OTTO ENERGY

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ASX RELEASE

F5-ST BYPASS WELL COMMENCES PRODUCTION

SUMMARY

- **The SM 71 F5-ST Bypass well commenced production on 30 November 2024. During the first 8 days of flowback on a constrained 25/64th inch choke, the well averaged 1.2 MMscf/d of gas production, and 4 bbl/d of oil production.**
- **On 12 December 2024 the well was flowed on a 37/64th inch choke for a period of 4 hours and achieved a rate of 4.1 MMscf/d of gas production and 17 bbl/d of oil production. (Rate constrained by platform gas compressor capacity.)**
- **Future plans for the F5-ST Bypass well are to operate the well at a gas production rate of between 2.5 – 3 MMscf/d. (At platform gas compressor capacity on a combined basis from both the F1 and F5 wells.)**

Otto Energy Limited (ASX: OEL) ("**Otto"** or the "**Company"**) provides an update to the market on the production performance of the F5-ST Bypass well, operated by Byron Energy Inc. ("Byron Energy") within the South Marsh Island 71 ("SM 71") lease in the Gulf of Mexico shelf.

Since the Enterprise 264 jack-up rig was released from location on 24 November 2024, offshore construction crews hooked up flowlines and other necessary equipment to initiate production from the F5-ST Bypass well through processing facilities on the SM 71 F platform.

Production from the F5-ST Bypass well commenced at the end of November as previously estimated, with first production occurring on 30 November 2024. During the first 8 days of flowback the well averaged 1.2 MMscf/d of gas production, 4 bbl/d of oil production and 2 bbl/d of completion fluids on a conservative choke setting of 25/64th inches.

To help understand production from the F5-ST Bypass well and its possible pressure connection to the F1 well, wireline equipment was mobilized to the SM71 F platform the week commencing 9 December. A work program consisting of flowing and static bottom hole pressure (BHP) measurements in conjunction with temperature and pressure logs was carried out.

On 12 December the F5-ST Bypass well began being operated on a less constrained basis. The F5 gross production rate was increased to 3 MMscf/d of gas and 10 bbl/d of oil on a 27/64th inch choke concurrently with the F1 producing 1,000 bbl/d of oil and 500 Mcf/d of gas (gross). The F1 well was then shut-in and the F5 gross production rate was increased to 4.1 MMscf/d of gas and

17 bbl/d of oil on a 37/64th inch choke for 4 hours. Rate was constrained by platform gas compressor maximum handing capacity.

Based on down hole gauge data obtained from the F5 well during this period it is interpreted that all perforations in the F5-ST Bypass well are open to flow, with gas being the dominant hydrocarbon type produced. Reservoir pressure measurements suggest a fluid gradient at the base of the F5 well consistent with oil. Pressure data obtained to date suggests the F1 and F5 wells are in pressure communication, although reservoir complexities exist.

Post the wireline program, both the F1 and F5 wells have been returned to stable production, with the F1 well producing at 1000 bbl/d and 500 Mcf/d and the F5 well producing at 10 bbl/d and 3.0 MMscf/d, limited by the gas compressor capacity. The wells are planned to be operated on this basis for the foreseeable future while well performance is monitored.

In conclusion, early indications suggest that the F5-ST Bypass well has intersected a gas bearing reservoir, with scope for an oil column close to the base of the well. Given the complex stratigraphic nature of the D5 Sand, the wells future potential oil rate remains uncertain.

Otto Energy wishes to emphasize that it is still too early to forecast the F5-ST Bypass well future production potential with any certainty.

Otto Energy and Byron Energy each hold a 50% WI and 40.625% NRI in the SM 71 lease.

Otto Energy Acting Chief Executive Officer Phil Trajanovich commented:

"Early production from the F5-ST Bypass well has provided surprising results. We will continue to produce the well observing production rates and pressures so that future production can be more accurately predicted and the relationship between F5 and other wells in the field can be more clearly understood. We will provide additional updates to the market as further production information becomes available."

ABOUT OTTO ENERGY

Otto Energy is an oil and gas 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. The Company also holds a 0.5% ORRI in the Talitha Unit in Alaska Operated by Pantheon Resources (LSE:PANR).

This release is authorized by the Board of Otto.

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