

RETURN OF CAPITAL TO SHAREHOLDERS *UP TO A\$40 MILLION IN EARLY 2024*

Otto Energy Limited (ASX: OEL) (**Otto** or the **Company**) is pleased to announce that the Board of Directors has resolved to return up to A\$40.0 million, or A\$0.008 per share, to shareholders in early 2024, the first step of the formal review process to maximise shareholder value announced 29 March 2023. The capital return will be subject to shareholder approval as an ordinary resolution at the Company's upcoming Annual General Meeting on 30 November 2023.

It is intended that the Company will use existing cash reserves on Otto's balance sheet for the purposes of the capital return.

The ongoing review process also includes an assessment of a potential partial or full sale of the Company and/or its assets. The Company will inform the market and its shareholders regarding any developments in this process when available.

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.

Otto Chief Executive Officer Steve Herod commented:

"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 opportunities to increase shareholder value."

"We will only undertake a sales transaction if and when we obtain terms which are in the best interests of all shareholders. If successful, this would enable the Company to reward shareholders with an additional return of capital from the proceeds of a sale of Otto's assets or from excess liquidity given our healthy cashflow."

The return of capital is subject to shareholder approval 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 tax-free.

This release is authorised by the Board of Otto.

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