OTTO ENERGY

2 October 2024
**ASX RELEASE**

# DRILLING RIG ON LOCATION FOR DRILLING OF F5-ST WELL AT SM 71

## HIGHLIGHTS

- **Enterprise 264 Jack-Up rig arrived on location on 1 October 2024 at SM 71 lease for the drilling of F5-ST well.**
- **F5-ST production acceleration well targeting the prolific D5 sand which has already produced over 5 MMbbl of oil at SM 71, is to be drilled as a sidetrack out of the existing F5 well bore (currently temporarily abandoned).**
- **Otto interprets the F5-ST primarily as a production acceleration well with an anticipated flow rate of 500-1,500 bbl/d oil (8/8ths) and a 60% probability of commercial success. Upside exploration potential exists.**

Otto Energy Limited (ASX: OEL) (**Otto** or the **Company**) is pleased to announce that the Enterprise 264 Jack Up arrived on location on 1 October 2024 at the SM 71 lease in the Gulf Of Mexico Shelf for the drilling of the F5-ST well at SM 71 consistent with timing as previously advised.

The well is Operated by Byron Energy Inc. and is proposed to be drilled to a depth of 7,551' MD / 6,800' TVD, targeting the prolific Pliocene aged D5 sand which has produced over 5 MMbbls at SM 71 since 2018 from the F1 and F3 wells.

The proposed F5-ST well is up dip of the F3 well and on strike with the F1 well, but substantially to the north of F1. Compared to the original F5 location drilled in 2020, the F5-ST is interpreted by Otto to be located within the core of the hydrocarbon related amplitudes seen on seismic data over the field.

The well is to be side-tracked from the existing F5 well bore which Otto participated in during 2020, that is currently temporarily abandoned. The F5-ST well has estimated dry hole costs of US$5.7 MM (US$2.85 MM Otto share), estimated total completed well costs of US$11.3 MM (US$5.65 MM Otto share) with an additional US$0.3 MM of hook-up costs (US$0.15 MM Otto share) and no facility modifications required. All costs will be funded from Otto's existing cash reserves. The well benefits from lower costs than a 'new-drill' well from the F platform as it uses some of the existing casing and tubulars associated with the original F5 well that Otto participated in during 2020.

Otto Energy and Byron Energy each hold a 50% WI and 40.625% NRI in the SM 71 lease. The well is expected to take 12 days to reach a Total Depth of 7,551 MD / 6,800 TVD, a further 14 days to complete the well and an estimated further 7 days to bring the well onto production.

**Otto Energy Acting Chief Executive Officer Phil Trajanovich commented:**

*"It is an exciting time for Otto Energy shareholders with the Enterprise 264 rig on location and the drilling of the F5-ST well at SM 71 to commence shortly. The well will investigate additional oil production acceleration at SM 71 for a relatively low dry hole cost exposure and for what could be a very impactful well for the company. We will continue to update the market on the progress of this well."*

## ABOUT OTTO

Otto Energy is an oil and gas exploration and production company focused on the US Gulf Coast. The Company has a high-quality production base comprised of five producing assets. These include the South Marsh Island 71 (SM 71) oil field in the shallow water Gulf of Mexico, the Lightning gas/condensate field onshore in Matagorda County, Texas, the Green Canyon 21 (GC 21) oil well in the deepwater Gulf of Mexico, and the Mosquito Bay West and Oyster Bayou South wells in Terrebonne Parish in the state waters of Louisiana. Our other assets include a 0.5% ORRI in the Talitha Unit in Alaskan Operated by Pantheon Resources (LSE:PANR).

This release is authorized by the Board of Otto.

***Cautionary Statement***

*Oil and gas production rate estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, oil and gas production rate estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional production and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Oil and gas production rate estimates are, by nature, forward looking statements and subject to the same risks as other forward-looking statements.*


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