

ASX ANNOUNCEMENT

9 August 2019

GC 21 WELL / JUNE 2019 QUARTERLY REPORT CONFERENCE CALL PRESENTATION

Video Conference and Call

Otto will hold a video conference and call for investors on Friday 9th August 2019 at 10 am [AEST] / 8 am [AWST] / [7 pm US CDT Thursday 8 August] to discuss the GC 21 "Bulleit" well announcement and the recently released June 2019 Quarterly Report. Please refer below for the dial-in details. Questions can be emailed in advance to investor-relations@ottoenergy.com to be queued for the investor call.

Details

Time: 10am AEST / 8am AWST

Date: Friday 9 August 2019

Computer login: <https://global.gotomeeting.com/join/923174181>

If dialing in by phone:

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Conference Call Presentation

9 August 2019

ASX: OEL

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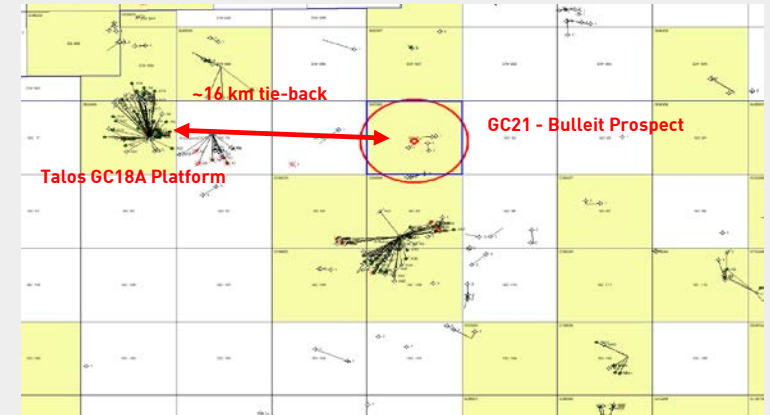
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Green Canyon 21 “Bulleit” Intersects Oil Pay Zone (Otto 16.67% WI)

- **Quality Partners** and experienced operator in Talos Energy (50% operator)
- **Successful discovery of hydrocarbons in shallow sand target (DTR-10 sands) and deeper MP sand target**
 - ~net 140 ft TVD oil pay encountered in DTR-10 interval
 - ~approx. net 110 ft TVD oil pay encountered in MP interval
- **High quality reservoir** at MP level consistent with analogue wells in the GC18 field
- Evaluation of well data and fluid sampling will inform the final development design
- **Expected short time frame to production** – Talos will complete the well as a subsea tie-back in 1H CY2020; tying back to the Talos operated infrastructure at its nearby Green Canyon 18 field
- Late stage financing negotiations progressing with several major financial institutions to provide capital funding for the development of GC21 and additional developments within the Company’s portfolio (potential 2nd Development well at Lightning and potential Mustang facilities)



Green Canyon 21 proximity to Green Canyon 18A platform



Green Canyon 18A Production Facility

June Quarter 2019 Highlights

Otto achieved a 14% increase in sales revenue for the quarter on the back of a 5% increase in oil production, improved oil prices and commencement of production at Lightning

Oil and Gas Sales

- 134,628 bbls of oil and 297,370 Mscf of gas and 2,847 bbls of NGLs
- NRI share 5% increase in oil and 2% decrease in gas vs prior quarter

Sales Proceeds

- US\$8.7 m in the quarter from SM 71 (March, April and May 2019 production) before royalties
- US\$7.6m net of royalties

Corporate

- Closing cash balance of US\$7.4m (A\$10.6m)
- A\$31m placement and underwritten 1 for 5 rights issue
- US\$8.1m convertible notes redeemed with balance of 100,000 notes being converted to ordinary shares

Lightning Maiden Production

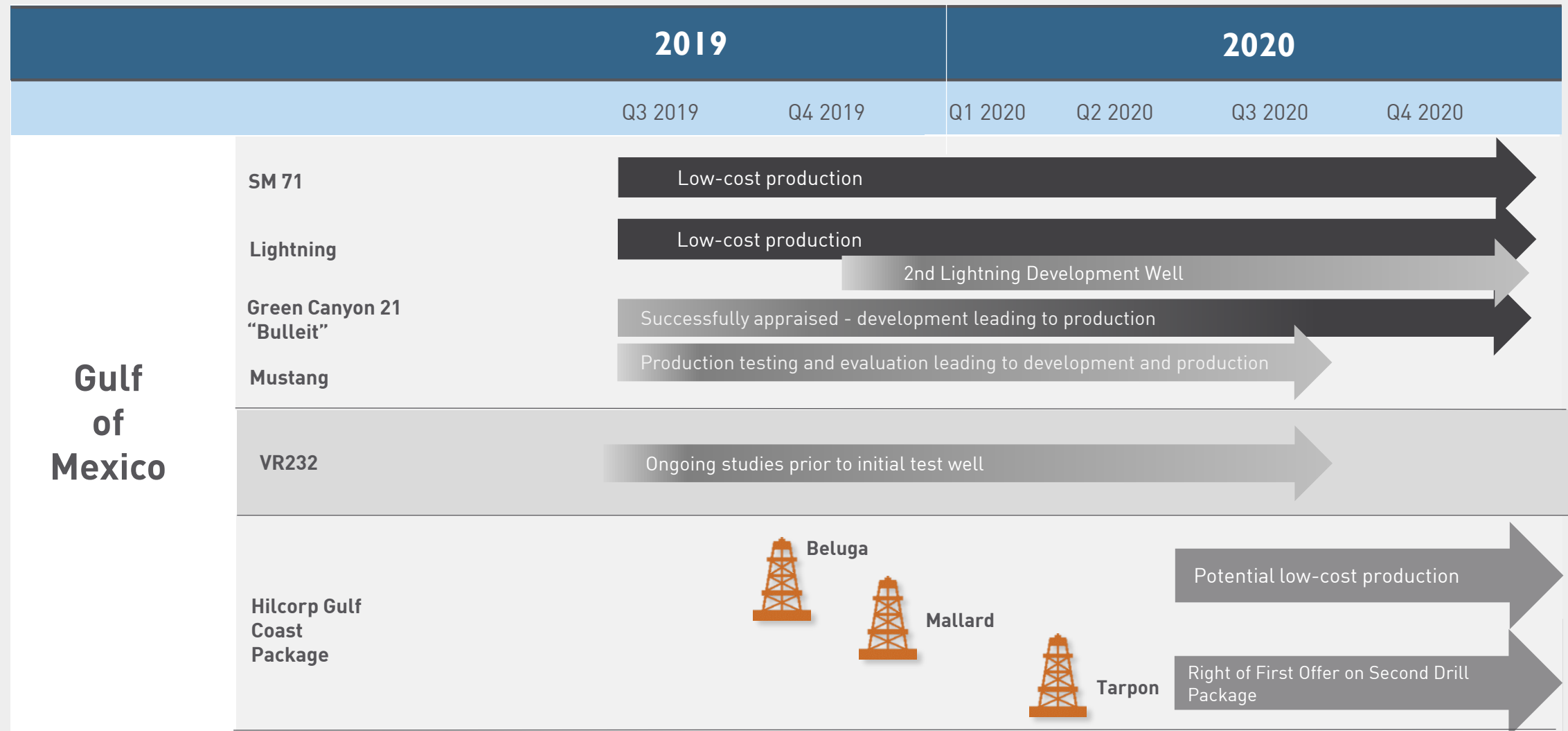
- Field commissioning was completed during June 2019
- Production reached steady state of 12 MMscf/d in raw gas and 340-360 bbl/d in condensate (gross)

Subsequent Results

- Mustang well discovered hydrocarbons as announced 23 July 2019 and is being hooked up for production testing and final evaluation of the well
- GC 21 well discovered commercial hydrocarbons in the shallow DTR-10 sand (announced 13 June 2019) and deeper MP sand (announced 8 August 2019)

Pipeline of Opportunities

Otto has assembled an exciting pipeline of upcoming activities as a result of its partnership strategy



Otto Energy Limited (ASX:OEL)

Strong base of free cash flow to fund continued growth through the drill bit

Free Cash Flow

- Low cost oil producer - expected to generate **net free cashflow of ~US\$2.4m per month from existing production of ~2250 boepd**

Reserves

- Certified 1P and 2P Reserves to be updated with new data from production
- **Multiple opportunities to diversify and expand reserves, production and cash flow** via established relationships

Actively Drilling

- Significant activity - **extensive exploration drilling campaign with the next well scheduled to begin** in the 2H CY2019 in Gulf Coast region
- 3 successful exploration wells to date during CY 2019

Respected Team

- **Experienced exploration and commercial team** - with a track record of value creation and risk management, complemented by quality project partners

Focused Strategy

- **Partnership Strategy** allows for more deal opportunities in the region and lower overheads
- Strategic Goal - **Build a 5,000 boepd production base by end of 2020**

Appendix

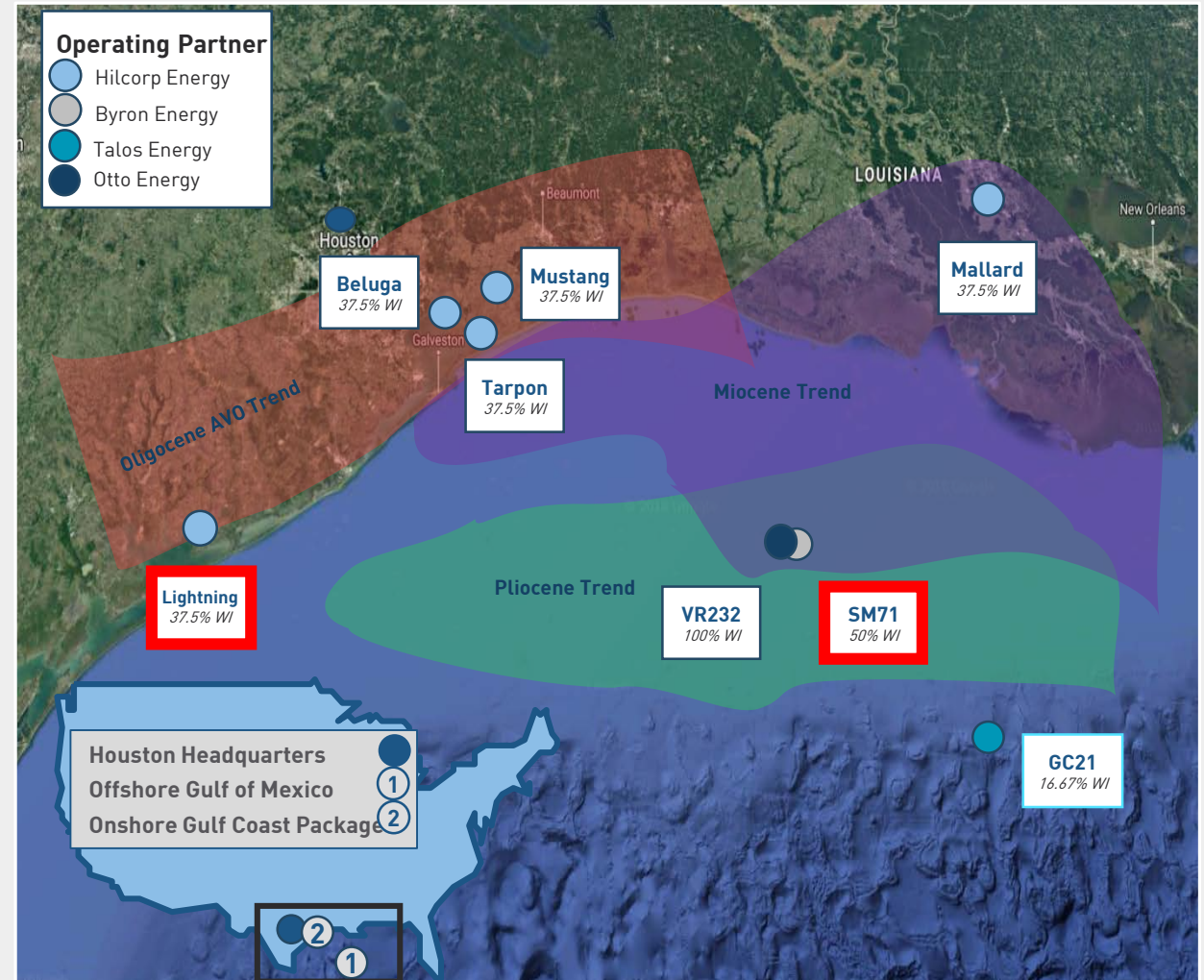


Otto Energy – Investment Exposure to the Gulf of Mexico

ASX-listed, US focused, conventional oil and gas production and exploration business

Investment Snapshot

- **Current production of ~2250 boepd** is expected to generate **net free cashflow of ~US\$2.4m** per month
- **Active appraisal and exploration program** has the potential to grow Otto production to its **target of 5000+ boepd**
- **Three appraisal/exploration wells drilled in 2019** were discoveries
- **NPV enhanced by short cycle-time from spud to production** due to existing infrastructure and tier 1, US partners



Otto Energy Gulf of Mexico Area Key Projects

Strong free cashflow base to fund growth ~US\$2.4m in net operating cashflow each month

Metric	SM 71	Lightning	Gulf Coast	Green Canyon 21	VR 232
Type	JV	JV	JV	JV	JV
Ownership Structure	50% WI	37.5% WI	37.5% WI (50% of Cost ¹)	16.67% WI	100% WI
NRI	40.625%	28.50%	28.50%	13.336%	81.25%
Status	Production	Production	Exploration	Development	Exploration
Onshore/Offshore	Offshore	Onshore	Onshore	Offshore	Offshore
Operator	Byron Energy (50% WI)	Hilcorp (62.5% WI)	Hilcorp (62.5% WI)	Talos Energy (50% WI)	Otto Energy
Comments	3 Wells Generating ~US\$2 Mil. Op Net Cashflow per month and Certified Reserves	Steady state oil and gas production. 2 nd Dev well expected by end 2019	3-4 wells remaining. Mustang currently being completed for production testing.	Commercial oil discovery. Talos to complete well in 1H 2020	Block adjacent to SM 71

1. The promote only applies to the initial test well, land (if applicable) and associated costs. All subsequent other costs after discovery are at the working interest share.

2. Alaska is not included here as little activity and expenditure is expected over the coming period.

Glossary

Abbreviation	Expanded Term	Definition
GoM	Gulf of Mexico	
MMboe / mboe	Million barrels of oil equivalent/ thousand	
MMscfpd	Million standard cubic feet per day (gas)	
bopd	Barrels of oil per day	
TD	Total Depth	The depth of the bottom of the well
MD	Measured Depth	The total length of the wellbore measured along the actual well path
TVD	True Vertical Depth	The vertical distance from a point in the well (usually the current or final depth) to a point at the surface, usually the elevation of the rotary kelly bushing (RKB)
TVT	True Vertical Thickness	The thickness of a bed or rock body in a well measured in the vertical direction at a point
boe	Barrels of oil equivalent	1 mcf of natural gas contains ~1/6 of the energy of a barrel of oil; Calculated equivalent of a barrel of oil's energy from liquids and gas
WI	Working Interest	an interest in an oil and gas lease that gives the owner of the interest the right to drill and produce oil and gas on the leased acreage. It requires the owner to pay a share of the costs of drilling and production operations.
NRI	Net Revenue Interest	the total revenue interest that an entity owns in a particular oil or gas production unit, such as a lease, well, or drilling unit.

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