is subject to OCS bid adequacy review under BOEM rules which is normally concluded within 90 days.

Otto Energy Limited (ASX: OEL) (**Otto** or the **Company**) is pleased to announce that Otto Energy (Gulf Two) LLC, a wholly owned subsidiary of the Company, has been advised by the Bureau of Ocean Energy Management (**BOEM**) that it is the apparent high bidder for the South Timbalier 48 lease (**ST 48**), at the Gulf of Mexico OCS Lease Sale 257 held on Wednesday 17 November 2021.

Otto bid the minimum entry price of US\$125,000 on the lease and is currently awaiting final BOEM review. The lease was bid on as a result of prospect generation conducted using Otto's seismic library. If successful, Otto will obtain a 100.0% working interest and a 87.5% net revenue interest in the block.

An apparent high bid (**AHB**) gives the bidding party priority in award of offered tracts, notwithstanding the fact that the BOEM may reject all bids for a given tract. The BOEM review process can take up to 90 days. Upon completion of that process, final results for all AHBs are announced.

Otto Executive Chairman, Mike Utsler, commented: *"Obtaining this lease would be consistent with the third pillar of Otto's strategy in utilising disciplined assessment criteria to obtain high-quality growth opportunities. Although we're still awaiting completion of the review process, the Company is encouraged that it has been designated the High Bidder."*

This ASX announcement is authorized by the Board of Otto Energy Limited.

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