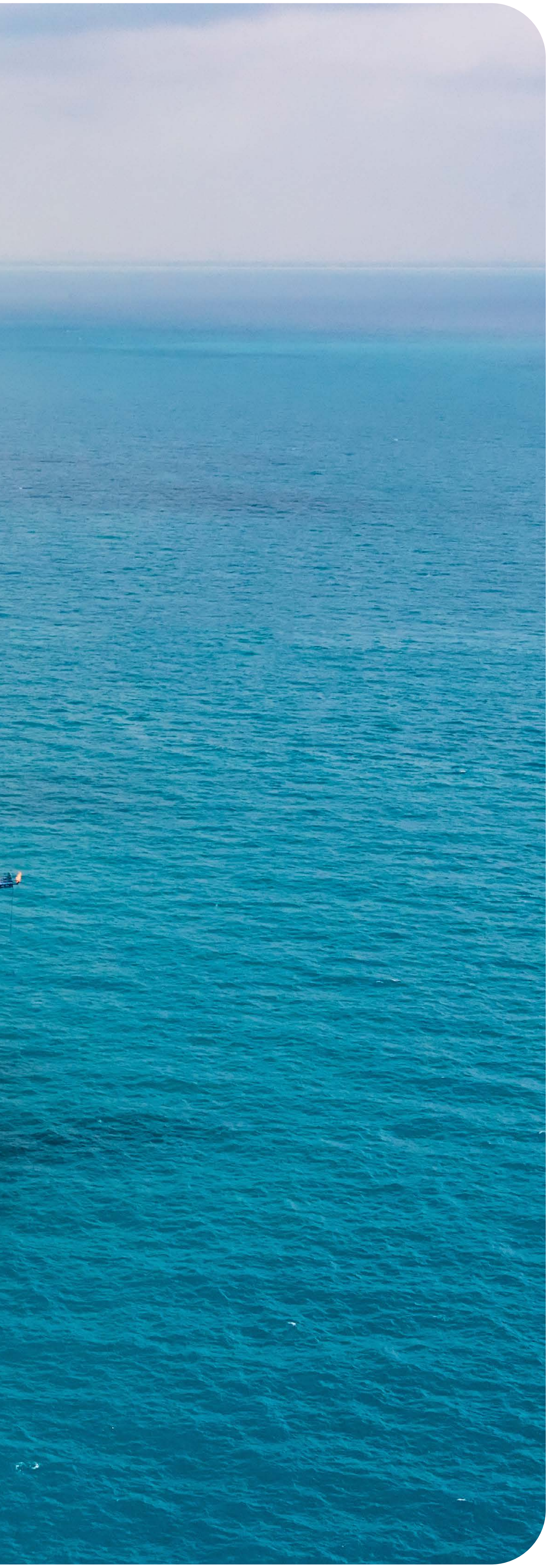
OTTO ENERGY

ANNUAL REPORT 2025

ottoenergy.com

ASX: OEL



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ABOUT OTTO ENERGY

Otto Energy Limited is an Australian-listed ASX oil and gas exploration and production company with a core focus on the US Gulf Coast. As of 30 June 2025, the Company had established non-operated working interests onshore in Texas, the state waters of Louisiana and the Gulf of America as follows:

The Gulf of America region is one of the most prolific oil and gas producing regions on earth and the most prolific basin in the US. It is considered a significantly mature hydrocarbon province but continues to yield highly attractive discoveries both onshore and offshore. This is complemented by having a well-established regulatory regime, both federal and state, with low royalty rates.

The extensive infrastructure from a facilities and pipeline transport perspective enables lower development costs along with greater access to premium oil and gas sales markets. Commercially, the capacity to actively market and/or hedge oil or gas production from operations provides strong cashflow from these assets, underpinning value for shareholders for years to come.

	SOUTH MARSH ISLAND 71	LIGHTNING	GREEN CANYON 21
STATUS	Producing	Producing	Producing
LOCATION	Offshore shallow waters of the Gulf of America	Onshore Matagorda County, Texas	Offshore deep waters of the Gulf of America
WI/NRI	50% / 40.6%	37.5% / 27.8%	16.7% / 13.3%
OPERATOR	Byron Energy	Hilcorp	Talos Energy
FY25 AVG DAILY PRODUCTION (WI)	441 Boe/d	799 Boe/d	103 Boe/d
PRODUCT MIX	Oil with associated gas production	Gas/Condensate	Oil with associated gas production

ABOUT OTTO

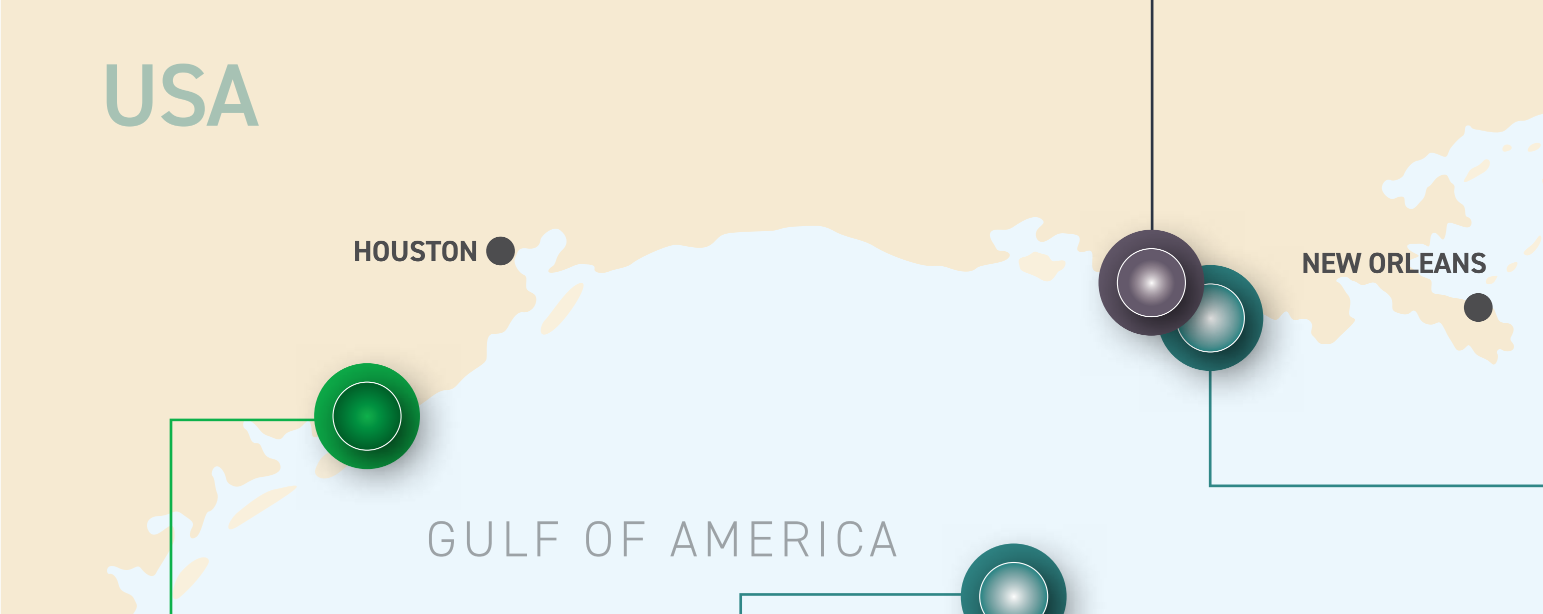
Based on the Company's exploration and development activities, Otto has a strong portfolio of producing assets by which it seeks to maximise sales revenue and is continually working to bring down its direct and indirect costs. Net cash flow from these fields will form the basis for future distributions to shareholders.

We are committed to upholding our values of integrity, discipline, excellence, teamwork and being a partner of choice. Otto's success is driven by its people and their capabilities. We recognise that enduring, meaningful relationships with all stakeholders are fundamental to maintaining our license to operate and exist. We actively seek to build relationships with stakeholders by creating and sharing our knowledge. Our proven track record and distinctive capabilities are underpinned by years of experience and skills, making us a partner of choice.

	MOSQUITO BAY WEST	OYSTER BAYOU SOUTH
STATUS	Producing	Producing
LOCATION	Offshore state waters, Terrebonne Parish, Louisiana	Offshore state waters, Terrebonne Parish, Louisiana
WI/NRI	30.0% / 22.4%	30.0% / 22.7%
OPERATOR	Castex Energy	Castex Energy
FY25 AVG DAI	94 Boe/d	10 Boe/d
PRODUCT MIX	Gas/Condensate	Oil with associated gas production

AREAS OF ACTIVITY

USA



LIGHTNING FIELD

37.5%
Otto Working Interest

27.8%
Otto Net Revenue Interest

2 wells
Status – Producing

799 boe/day
Average Production,
(WI basis, FY 2025)

29%
Liquids Proportion of 2P Reserves

SOUTH MARSH ISLAND 71
SM 71

50%
Otto Working Interest

40.6%
Otto Net Revenue Interest

2 wells
Status – Producing

441 boe/day
Average Production,
(WI basis, FY 2025)

80%
Liquids Proportion of 2P Reserves

USA

MOSQUITO BAY WEST

30%
Otto Working Interest

22.4%
Otto Net Revenue Interest

1 well
Status – Producing

94 boe/day
(WI basis, Average FY 2025)

32%
Liquids Proportion of 2P Reserves

OYSTER BAYOU SOUTH

30%
Otto Working Interest

22.7%
Otto Net Revenue Interest

1 well
Status – Producing

10 boe/day
(WI basis, Average FY 2025)

64%
Liquids Proportion of 2P Reserves

GREEN CANYON 21
GC 21

16.7%
Otto Working Interest

13.3%
Otto Net Revenue Interest

1 well
Status – Producing

103 boe/day
Average Production
(WI basis, FY 2025)

84%
Liquids Proportion of 2P Reserves

GULF OF AMERICA

INTERIM CHAIRMAN's REPORT

On behalf of the Board of Directors of Otto Energy Limited (Otto Energy or the Company), I am delighted to have the opportunity to address the shareholders of Otto Energy for the first time as the Company's newly appointed Interim Chairman.

Firstly, I would like to thank my predecessor, Geoff Page, for the effort, skill and steady hand he brought to the role over the past fifteen months. Geoff, and my fellow director and Deputy Chairman, Paul Senycia, have both worked diligently in recent years to bring stability, structure and strong financial discipline to the Company over the past few years and I very much look forward to continuing the stewardship in those areas.

The 2025 Financial Year (FY2025) was a year of disciplined execution against a volatile commodity backdrop. We maintained a strong balance sheet, remained debt free and sharpened our focus on capital efficiency, cost reductions and shareholder returns. These efforts contributed to the following outcomes for the year ended 30 June 2025:

- The distribution of USD$25 million (circa A$40 million) just prior to the end of FY2025, comprising of a return of capital of A$0.00657 per share and a dividend of A$0.00143 per share out of conduit foreign income;
- A total profit after tax for the year of US$0.7 million; and
- A reduction of US$0.99 million (26%) in administration and other expenses year on year.

FINANCES

Operationally, production came from all five of the Company's assets comprising SM71, Lightning, GC21, Mosquito Bay and Oyster Bayou, with all of these contributing to the Company's strong financial performance for FY2025.

On a statutory basis for the year ended 30 June 2025, the Company reported a total profit after tax of US$0.7 million, net operating revenue of US$15.6 million and net cash from operating activities of US$1.2 million, after incurring US$6.7m in payments for exploration and evaluation.

Importantly, the Company closed FY2025 in a strong position with cash of US$14.9 million, thereby providing the ongoing flexibility to fund value accretive activities while continuing to assess opportunities to return excess cash to shareholders.

LEADERSHIP AND GOVERNANCE

The Board continued to review its skill sets throughout the year with a push to strengthen the Board's skills in the areas of legal and

regulatory and corporate governance. I was pleased to be appointed as an Independent Non-Executive Director in October 2024. After the end of FY2025, we announced Mr Phil Trajanovich's resignation as Acting CEO and, shortly thereafter, in August 2025 we were delighted to announce the appointment of Mr Chris Dorros as Chief Executive Officer of the Company. As announced by the Company at the time of his appointment... "Chris is a senior executive with 20 years' experience leading upstream energy businesses, spanning artificial lift, drilling operations, frac and subsea construction equipment, measurement technologies and software. He has significant strategic expertise in building organisations through acquisitions and organic growth initiatives and has successfully raised capital, managed global P&L operations, and delivered investor returns while commercialising technical innovations...". We look forward to Chris' significant contribution in FY2026 and beyond.

These changes align leadership with our focus on capital discipline, cost management, asset optimisation, and maximising shareholder returns.

OUTLOOK

We enter FY2026 with a strong team, a robust liquidity position, a high quality Gulf Coast production base, and with no debt. Our capital framework remains unchanged: protect the balance sheet, invest only where risk adjusted returns are expected to exceed our threshold, and seek opportunities to return surplus cash to shareholders.

ACKNOWLEDGEMENTS

I would like to thank our management team for their continued commitment and achievements, and my fellow Board members for their thoughtful advice and counsel. On behalf of the Board, I would like to thank our shareholders for their continued support. We remain focused on delivering disciplined execution and will continue to seek opportunities to improve shareholder value in the year ahead. I also look forward to meeting many of our shareholders at this year's AGM.

Justin Clyne
Interim Chairman

CEO's REPORT FY2025

I am honoured to address you as the newly appointed Chief Executive Officer of Otto Energy Limited. While I joined the Company after the conclusion of FY2025, I am pleased to report on what has been a year of disciplined execution that has set a stable foundation for the future.

FY2025 demonstrated Otto Energy's resilience and operational excellence in a challenging commodity price environment. Despite facing headwinds from a volatile oil price and production challenges associated with certain assets, our team delivered solid financial performance while maintaining our commitment to capital discipline and shareholder returns. I very much look forward to continuing the stewardship in those areas.

OPERATIONAL PERFORMANCE

Our diversified Gulf Coast production base is the cornerstone of our success. During the year, production came from all five of our key assets: SM71, Lightning, GC21, Mosquito Bay, and Oyster Bayou, each contributing to our overall financial performance.

The SM71 and Lightning assets were standouts. They delivered 90% of our gross profit contribution in FY2025, up from 83% in FY2024, offsetting some challenges experienced elsewhere in our portfolio. While we faced operational difficulties with the SM71 F5-ST well's execution, our team worked diligently to stabilise production from the field. We are pleased to report that gross field production has subsequently stabilised in excess of 700 bbl/day.

FINANCIAL RESULTS

FY2025 delivered solid financial results that reflect both the quality of our assets and our disciplined approach:

- Net Operating Revenue: US$15.6 million
- Net Profit After Tax: US$0.7 million
- Net Cash from Operating Activities: US$1.2 million (US$7.9 million from production operations before exploration and evaluation expense)
- Cash Position: US$14.9 million at year-end after distributing US$25.0 million in cash to shareholders
- Debt Status: Maintained debt-free balance sheet

These results were achieved partly because of our commitment to cost discipline, with overhead expenses reduced by almost US$1 million (26%) year-on-year.

MARKET OUTLOOK

The energy sector continues to face a challenging operating environment with commodity price volatility. WTI oil prices averaged approximately US$80 per barrel in FY2024, declined to approximately US$71 per barrel in FY2025, and declined further as we entered FY2026. Current WTI prices are approximately US$65 per barrel, and futures prices are in the low US$60s range. This softer pricing environment reinforces the importance of our disciplined approach to cost management and operational efficiency.

STRATEGIC FOCUS AND CAPITAL FRAMEWORK

Our strategy remains focused on maximising returns to shareholders through disciplined operations and cost management. We are committed to:

- Excellence in Base Asset Delivery: Maximising production and profitability from our existing assets
- Cost Discipline: Reducing controllable costs to enhance margins and profitability
- Capital Efficiency: Incremental investment in assets will need to demonstrate highly accretive returns
- Surplus Cash Distribution: Return cash to shareholders while maintaining balance sheet strength

LOOKING AHEAD

As I assume leadership of Otto Energy, I am focused on executing our strategy through disciplined operational and financial management. In FY2026 and beyond, we will execute our strategy through:

- Production Optimisation: Working with operating partners to maximise output and efficiency from our five producing assets
- SG&A and Overhead Reduction: Continuing to identify and implement reductions in our controllable costs, particularly overhead and administrative expenses
- LOE Optimisation: Collaborating with our operating partners to identify opportunities to reduce lease operating expenses across our asset base
- Rigorous Capital Allocation: Applying strict return thresholds to any incremental asset investments, ensuring they meet our highly accretive criteria
- Active Cash Management: Continuing to evaluate opportunities to return excess cash to shareholders while preserving financial flexibility to manage uncertainties

Despite softer commodity prices, we are well-positioned with our strong liquidity position of US$14.9 million, combined with our debt-free status and high quality Gulf Coast production base. Our focus on controllable costs and production optimisation positions us to generate strong positive cash flows even in the current lower commodity price environment.

ACKNOWLEDGMENTS

I would like to thank my predecessor, Mr. Phil Trajanovich, for his contributions as Acting CEO. I also extend my gratitude to our Board of Directors for their confidence in appointing me to lead Otto Energy going forward.

I want to particularly acknowledge our Chief Financial Officer, Julie Dunmore, for her exceptional work in delivering the strong FY2025 results and ensuring a smooth CEO transition. I look forward to working closely with Julie and the rest of our talented team as we execute our strategy going forward.

Most importantly, I want to thank our shareholders for their continued support and trust. We remain committed to delivering value through disciplined execution of our strategy and maintaining the strong financial foundation that has been built over recent years.

CONCLUSION

FY2025 was a year that demonstrated Otto Energy's ability to deliver consistent performance in a challenging environment. Our strong balance sheet, quality asset base, and experienced team provide us with the foundation needed to maximise returns to shareholders.

Thank you for your continued support of Otto Energy Limited.

Chris Dorros
Chief Executive Officer

BOARD OF DIRECTORS

GEOFF PAGE

Non-Executive Director
MBA, CPA, FCMA, FGIA

Mr Geoff Page was appointed 17 July 2020 as non-executive director and served as Interim Chairman from 1 July 2024 to 1 October 2025. He is a finance professional with over 25 years of senior finance, accounting and management experience gained globally within a number of industries. He has over 15 years of board experience gained in several different firms.

Mr Page is a member of CPA Australia, Fellow Member of the Chartered Institute of Management Accountants and a Fellow Member of the Governance Institute of Australia. Mr Page is the Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

PAUL SENYCIA

Deputy Chairman (Non-Executive Director)
BSc Hons (Mining Engineering), ACSM, MAppSc (Geophysics)

Mr Paul Senycia was appointed to the Board on 24 April 2018 and became a non-executive director on 1 January 2019. Mr Senycia joined Otto in 2010 as Exploration Manager, and from 2015 until 31 December 2018 led the Company's technical operations. Mr Senycia was instrumental in the implementation of Otto's US strategy.

A seasoned oil and gas professional, trained as an exploration geoscientist, Mr Senycia has over 40 years of international oil and gas experience in both commercial and technical aspects of the business. This was gained with large and small companies worldwide including Shell, Woodside and Beach Petroleum.

Over the last twenty years Mr Senycia has accumulated substantial Gulf of America expertise both on the shelf and in the deep water, including deal capture, asset management and project divestment activities. Mr Senycia is a member of the Audit and Risk Committee, Chairman of the Remuneration and Nomination Committee and Deputy Chairman of Otto Energy Limited.

JUSTIN CLYNE

Interim Chairman (Non-Executive Director)
LLM (UNSW), AGIA, ACIS, MAICD

Mr Justin Clyne was appointed Non-Executive Director 19 October 2024 and appointed to the position of Chairman 1 October 2025. Mr Clyne is an Australian based company director and company secretary for public-listed and unlisted companies with significant experience and knowledge in international law and corporate regulatory requirements.

Mr Clyne was admitted as a solicitor of the Supreme Court of New South Wales and High Court of Australia in 1996 before gaining admission as a barrister in 1998. Over the past 17 years, Mr Clyne has dedicated himself full time to the provision of corporate advisory and related services for listed entities primarily in the Australian and North American markets from incorporation through to takeovers and other large corporate transactions and specifically has acted as a director for Australian and dual listed oil and gas entities with US operations.

Mr Clyne holds a Master of Laws in International Law from the University of New South Wales. Mr Clyne is also a qualified Chartered Company Secretary and a Member of the Australian Institute of Company Director. Mr Clyne is a member of both the Audit and Risk Committee and Remuneration and Nomination Committee.

EXECUTIVE MANAGEMENT

Chris Dorros

Chief Executive Officer
BS (Engineering), MBA

Mr. Dorros is a senior executive with 20 years' experience leading upstream energy businesses, spanning artificial lift, drilling operations, frac and subsea construction equipment, measurement technologies and software. He has significant strategic expertise in building organisations through acquisitions and organic growth initiatives and has successfully raised capital, managed global P&L operations, and delivered investor returns while commercialising technical innovations. Chris has a global perspective shaped by an international upbringing and management experience with multilingual capabilities.

Julie Dunmore

Chief Financial Officer
B.Comm (UWA), CA, GAICD, FGIA

Ms Dunmore is the Chief Financial Officer having joined Otto Energy in June 2018 as the Group Financial Controller. Ms Dunmore has over 25 years working in finance and management for companies within the oil and gas, technology, engineering and construction industries with international interests in Australia, USA, Europe and Asia. Ms Dunmore has a Bachelor of Commerce (UWA), is a Chartered Accountant, Graduate of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia.

CORPORATE

RESERVES AND PROSPECTIVE RESOURCES

On 14 August 2025 the Company released its statement of reserves and prospective resources as at 30 June 2025. The reserves cover Otto's producing fields at South Marsh Island 71 (SM 71), Lightning in Matagorda County, Texas (Lightning), Green Canyon 21 (GC 21), Mosquito Bay West (MBW) and Oyster Bayou South (OBS), and were independently prepared by Ryder Scott Company. The contingent and prospective resources cover SM 71 and Lightning.

Otto Energy Limited's net reserves and resources for all fields as at 30 June 2025 are summarised below (see additional disclosures provided in the following pages and appendices).

Reserves Summary 30 June 2025

	GROSS (100%)				OTTO NET			
TOTAL	**OIL** (MbbL)	**NGL** (Mbbl)	**GAS** (MMcf)	**MBOE**	**OIL** (MbbL)	**NGL** (Mbbl)	**GAS** (MMcf)	**MBOE**
Proved Producing	1,824	423	13,045	4,421	516	107	3,299	1,173
Proved Behind Pipe	519	301	8,970	2,315	176	79	2,207	623
Proved Undeveloped	-	-	-	-	-	-	-	-
Proved (1P)	**2,343**	**724**	**22,015**	**6,736**	**692**	**186**	**5,506**	**1,796**
Probable	1,067	257	7,287	2,539	320	61	1,745	672
Proved + Probable (2P)	**3,410**	**981**	**29,302**	**9,275**	**1,012**	**247**	**7,251**	**2,468**
Possible	2,365	1,604	50,956	12,462	684	439	13,041	3,296
Proved + Probable + Possible (3P)	**5,775**	**2,585**	**80,258**	**21,737**	**1,696**	**686**	**20,292**	**5,764**
Total Contingent and Prospective Resources (best estimate, unrisked)	2,068	-	24,285	6,116	765	-	7,304	1,982

Changes to reserves since 30 June 2024

	OTTO ENERGY LIMITED GRAND TOTAL - RESERVE RECONCILIATION (OTTO ENERGY NRI SHARE)											
	OIL/NGL (Mbbl)				**GAS** (MMCF)				**MBOE**			
	Remaining 30/6/2024	Production FY2025	Additions & Revisions	Remaining 30/6/2025	Remaining 30/6/2024	Production FY2025	Additions & Revisions	Remaining 30/6/2025	Remaining 30/6/2024	Production FY2025	Additions & Revisions	Remaining 30/6/2025
Proved (1P)	1,020	204	62	878	5,874	1,251	884	5,507	1,999	413	209	1,796
Probable	547	0	-166	381	4,230	0	-2,484	1,746	1,252	0	-580	672
Proved + Probable (2P)	1,567	204	-104	1,259	10,104	1,251	-1,600	7,253	3,251	413	-371	2,468
Possible	968	0	156	1,124	10,440	0	2,600	13,040	2,708	0	589	3,296
Proved + Probable + Possible (3P)	2,536	204	52	2,383	20,544	1,251	1,000	20,293	5,959	413	218	5,764

Contingent and Prospective Resources as at 30 June 2025

			CONTINGENT RESOURCES					
			8/8THS			OTTO NET REVENUE INTEREST		
		NET	GAS (MMcf)	OIL (MMbbls)	MMBOE	GAS (BCF)	OIL (MMbbls)	MMBOE
PROSPECT	WORKING INTEREST	REVENUE INTEREST	P50	P50	P50	P50	P50	P50
SM 71 F-5ST2 (D5)	50.0%	40.6%	2,105	670	1,021	855	272	415

			PROSPECTIVE RESOURCES					
			8/8THS			OTTO NET REVENUE INTEREST		
		NET	GAS (MMcf)	OIL (MMbbls)	MMBOE	GAS (BCF)	OIL (MMbbls)	MMBOE
PROSPECT	WORKING INTEREST	REVENUE INTEREST	P50	P50	P50	P50	P50	P50
Lightning G-6	37.5%	27.8%	21,250	625	4,167	6,071	179	1,190
SM 71 B65 SAND	50.0%	40.6%	930	773	928	378	314	377

Prospective Resources Cautionary Statement

Contingent and Prospective Resources Cautionary Statement - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

NOTES TO RESERVES AND RESOURCES STATEMENT

Reserves and Resources Governance

Otto's reserves estimates are compiled annually. Otto engages Ryder Scott Company, a qualified external petroleum engineering consultant, to conduct an independent assessment of reserves on behalf of Otto. Ryder Scott Company is an independent petroleum engineering consulting firm that has been providing petroleum consulting services in the USA for more than fifty years. Ryder Scott Company does not have any financial interest or own any shares in the Company. The fees paid to Ryder Scott Company are not contingent on the reserves outcome of the reserves report.

Competent Persons Statement

The information in this report that relates to oil and gas reserves was compiled by technical employees of independent consultants Ryder Scott Company, under the supervision of Mr. Ali Porbandarwala PE. Mr. Porbandarwala is a Managing Senior Vice President at Ryder Scott Company and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Engineers (SPE). He has a B.S. Chemical Engineering from the University of Kansas and an MBA from the University of Texas. The reserves included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/ American Association of Petroleum Geologists (AAPG)/ Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves information reported in this Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of Mr. Porbandarwala. Mr. Porbandarwala is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to oil and gas contingent and potential resources was compiled by Mr Ed Buckle PE, B.S. Chemical Engineer (Magna Cum Laude), a full-time contractor of the Company. Mr Buckle has more than 30 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE) and is a registered professional engineer in the state of Texas. The resources included in this report have been prepared using definitions and guidelines consistent with the 2018 Society of Petroleum Engineers (SPE)/ World Petroleum Council (WPC)/ American Association of Petroleum Geologists (AAPG)/ Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Buckle. Mr Buckle is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Reserves Cautionary Statement

Oil and gas reserves and resource 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, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling 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. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward-looking statements.

Contingent and Prospective Resources Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Pricing Assumptions

Oil price assumptions used in the independent report represent forward prices (CME Nymex) as of 30 June 2025.

ASX Reserves and Resources Reporting Notes

(i) The reserves and contingent and prospective resources information in this document is effective as at 30 June, 2025 (Listing Rule (LR) 5.25.1)

(ii) The reserves and contingent and prospective resources information in this document has been estimated and is classified in accordance with SPE-PRMS (Society of Petroleum Engineers - Petroleum Resources Management System) (LR 5.25.2)

(iii) The reserves and contingent and prospective resources information in this document is reported according to the Company's economic interest in each of the reserves and prospective resource net of royalties (LR 5.25.5)

(iv) The reserves contingent and prospective resources information in this document has been estimated and prepared using the probabilistic method (LR 5.25.6)

(v) The reserves and prospective resources information in this document has been estimated using a ratio of 6,000 cubic feet of natural gas to one barrel of oil. This conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency (LR 5.25.7)

(vi) The reserves and prospective resources information in this document has been estimated on the basis that products are sold on the spot market with delivery at the sales point on the production facilities (LR 5.26.5)

(vii) The method of aggregation used in calculating estimated reserves was the arithmetic summation by category of reserves. As a result of the arithmetic aggregation of the field totals, the aggregate 1P may be a very conservative estimate and the aggregate 3P may be a very optimistic estimate due to the portfolio effects of arithmetic summation (LR 5.26.7 and 5.26.8)

(viii) Contingent and prospective resources are reported on a best estimate basis (LR 5.28.1)

(ix) For contingent and prospective resources, the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons (LR 5.28.2)

(x) The reserve numbers assume some investment over the life of the field outlined above.

GLOSSARY

Bbl	barrels
bcf	billion cubic feet
Bcfe	billion cubic feet equivalent
boe	barrels of oil equivalent
Bopd	barrels of oil per day
Btu	British Thermal Units
EUR	Estimated Ultimate Recovery
Mcfg	thousand cubic of gas
Mcfgpd	thousand cubic feet of gas per day
MMcf	million cubic feet
MBL	thousand barrels of oil
MMBL	million barrels of oil
Mboe	thousand barrels of oil equivalent
MMboe	million barrels of oil equivalent
MCF	thousand cubic feet
mmbtu	million British Thermal Units
NRI	net revenue interest
WI	working interest

OPERATIONAL PERFORMANCE

ASSET OVERVIEW

North America: US Gulf Coast and Gulf Of America

Otto Energy's strong portfolio of producing assets are all located in the US Gulf Coast and Gulf Of America. As of 30 June 2025, Otto has production five projects: South Marsh Island 71 (SM 71), Lightning, Green Canyon 21 (GC 21), Mosquito Bay West (MBW) and Oyster Bayou South (OBS).

The Gulf of America region is one of the most prolific oil and gas producing regions on earth. About half of the US fossil fuel refining and processing capacity is along the Gulf of America. The high density and availability of production platforms utilised for the development of primary reservoirs contributes to low production costs in the region, making projects viable even in a sustained, low oil price environment.

Otto has focused on a partnership strategy in the Gulf of America and has built a portfolio of diverse, conventional oil and gas producing assets. Otto's current operating partners in the Gulf of America are Byron Energy, Hilcorp Energy, Talos Energy (NYSE: TALO) and Castex Energy, resulting in 7 producing wells over five core assets.

Summary of Gulf of America Assets as at 30 June 2025

ASSET	NUMBER OF PRODUCING WELLS	OTTO WI	OTTO NRI	JOINT VENTURE PARTNER	STATUS
South Marsh Island 71 (SM71)	2	50.0%	40.6%	Byron Energy	Producing
Lightning	2	37.5%	27.8%	Hilcorp	Producing
Green Canyon 21 (GC21)	1	16.7%	13.3%	Talos Energy	Producing
Mosquito Bay West (MBU)	1	30.0%	22.4%	Castex Energy	Producing
Oyster Bayou South (OBS)	1	30.0%	22.7%	Castex Energy	Producing

PRODUCTION

SOUTH MARSH ISLAND 71

The F1 and F3 wells began producing in March 2018 from the primary D5 Sand reservoir, while the F2 well began production in April 2018 from the B55 Sand. In March 2020, the F5 well was spud and announced as a potential discovery. Due to uncertainty related to the impact of COVID-19 on operations, the SM 71 F5 wellbore was temporarily abandoned in a manner that allowed it to be sidetracked in the future. The field is operated by Byron Energy.

In late June 2022, traces of water were detected from the F3 well. During the month of May 2024, the F3 well was shut-in indefinitely due to high water cut and low oil production levels. The F3 well continues to display a high water cut in excess of 99% and remained predominantly shut in during the year.

In September 2022, the F2 well was successfully recompleted in the J1 sand and resumed production. On 2 June 2023, the F2 well was shut in for pressure buildup. The F2 well produced minor volumes during the year, it was brought back onto production early in the June quarter to maximise production after the F5-ST well was shut in mid March 2025.

On 16 August 2024 it was announced that Otto Energy had agreed to participate in the F5-ST well targeting the D5 sand with the well to be side tracked out of the original F5 well bore.

On 22 October 2024 it was announced that the F5-ST well had been drilled and logged to 7,297 feet measured depth. While pulling out of the well after drilling and logging, the drill pipe and bottom hold assembly became stuck in the hole. An insurance claim was made in relation to the SM 71 F5-ST well because of the intersection of an unexpected high pressure water sand encountered during the drilling of the F5 sidetrack. The insurance claim was settled with Otto receiving US$2.4 million from insurance proceeds.

Otto elected to participate in the proposed bypass well to redrill the I2, I3 and D5 sand intervals. On 30 October 2024 it was announced that the F5-ST bypass well had been drilled to 7,219 feet measured depth. Otto elected to participate in a completion of the F5-ST bypass well on 28 October 2024. Completion operations were finalised on 24 November 2024 and production commenced on 30 November 2024. In December 2024, wireline equipment was mobilised to further understand the production from the F5-ST well and possible interaction with the SM 71 F1 well. Pressure data obtained from the work program suggests the SM 71 F1 and F5-ST wells are in pressure communication. The F5 well was shut in mid March 2025 because of this reservoir communication with the F1 well; however it continues to be used intermittently to provide gas lift for the F1 well with positive results. Production volumes for the 2025 financial year at SM 71 averaged 441 boepd (WI), a decrease of 5% over the prior year average of 464 boepd (WI).

PRODUCTION

LIGHTNING

Otto owns a 37.5% WI and a 27.8% NRI in the Lightning Field in Matagorda County, Texas, with Hilcorp Energy Limited (Hilcorp) the operator, holding the remaining interest. Otto earned its 37.5% working interest in this field by paying 50.0% of the cost of drilling the initial Green #1 well. The first well in this field, the Green #1, commenced production in June 2019, while the second well, the Green #2, commenced production in February 2020.

The field continued to perform strongly for Otto during the financial year and was Otto's highest producing field on a boe/d basis. During the financial year the field produced an average of 799 boe/d compared to 896 boe/d the previous financial year with this 11% field decline in line with expectations.

GREEN CANYON 21

Otto owns a 16.67% WI and a 13.34% NRI in Green Canyon 21 (GC 21) in the Gulf of America, with Talos Energy (Talos) the operator, holding the remaining interest.

The "Bulleit" appraisal well located at GC 21 commenced production from the deeper MP sands in October 2020. In August 2022, recompletion operations began in the shallow DTR-10 sands. During operations, an issue with the casing hanger in the wellhead caused by strong loop currents was discovered. Due to additional equipment being required, operations were suspended and resumed in February 2023, with production beginning on 22 March 2023.

After a few days of production from the DTR-10 sands, well diagnostics indicated that the lower DTR-10 completion was not contributing to well production and the well was only seeing a contribution from the upper completion. Well intervention operations were completed in mid-May 2023 and the well is currently producing from both DTR-10 zones

During the financial year the field produced an average of 103 boe/d (WI basis) compared to an average of 128 boe/d the previous year.

Production volumes for the current year were 20% lower than the prior year and impacted by shut-ins during the year. In the first half of the year, the well was shut in for 17 days for both regulatory testing and maintenance being performed on a third party oil pipeline that transports the Company's oil production (11 days) and on a precautionary basis for Hurricane Francine (6 days). In the second half of the year, the well was shut-in for 5 days due to compressor issues brought on from the cold weather and another 17 days due to an export pipeline shutdown.

PRODUCTION

MOSQUITO BAY WEST

The Mosquito Bay West prospect was spud in May 2022 in state waters in Terrebonne Parish, Louisiana, and safely drilled down to a target depth of 14,867' MD (Measured Depth) / 12,967' TVD (True Vertical Depth) ahead of schedule. The well encountered a proved net gas pay of 111 feet TVT (True Vertical Thickness) across five separate Miocene intervals, plus another 10 feet TVT potential pay in one other sand that is considered probable or possible. This represents a higher net pay count than Otto was originally expecting. During the financial year the field produced an average of 94 boe/d (WI share) a 43% decrease over the prior year which was more than anticipated.

During the year the well underwent remedial operations aimed at reducing water production from the well due to water handling constraints at the central processing facility. Upon returning to production the well production rate slowly ramped up through the month of December 2024 reflecting a higher oil and gas production rate and a moderate reduction in water production rate.

OYSTER BAYOU SOUTH

The Oyster Bayou South prospect was spud in June 2022 in state waters in Terrebonne Parish, Louisiana, and safely drilled down to a target depth of 14,137' MD (Measured Depth) / 13,064' TVD (True Vertical Depth) ahead of schedule. The well encountered proved net gas pay of 68 feet TVT (True Vertical Thickness) Miocene pay, consistent with Otto's expectations. During the financial year the field produced an average 10 boe/d (WI basis) compared to 74 boe/d (WI basis) the prior year.

Beginning in November 2022, the well began producing small amounts of water, with a water cut of approximately 10%. Since then, the water rate has continued to increase. During the year remedial actions were investigated to reduced water production in the well. The Oyster Bayou South well produced for around 60 days during the year due to water handling constraints of the central processing facility, based on the combined water production from Mosquito Bay West and Oyster Bayou South.

Otto holds a 30% WI / 22.7% NRI in this field.

EXPLORATION AND APPRAISAL

TALITHA UNIT ORRI

The Company owns a 0.5% of 8/8ths overriding royalty interest (ORRI) in any future production from the 44,000 acre Talitha Unit in Alaska, which is operated by Pantheon Resources.

FINANCIAL REPORT

CORPORATE DIRECTORY

Directors	Mr Geoff Page – Interim Non-Executive Chairman Mr Paul Senycia – Non-Executive Deputy Chairman Mr Justin Clyne – Non-Executive Director
Company Secretary	Ms Kaitlin Smith
Key Executives	Mr Chris Dorros – Chief Executive Officer
Principal registered office in Australia	Level 12, 50 Pirie St Adelaide SA 5000 Tel: + 61 8 6467 8800 Fax: + 61 8 6467 8801
Houston Registered Office	440 Louisiana St, Suite 900 Houston, TX 77002 Tel: +1 713-893-8894
Share Registry	Link Market Services Limited Level 12 QV1 Building 250 St Georges Terrace Perth WA 6000 Tel: + 61 8 9211 6670 Fax: + 61 2 9287 0303
Auditors	BDO Audit Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000 Tel: + 61 8 6382 4600 Fax: + 61 8 6382 4601
Securities Exchange Listing	Australian Securities Exchange ASX Code: OEL
Website address	www.ottoenergy.com
ABN	56 107 555 046

ANNUAL GENERAL MEETING

The Annual General Meeting of Otto Energy Limited will be held as a physical meeting on 27 November 2025. Further details will be provided in the Company's notice of Annual General Meeting.

DIRECTORS' REPORT

For the year ended 30 June 2025

The Directors present their report together with the consolidated financial statements of the Group comprising Otto Energy Limited (referred to as 'Otto' or the 'Company') and its subsidiaries for the financial year ended 30 June 2025 and the auditors' report thereon.

Directors

The Directors in office at any time during the financial year and until the date of this report are set out below.

Mr Geoff Page MBA, CPA, FCMA, FGIA
Interim Chairman (Non-Executive)
Appointed Non-Executive Director 17 July 2020; Appointed Interim Chairman effective 1 July 2024.
Mr Geoff Page is a finance professional with over 20 years of senior finance, accounting and management experience gained globally within a number of industries. He has over 10 years of Board experience gained in several different firms. Mr Page is a member of CPA Australia, Fellow Member of the Chartered Institute of Management Accountants and a Fellow Member of the Governance Institute of Australia. Mr Page is a member of the Audit and Risk Committee and Remuneration and Nomination Committee.

Mr Paul Senycia BSc (Hons), MAppSc
Deputy Chairman (Independent Non-Executive)
Appointed Executive Director 24 April 2018; Became Non-Executive Director 1 January 2019; Appointed Deputy Chairman 19 June 2023
Mr Paul Senycia is a seasoned geoscientist with over 40 years of international oil and gas experience in both commercial and technical aspects of the business. Mr Senycia has held senior roles in large and small companies worldwide including Shell, Woodside and Beach Petroleum. Over the last twenty years Mr Senycia has accumulated substantial Gulf of America expertise both on the shelf and in the deep water. This has included deal capture, asset management and project divestment activities. Outside the Gulf of America, Mr Senycia has worked in Europe, Asia, Africa and Australasia both on and offshore. Up until his retirement on 31 December 2018, Mr Senycia was the Vice President – Exploration and New Ventures for the Company. Mr Senycia is a member of the Audit and Risk Committee and Chairman of the Remuneration and Nomination Committee. Mr Senycia has not held any other directorships in the last three years.

Mr Justin Clyne LLM (UNSW), AGIA, ACIS, MAICD
Director (Independent Non-Executive)
Appointed Non-Executive Director 19 October 2024
Justin Clyne is an Australian based company director and company secretary for public-listed and unlisted companies. Mr Clyne has significant experience and knowledge in international law and corporate regulatory requirements. Mr Clyne was admitted as a solicitor of the Supreme Court of New South Wales and High Court of Australia in 1996 before gaining admission as a barrister in 1998. Over the past 17 years, Mr Clyne has dedicated himself full time to the provision of corporate advisory and related services for listed entities primarily in the Australian and North American markets from incorporation through to takeovers and other large corporate transactions and specifically has acted as a director for Australian and dual listed oil and gas entities with US operations. Mr Clyne holds a Master of Laws in International Law from the University of New South Wales. Mr Clyne is also a qualified Chartered Company Secretary and a Member of the Australian Institute of Company Director. Mr Clyne is Chairman of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee.

Mr John Madden BCom (Melb), FCPA, FGIA, MAICD
Director (Independent Non-Executive)
Appointed Non-Executive Director 1 July 2022. Resigned as Non-Executive Director 20 October 2024
Mr Madden has over 40 years' experience with a proven track record encompassing administrative, acquisitions, business analysis, community consultation, corporate secretarial functions, feasibility studies, financing (including equity raising for listed and unlisted entities), IPO on ASX/AIM market, planning and strategic studies, accounting and taxation. These experiences were gained through positions held at both major and junior mining companies at corporate and operating levels. Mr Madden is an FCPA, FGIA and MAICD. Mr Madden was a director of AKORA Resources Limited from 6 October 2009 until 31 August 2023 and secured the iron ore permits for AKORA in Madagascar. Mr Madden was Chairman of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee. Mr Madden resigned as Non-Executive Director effective 20 October 2024.

DIRECTORS' REPORT

For the year ended 30 June 2025

Company Secretary

Ms Kaitlin Smith BCom (Acc), CA, FGIA
Appointed 2 November 2019
Ms Smith is an experienced Company Secretary, finance and corporate governance professional and has held Company Secretary and CFO roles within ASX listed and unlisted entities. She is a Chartered Accountant, fellow member of the Governance Institute of Australia and holds a Bachelor of Commerce (Accounting).

Directors' interests

As at the date of this report, the interests of the Directors in the shares and rights of Otto Energy Limited were:

Director	Number of Ordinary Shares	Number of Rights
Mr P Senycia	8,691,134	-
Mr J Clyne	-	-
Mr G Page	-	-

Principal activities

The principal activity of the Group is oil and gas development, production and sales in North America.

Dividends and Return of Capital

Shareholders formally approved, at the 2023 annual general meeting, a return of capital of up to A$40 million, or A$0.008 per share.

The Company received a draft class ruling from the Australian Taxation Office confirming a portion of the proposed distribution to shareholders would be declared a dividend by the Company with the balance a return of Capital. The Australian Taxation Office issued its final class ruling (CR 2025/43) in relation to the Company's $0.008 return of capital and dividend completed on 16 June 2025. The return comprised a return of capital of A$0.00657 per share and a dividend of A$0.00143 per share out of conduit foreign income.

Whilst the Company is in an accumulated loss position, the Commissioner of Taxation, in final class ruling (CR 2025/43) determined that there was a profit from an isolated transaction in the financial year ended 30 June 2022 from which the special dividend be paid.

Strategy

The Company remains committed to maximizing revenues from its existing asset base and to reducing costs where possible.

In the past year the Company implemented several changes to its operations by reducing personnel, reducing office costs and lowering its overall cost structure for the second successive year.

The Board of Directors will critically review any future investment opportunities to ensure shareholder value is maximized and will continue to assess its options with respect to the most efficient means of returning excess cash to shareholders.

DIRECTORS' REPORT

For the year ended 30 June 2025

Operating and Financial Review

During the year ended 30 June 2025, production from the Company's existing asset base continued to meet expectations. The Company continues to have a strong balance sheet and is debt-free with a cash balance of US$14.899 million after the recent distribution to shareholders.

Financial Summary

Total profit after tax for the year ended 30 June 2025 was US$0.740 million (2024: US$1.653 million loss). This year's result was after incurring US$6.661 million in exploration costs on the SM 71 F5-ST prospect. The achieved cost reductions of US$0.992 million in administration and other expenses combined with the reversal of US$ 1.027 in impairment charges for GC 21 assisted the Company in achieving the US$ 2.393 million improvement in after tax profit year on year.

Net operating revenues were lower compared to the previous period in line with expected field decline. These lower operating revenues were partially offset by lower administration and lower impairment charges than previously recognised.

Net operating revenue for the current year was US$15.562 million (2024: US$20.366 million), a 24% decrease from the prior year primarily due to a 16% decrease in overall production compared with the prior year, due to normal field decline. The Company faced a softening in global crude oil prices resulting in a 12% decrease in achieved crude oil prices for the year, which was partially offset by an 18% increase in natural gas prices and a 40% increase in the price received for natural gas liquids.

Cost of sales for the current year were US$7.105 million (2024: US$9.744 million), a 27% decrease primarily due to lower amortisation of producing assets as a result of overall decreased production and reduced insurance costs. This generated an operating gross profit of approximately US$8.457 million (2024: US$10.622 million), a decrease of only 20% for the year notwithstanding the 24% decrease in revenue.

Impairment charges for the current year reflect a gain due to an impairment reversal of US$1.027 million (2024: loss of US$9.101 million) as a result of equipment cost credits on the Bulleit well at Green Canyon 21. See Note 12 to the Consolidated Financial Statements for additional information.

Administrative and other expenses for the current year were approximately US$2.858 million (2024: US$3.850 million), a further 26% decrease on the previous year due to the Company's effective implementation of cost reduction measures. Reductions in personnel costs resulted in savings of US$0.724 million compared to the previous year.

Exploration expenditures during the current year were US$6.661million (2024: US$0.514 million), for exploration activities associated with the SM 71 F5-ST prospect.

Production and Development

Reserves Statement as at 30 June 2025

On 14 August the Company released its statement of reserves and resources as at 30 June 2025. The statement of reserves included Otto's fields at South Marsh 71 (SM 71), Green Canyon 21 (GC 21), Lightning in Matagorda County, TX (Lightning), Mosquito Bay West and Oyster Bayou South, and were independently prepared by Ryder Scott Company. The contingent and prospective resources cover SM 71 and Lightning. The summary statement of reserves and contingent and prospective resources as at 30 June 2025 and changes to reserves and resources since 30 June 2024 is set out below. (Full details including the reconciliations and notes on the statements are included in the ASX release of 14 August).

DIRECTORS' REPORT

For the year ended 30 June 2025

Total	Gross (100%)				Otto Net			
	Oil (Mbbl)	NGL (Mbbl)	Gas (MMcf)	Mboe	Oil (Mbbl)	NGL (Mbbl)	Gas (MMcf)	Mboe
Proved Producing	1,824	423	13,045	4,421	516	107	3,299	1,173
Proved Behind Pipe	519	301	8,970	2,315	176	79	2,207	623
Proved Undeveloped	-	-	-	-	-	-	-	-
Proved (1P)	2,343	724	22,015	6,736	692	186	5,506	1,796
Probable	1,067	257	7,287	2,539	320	61	1,745	672
Proved + Probable (2P)	3,410	981	29,302	9,275	1,012	247	7,251	2,468
Possible	2,365	1,604	50,956	12,462	684	439	13,041	3,296
Proved + Probable + Possible (3P)	5,775	2,585	80,258	21,737	1,696	686	20,292	5,764
Total Contingent and Prospective Resources (best estimate, unrisked)	2,068	-	24,285	6,116	765	-	7,304	1,982

Changes to reserves and resources since 30 June 2024

Otto Energy Limited Grand Total - Reserve Reconciliation (Otto Energy NRI Share)												
	Oil/NGL (Mbbl)				Gas (MMCF)				MBOE			
	Remaining 6/30/2024	Production FY2025	Additions & Revisions	Remaining 6/30/2025	Remaining 6/30/2024	Production FY2025	Additions & Revisions	Remaining 6/30/2025	Remaining 6/30/2024	Production FY2025	Additions & Revisions	Remaining 6/30/2025
Proved (1P)	1,020	204	62	878	5,874	1,251	884	5,507	1,999	413	209	1,796
Probable	547	0	-166	381	4,230	0	-2,484	1,746	1,252		-580	672
Proved+Probable (2P)	1,567	204	-104	1,259	10,104	1,251	-1,600	7,253	3,251	413	-371	2,468
Possible	968	0	156	1,124	10,440	0	2,600	13,040	2,708		589	3,296
Proved+Probable+ Possible (3P)	2,536	204	52	2,383	20,544	1,251	1,000	20,293	5,959	413	218	5,764

Estimated proved reserves total approximately 1.8 MMboe and consist of seven PDP wells and eight recompletions. This compares to 2.0 MMboe as of 30 June 2024. This decrease is predominantly due to production of 413 Mboe on a net revenue interest basis ("NRI") during the financial year. Proved reserve additions of 167 Mboe at Lightning, 45 Mboe at GC 21 and 15 Mboe at SM 71 exceed minimal downward revisions at Oyster Bayou of 10 Mboe. Additions to Lightning are predominantly related to an upgrade from Probable Producing to Proved reserves with the balance relating to increased rates after reperforating the Green #2 well. GC 21 reserve revisions reflect steady production field performance and SM 71 reserve revisions reflect minimal changes with F-5ST not adding any material reserves. These reserves have a 10 year estimated production life (through 2035) and anticipate a total of 8 recompletions.

Estimated Proved plus Probable reserves total approximately 2.5 MMboe, compared to 3.3 MMboe as of 30 June 2024. This decrease is predominantly attributable to production of 413 Mboe (NRI) through FY 25 and the reclassification of a Probable undeveloped well at Lightning (Green #3) to Possible, resulting in a reduction in Lightning of 644 Mboe. Increases at Mosquito Bay West of 55 Mboe relate to field performance with further minimal increases estimated to Oyster Bayou and SM 71.These reserves have a 13-year estimated life (through 2038) and also anticipate the same 8 recompletions.

Estimated Proved plus Probable plus Possible reserves totaled approximately 5.8 MMboe, compared to 6.0 MMboe as of 30 June 2024. Possible reserves benefit by the reclassification of the Green #3 well from Probable to Possible. SM 71 and Mosquito Bay West both have minimal increases in Possible reserves. These reserves have greater than a 14-year estimated life (beyond 2039) and anticipate an additional 3 new possible wells at Lightning (Green #3, Green #4 and Green #5).

Contingent and prospective resources totaled approximately 2.0 MMboe, compared to 8.7 MMboe as of 30 June 2024 from SM 71 and Lightning. The reduction is primarily due to the ST 48 lease, which was relinquished in FY25.

DIRECTORS' REPORT

For the year ended 30 June 2025

Production and Revenue Summary

The table below sets out production and working interest ("WI") revenue information associated with Otto's sales of natural gas, oil and natural gas liquids ("NGLs") from its fields at SM 71, Lightning, GC 21, Mosquito Bay West and Oyster Bayou South for the year ended 30 June 2025. One barrel of oil, condensate or NGL is the energy equivalent of six Mcf of natural gas.

	FY 2025	FY 2024	% Change
Total Oil (Bbls)	204,215	254,007	-20%
Total Gas (Mcf)	1,625,697	1,889,074	-14%
Total NGLs (Bbls)	53,052	63,419	-16%
Total BOE	528,216	632,272	-16%
Total (Boe/d)	1,447	1,728	-16%
Percent Liquids (%)	49%	50%	-3%
Total WI Revenue (US$MM)	$ 19.6	$ 25.0	-21%
Oil WI revenue ($millions)	$ 13.8	$ 19.4	-29%
Avg oil price ($/Bbl)	$ 67.53	$ 76.51	-12%
Gas WI revenue ($millions)	$ 4.5	$ 4.4	2%
Avg gas price ($/Mcf)	$ 2.70	$ 2.28	18%
NGL WI revenue ($millions)	$ 1.3	$ 1.1	17%
Avg NGL price ($/Bbl)	$ 24.17	$ 17.21	40%
Total WI revenue ($millions)	$ 19.6	$ 25.0	-21%
Avg WI price ($/Boe)	$ 37.12	$ 39.49	-6%

Otto's hydrocarbon sales for the current year equate to 1,447 Boe/d with performance of each asset during the year detailed below.

Notes

1. Otto sells its high-quality crude produced at SM 71, Mosquito Bay West, and Oyster Bayou South at Louisiana Light Sweet crude (LLS) crude pricing which is a premium to West Texas Intermediate ("WTI") pricing. Deductions are applied for transportation, gravity, and pipeline loss allowances.
2. GC 21 crude is a medium sour grade and sells against the Bonito Sour crude marker. Deductions are applied for transportation, gravity, and pipeline loss allowances.
3. Lightning crude sells against the WTI Houston crude marker. Deductions are applied for transportation and gravity.
4. On average, 1 Mscf = 1.10 Mmbtu for SM 71 raw gas production. The thermal content of SM 71 gas may vary over time.
5. On average, 1 Mscf = 1.25 Mmbtu for GC 21 raw gas production. The thermal content of GC 21 gas may vary over time.
6. On average, 1 Mscf = 1.10 Mmbtu for Lightning raw gas production. The thermal content of Lightning gas may vary over time.
7. On average, 1 Mscf = 1.12 Mmbtu for Mosquito Bay West and Oyster Bayou South raw gas production. The thermal content of Mosquito Bay West and Oyster Bayou South gas may vary over time.

DIRECTORS' REPORT

For the year ended 30 June 2025

South Marsh Island 71 (SM 71) – Offshore Gulf of America. Operated by Byron Energy Inc

The F1 and F3 wells began producing in March 2018 from the primary D5 Sand reservoir, while the F2 well began production in April 2018 from the B55 Sand. In March 2020, the F5 well was spud and announced as a potential discovery. Due to uncertainty related to the impact of COVID-19 on operations, the SM 71 F5 wellbore was temporarily abandoned in a manner that allowed it to be sidetracked in the future. The field is operated by Byron Energy.

In late June 2022, traces of water were detected from the F3 well. During the month of May 2024, the F3 well was shut-in indefinitely due to high water cut and low oil production levels. The F3 well continues to display a high water cut in excess of 99% and remained predominantly shut in during the year.

In September 2022, the F2 well was successfully recompleted in the J1 sand and resumed production. On 2 June 2023, the F2 well was shut in for pressure buildup. The F2 well produced minor volumes during the year, it was brought back onto production early in the June quarter to maximise production after the F5-ST well was shut in mid March 2025.

On 16 August 2024 it was announced that Otto Energy had agreed to participate in the F5-ST well targeting the D5 sand with the well to be side tracked out of the original F5 well bore.

On 22 October 2024 it was announced that the F5-ST well had been drilled and logged to 7,297 feet measured depth. While pulling out of the well after drilling and logging, the drill pipe and bottom hold assembly became stuck in the hole. An insurance claim was made in relation to the SM 71 F5-ST well because of the intersection of an unexpected high pressure water sand encountered during the drilling of the F5 sidetrack. The insurance claim was settled with Otto receiving US$2.4 million from insurance proceeds.

Otto elected to participate in the proposed bypass well to redrill the I2, I3 and D5 sand intervals. On 30 October 2024 it was announced that the F5-ST bypass well had been drilled to 7,219 feet measured depth. Otto elected to participate in a completion of the F5-ST bypass well on 28 October 2024. Completion operations were finalized on 24 November 2024 and production commenced on 30 November 2024. In December 2024, wireline equipment was mobilized to further understand the production from the F5-ST well and possible interaction with the SM 71 F1 well. Pressure data obtained from the work program suggests the SM 71 F1 and F5-ST wells are in pressure communication. The F5 well was shut in mid March 2025 because of this reservoir communication with the F1 well; however it continues to be used intermittently to provide gas lift for the F1 well with positive results.

Production and WI revenue for the year ended 30 June 2025 and 2024 were as follows:

SM 71 Production Volumes		FY 2025	FY 2024	% Change
WI (50%)	Oil (bbls)	128,798	149,578	-14%
	Gas (Mscf)	192,447	120,831	59%
	Total (Boe)	160,872	169,716	-5%
	Total (Boepd)	441	464	-5%
	% liquids	80%	88%	-9%
NRI (40.6%)	Oil (bbls)	104,648	121,532	-14%
	Gas (Mscf)	156,363	98,176	59%
	Total (Boe)	130,708	137,894	-5%
	Total (Boepd)	358	377	-5%

SM 71 Prices		FY 2025	FY 2024	% Change
WI (50%)	Oil - $million	$ 8.6	$ 11.2	-24%
	Oil - $ per bbl	$ 66.69	$ 75.20	-11%
	Gas - $million	$ 0.8	$ 0.4	93%
	Gas – $ per Mmbtu	$ 3.45	$ 2.83	22%
	Total – US$million	$ 9.3	$ 11.6	-20%

DIRECTORS' REPORT

For the year ended 30 June 2025

Production volumes for the current financial year at SM 71 averaged 441 boepd (WI), a decrease of 5% over the prior year average of 464 boepd (WI). Production volumes for the year were impacted by downtime during the year including a 13 day precautionary shut-in due to an approaching hurricane and a 3 day shut-in at the completion of the F5 well completions in the first half of the year. The SM 71 F Platform was shut-in from 10 January 2025, due to an issue with the Electronic Control Module on the platform's compressor, through 26 January 2025, with an additional 2.5 day shut-in during February 2025.

The F1 well decreased oil production during the year averaging 719 bblpd (8/8ths) for the financial year compared to 738 bblpd (8/8ths) of oil production the previous financial year. Production rates began declining late December 2024, impacted by pressure communication with the F5 well and stabilized in the June quarter after shutting in the F5 well and placing the F1 well on continuous gas lift.

Sales revenues for the current year were also lower than the prior year due to this 5% decrease in production, a 9% decrease in oil to gas ratio, as well as a 11% decrease in oil prices received offset by a 22% increase in natural gas prices received. The following table sets out certain information with respect to SM 71 reserves as of 30 June 2025.

SM 71	Gross (100%)				Otto Net (40.6%)			
	Oil (Mbbl)	NGL (Mbbl)	Gas (MMcf)	Mboe	Oil (Mbbl)	NGL (Mbbl)	Gas (MMcf)	Mboe
Proved Producing	821	-	820	958	333	-	326	388
Proved Behind Pipe	266	-	166	294	108	-	66	119
Proved Undeveloped	-	-	-	-	-	-	-	-
Proved (1P)	1,087	-	986	1,252	441	-	392	507
Probable	550	-	550	642	224	-	219	260
Proved + Probable (2P)	1,637	-	1,536	1,894	665	-	611	767
Possible	550	-	550	642	224	-	219	261
Proved + Probable + Possible (3P)	2,187	-	2,086	2,536	889	-	830	1,028
Total Contingent and Prospective Resources (best estimate, unrisked)	1,443	-	3,035	1,949	586	-	1,233	792

Lightning – Onshore Matagorda County, Texas. Operated by Hilcorp Energy

The first well in this field, Green #1, commenced production in June 2019 while the Green #2, commenced production in February 2020. Production and WI revenue for the year ended 30 June 2025 and 2024 were as follows:

Lightning Volumes		FY 2025	FY 2024	% Change
WI (37.5%)	Oil (bbls)	40,029	43,869	-9%
	Gas (Mscf)	1,249,926	1,419,193	-12%
	NGLs (bbls)	43,294	47,518	-9%
	Total (Boe)	291,644	327,918	-11%
	Total (Boepd)	799	896	-11%
NRI (27.8%)	Oil (bbls)	29,719	32,570	-9%
	Gas (Mscf)	927,992	1,053,662	-12%
	NGLs (bbls)	32,143	35,279	-9%
	Total (Boe)	216,527	243,459	-11%
	Total (Boepd)	593	665	-11%

DIRECTORS' REPORT

For the year ended 30 June 2025

Lightning Prices		FY 2025	FY 2024	% Change
WI (37.5%)	Oil - $million	$ 2.8	$ 3.4	-20%
	Oil - $ per bbl	$ 68.90	$ 78.21	-12%
	Gas - $million	$ 3.2	$ 3.1	3%
	Gas – $ per Mmbtu	$ 2.58	$ 2.21	17%
	NGLs - $million	$ 1.1	$ 0.8	27%
	NGLs – $ per bbl	$ 24.84	$ 17.84	39%
	Total – US$million	$ 7.1	$ 7.4	-5%

Production volumes for the current year were lower than production volumes for the prior year due to normal field decline with a 11% decline year on year on a boe basis and 6.5 days of downtime recorded. Production, on a WI basis, was approximately 799 Boepd as of 30 June 2025.

Sales revenues for the current year were also lower than the prior year due to this 11% decrease in production as well as a 12% decrease in oil prices received offset by a 17% increase in natural gas prices received, and a 39% increase in NGL prices received. The following table sets out certain information with respect to Lightning reserves as of 30 June 2025.

Lightning	Gross (100%)				Otto Net (27.8%)			
	Oil (Mbbl)	NGL (Mbbl)	Gas (MMcf)	Mboe	Oil (Mbbl)	NGL (Mbbl)	Gas (MMcf)	Mboe
Proved Producing	321	340	10,907	2,479	89	95	2,803	651
Proved Behind Pipe	197	205	6,560	1,495	55	57	1,686	393
Proved Undeveloped	-	-	-	-	-	-	-	-
Proved (1P)	518	545	17,467	3,974	144	152	4,489	1,044
Probable	112	116	3,727	849	31	32	956	222
Proved + Probable (2P)	630	661	21,194	4,823	175	184	5,445	1,267
Possible	1,462	1,521	48,752	11,108	407	423	12,528	2,918
Proved + Probable + Possible (3P)	2,092	2,182	69,946	15,931	582	607	17,973	4,185
Total Contingent and Prospective Resources (best estimate, unrisked)	625	-	21,250	4,167	179	-	6,071	1,190

Green Canyon 21 (GC 21) – Offshore Gulf of America. Operated by Talos Energy

The GC 21 well, operated by Talos Energy, commenced production from the deeper MP sands in October 2020. In August 2022, recompletion operations began in the shallow DTR-10 sands. During recompletion activities, an issue with the casing hanger in the wellhead caused by strong loop currents occurred. Due to additional equipment being required, operations were suspended and resumed in February 2023, with production beginning on 22 March 2023.

After a few days of production from the DTR-10 sands, well diagnostics indicated that the lower DTR-10 completion was not contributing to well production and the well was only seeing a contribution from the upper completion. Well intervention operations were completed in mid-May 2023 and the well is currently producing from both DTR-10 zones.

DIRECTORS' REPORT

For the year ended 30 June 2025

Production and WI revenue for the year ended 30 June 2025 and 2024 were as follows:

GC 21 Production Volumes		FY 2025	FY 2024	% Change
WI	Oil (bbls)	28,923	34,625	-16%
	Gas (Mscf)	35,617	50,298	-29%
	NGLs (bbls)	2,763	3,790	-27%
	Total (Boe)	37,622	46,798	-20%
	Total (Boepd)	103	128	-19%
NRI	Oil (bbls)	23,138	27,700	-16%
	Gas (Mscf)	28,494	40,239	-29%
	NGLs (bbls)	2,211	3,031	-27%
	Total (Boe)	30,098	37,438	-20%
	Total (Boepd)	82	102	-19%

GC 21 Prices		FY 2025	FY 2024	% Change
WI	Oil - $million	$ 2.0	$ 2.7	-26%
	Oil - $ per bbl	$ 68.18	$ 76.68	-11%
	Gas - $million	$ 0.10	$ 0.12	-14%
	Gas – $ per Mmbtu	$ 2.06	$ 1.72	20%
	NGLs - $million	$ 0.07	$ 0.08	-12%
	NGLs – $ per bbl	$ 25.16	$ 20.95	20%
	Total – US$million	$ 2.1	$ 2.9	-25%

Production volumes for the current year were 20% lower than the prior year and impacted by shut-ins during the year. In the first half of the year, the well was shut in for 17 days for both regulatory testing and maintenance being performed on a third party oil pipeline that transports the Company's oil production (11 days) and on a precautionary basis for Hurricane Francine (6 days). In the second half of the year, the well was shut-in for 5 days due to compressor issues brought on from the cold weather and another 17 days due to an export pipeline shutdown.

Production on a WI basis, was approximately 103 Boepd as of 30 June 2025. Sales revenues decreased as a result of the production decline and an 11% decrease in oil prices received, partially offset by a 20% increase in natural gas prices and a 20% increase in NGL prices received.

DIRECTORS' REPORT

For the year ended 30 June 2025

The following table sets out certain information with respect to GC 21 reserves as of 30 June 2025.

GC 21	Gross (100%)				Otto Net (13.3%)			
	Oil (Mbbl)	NGL (Mbbl)	Gas (MMcf)	Mboe	Oil (Mbbl)	NGL (Mbbl)	Gas (MMcf)	Mboe
Proved Producing	658	68	987	891	88	9	103	114
Proved Behind Pipe	-	-	-	-	-	-	-	-
Proved Undeveloped	-	-	-	-	-	-	-	-
Proved (1P)	658	68	987	891	88	9	103	114
Probable	286	30	429	388	38	4	45	50
Proved + Probable (2P)	944	98	1,416	1,279	126	13	148	164
Possible	286	30	429	388	38	4	45	50
Proved + Probable + Possible (3P)	1,230	128	1,845	1,667	164	17	193	214
Total Contingent and Prospective Resources (best estimate, unrisked)	-	-	-	-	-	-	-	-

Mosquito Bay West. Operated by Castex Energy

The Mosquito Bay West prospect was spud on 22 May 2022 in state waters in Terrebonne Parish, Louisiana, and safely drilled down to a target depth of 14,867' MD (Measured Depth) / 12,967' TVD (True Vertical Depth) ahead of schedule. The well encountered a proved net gas pay of 111 feet TVT (True Vertical Thickness) across five separate Miocene intervals, plus another 10 feet TVT potential pay in one other sand that is considered probable or possible. The well began producing in August 2022. Production and WI revenue for the year ended 30 June 2025 and 2024 were as follows:

Mosquito Bay West Production Volumes		FY 2025	FY 2024	% Change
WI (30%)	Oil (bbls)	4,478	9,327	-52%
	Gas (Mscf)	139,853	247,758	-44%
	NGLs (bbls)	6,626	10,064	-34%
	Total (Boe)	34,412	60,685	-43%
	Total (Boepd)	94	166	-43%
NRI (22.4%)	Oil (bbls)	3,336	6,949	-52%
	Gas (Mscf)	104,190	184,580	-44%
	NGLs (bbls)	4,936	7,498	-34%
	Total (Boe)	25,637	45,210	-43%
	Total (Boepd)	70	124	-43%

Mosquito Bay West Prices		FY 2025	FY 2024	% Change
WI (30%)	Oil - $million	$ 0.3	$ 0.8	-57%
	Oil - $ per bbl	$ 72.93	$ 80.90	-10%
	Gas - $million	$ 0.4	$ 0.6	-32%
	Gas – $ per MMbtu	$ 2.86	$ 2.39	20%
	NGLs - $million	$ 0.1	$ 0.1	-5%
	NGLs – $ per bbl	$ 19.61	$ 13.56	45%
	Total – US$million	$ 0.9	$ 1.5	-42%

During the year the well underwent remedial operations aimed at reducing water production from the well due to water handling constraints at the central processing facility. Upon returning to production the well production rate slowly ramped up through the month of December 2024 reflecting a higher oil and gas production rate and a moderate reduction in water production rate.

DIRECTORS' REPORT

For the year ended 30 June 2025

Production decreased during the year from an average of 166 boepd (WI) for 2024 to an average of 94 boepd this financial year, a decrease of 43%. Total revenue for this financial year decreased by 42% compared to prior year. The decrease in revenue was driven by the decrease in production volumes, as well as a 10% decrease in oil pricing offset by a 20% increase in natural gas pricing and a 45% increase in NGL pricing.

The following table sets out certain information with respect to Mosquito Bay West reserves as of 30 June 2025.

Mosquito Bay West	Gross (100%)				Otto Net (22.4%)			
	Oil (Mbbl)	NGL (Mbbl)	Gas (MMcf)	Mboe	Oil (Mbbl)	NGL (Mbbl)	Gas (MMcf)	Mboe
Proved Producing	12	13	313	77	3	3	63	16
Proved Behind Pipe	56	97	2,244	527	13	22	455	110
Proved Undeveloped	-	-	-	-	-	-	-	-
Proved (1P)	68	110	2,557	604	16	25	518	126
Probable	77	109	2,517	605	17	24	511	127
Proved + Probable (2P)	145	219	5,074	1,209	33	49	1,029	253
Possible	33	51	1,175	279	7	11	238	58
Proved + Probable + Possible (3P)	178	270	6,249	1,488	40	60	1,267	311
Total Contingent and Prospective Resources (best estimate, unrisked)	-	-	-	-	-	-	-	-

Oyster Bayou South. Operated by Castex Energy

The Oyster Bayou South prospect was spud on 27 June 2022 in state waters in Terrebonne Parish, Louisiana, and safely drilled down to a target depth of 14,137' MD (Measured Depth) / 13,064' TVD (True Vertical Depth) ahead of schedule. The well encountered proved net gas pay of 68 feet TVT (True Vertical Thickness) Miocene pay, consistent with Otto's expectations. First production began in September 2022.

Beginning in November 2022, the well began producing small amounts of water, with a water cut of approximately 10%. Since then, the water rate has continued to increase. During the year remedial actions were investigated to reduced water production in the well. The Oyster Bayou South well produced for around 60 days during the year due to water handling constraints of the central processing facility, based on the combined water production from Mosquito Bay West and Oyster Bayou South.

Production and WI revenue for the year ended 30 June 2025 and 2024 were as follows:

Oyster Bayou South Production Volumes		FY 2025	FY 2024	% Change
WI (30%)	Oil (bbls)	1,988	16,608	-88%
	Gas (Mscf)	7,855	50,995	-85%
	NGLs (bbls)	369	2,047	-82%
	Total (Boe)	3,666	27,155	-86%
Total (Boepd)		10	74	-86%
NRI (22.7%)	Oil (bbls)	1,501	12,539	-88%
	Gas (Mscf)	5,931	38,501	-85%
	NGLs (bbls)	279	1,546	-82%
	Total (Boe)	2,768	20,502	-86%
	Total (Boepd)	8	56	-86%

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For the year ended 30 June 2025

Oyster Bayou South Production Volumes		FY 2025	FY 2024	% Change
WI (30%)	Oil (bbls)	1,988	16,608	-88%
	Gas (Mscf)	7,855	50,995	-85%
	NGLs (bbls)	369	2,047	-82%
	Total (Boe)	3,666	27,155	-86%
	Total (Boepd)	10	74	-86%
NRI (22.7%)	Oil (bbls)	1,501	12,539	-88%
	Gas (Mscf)	5,931	38,501	-85%
	NGLs (bbls)	279	1,546	-82%
	Total (Boe)	2,768	20,502	-86%
	Total (Boepd)	8	56	-86%

Oyster Bayou South Prices		FY 2025	FY 2024	% Change
WI (30%)	Oil - $million	$ 0.1	$ 1.3	-89%
	Oil - $ per bbl	$ 73.35	$ 80.73	-9%
	Gas - $million	$ 0.0	$ 0.1	-80%
	Gas – $ per MMbtu	$ 3.14	$ 2.43	29%
	NGLs - $million	$ 0.0	$ 0.0	-74%
	NGLs – $ per bbl	$ 19.79	$ 13.54	46%
	Total – US$million	$ 0.2	$ 1.5	-88%

Production at Oyster Bayou South decreased by 86% this financial year compared to the prior year, from an average of 74 boepd (WI) down to average of 10 boepd (WI). Revenues over the same period decreased by 88% driven by the 86% decrease in production volumes, a 9% decrease in oil pricing, partially offset by a 29% increase in natural gas pricing and a 46% increase in NGL pricing.

The following table sets out certain information with respect to Oyster Bayou South reserves as of 30 June 2025.

Oyster Bayou South	Gross (100%)				Otto Net (22.65%)			
	Oil (Mbbl)	NGL (Mbbl)	Gas (MMcf)	Mboe	Oil (Mbbl)	NGL (Mbbl)	Gas (MMcf)	Mboe
Proved Producing	13	1	19	16	3	0	4	4
Proved Behind Pipe	-	-	-	-	-	-	-	-
Proved Undeveloped	-	-	-	-	-	-	-	-
Proved (1P)	13	1	19	16	3	0	4	4
Probable	42	3	63	56	10	1	13	12
Proved + Probable (2P)	55	4	82	72	13	1	17	16
Possible	33	2	50	44	8	1	10	10
Proved + Probable + Possible (3P)	88	6	132	116	21	2	27	26
Total Contingent and Prospective Resources (best estimate, unrisked)	-	-	-	-	-	-	-	-

Exploration and Appraisal

South Timbalier 48 Lease

The lease on South Timbalier 48 (ST 48) was relinquished effective 1 October 2024.

DIRECTORS' REPORT

For the year ended 30 June 2025

Corporate and Administration

Board of Director and Executive Changes

Effective 20 October 2024, Mr John Madden resigned as Non-Executive Director of the Company and Mr Justin Clyne was appointed Non-Executive Director effective 19 October 2024. Effective 5 July 2024, Mr Stephen Herod resigned as Chief Executive Officer and Philip Trajanovich was appointed Acting Chief Executive Officer effective 6 July 2024.

Commodity Price Risk Management

Otto derives its net operating revenue from the sale of oil, natural gas and natural gas liquids. As a result, the Company's net operating revenues are determined, to a large degree, by prevailing oil, natural gas and natural gas liquids prices. Otto sells its production to purchasers pursuant to sales agreements, with sales prices tied to industry standard published index prices, subject to negotiated price adjustments.

Otto may occasionally utilise commodity price hedge instruments to minimise exposure to short-term price fluctuations by using a series of swaps, costless collars and/or puts. Unrealised gains or losses associated with hedges vary period to period, and are a function of hedges in place, the strike prices of those hedges and the forward curve pricing for the commodities being hedged.

In March 2025, Otto entered into hedges of 63,000 bbl of LLS put options at a price of US$1.50/bbl and strike price of US$60/bbl for a total cost of US$94,500. At 30 June 2025, Otto has 20,000 remaining put options with the last tranche expiring in August 2025.

Key Risks

The key areas of risk, uncertainty and material issues that could affect the achievement of Otto's goals and delivering on its targets are described below. The Audit and Risk committee assists the Board with oversight of the Company's risk management activities and reviews significant risks to ensure that strategy, risk appetite and activities are aligned.

The Company's risk profile is actively managed by undertaking annual risk workshops to ensure risk categories and risk management activities are assessed and reviewed with appropriate mitigation actions developed for risks the Company believes it could control despite non operator status. Risk management activities are regularly reviewed at Board meetings on an ongoing basis. Note that this is not an exhaustive list of risks that may potentially affect the Company.

Operating Risk

Sustained, unplanned interruption to production may impact Otto's financial performance. The facilities, third-party pipelines, refineries and gas plants which are utilised for sales and transportation of hydrocarbons are subject to operating hazards associated with major accident events, cyber-attack and weather events, which can result in a loss of hydrocarbon containment, diminished production, additional costs, environmental damage and harm to people or reputation. This risk also extends to unexpected sub-surface outcomes.

Otto has insurance cover for a number of these risks where it is appropriate and commercially justifiable to do so. For example, Otto has insurance cover for property damage but has relinquished insurance cover for named windstorm coverage due to field maturity and does not have cover for loss of profits as the cost is prohibitive.

As Otto is a non-operator, the operating risks are extended to include the performance of the operator. These risks could include inadequate resourcing or systems, misalignment of interest, inadequate capture or provision of data and information, poor financial position or unfavourable or inadequate agreement with the operator. Consequences of poor performance by an operator could extend to operational incidents, financial loss, loss of opportunity, non-compliance, legal disputes or less than optimal financial returns from the field.

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For the year ended 30 June 2025

Certain activities are undertaken in deep waters where operations, support services and decommissioning activities are more difficult and costly than in shallow waters. The deep waters in the Gulf of America lack the physical and oilfield service infrastructure present in the shallower waters. As a result, deepwater operations may carry additional risks.

Otto seeks to manage the risks around performance of the operator by entering into ventures with operators who have demonstrated competencies and financial capacity. Otto seeks to ensure that the operator's reputation is sound, and that Otto's interests are in alignment before committing to participation. Once committed, the risk is further mitigated through joint venture partner meetings, real time data receipt and review, and technical reviews and audits.

Reserves Recovery Risk

The process of estimating oil and natural gas reserves is complex. It requires interpretations of available technical data and many assumptions, including assumptions relating to economic factors. Any significant inaccuracies in these interpretations or assumptions could materially affect the estimated quantities of our reserves at 30 June 2025.

In order to prepare reserve estimates, our independent consultant projected our production rates and timing of development expenditures. Our independent consultant also analyses available geological, geophysical, production and engineering data. The extent, quality and reliability of this data can vary. The process also requires economic assumptions about matters such as crude oil and natural gas prices, operating expenses, capital expenditures, taxes and availability of funds. Therefore, estimates of oil and natural gas reserves are inherently imprecise.

Actual future production, net operating revenues, crude oil and natural gas prices, taxes, development expenditures, operating expenses and quantities of recoverable oil and natural gas reserves will most likely vary from our estimates. Any significant variance could materially affect the estimated quantities of our reserves. In addition, our independent consultant may adjust estimates of proved reserves to reflect production history, drilling results, prevailing oil and natural gas prices and other factors, many of which are beyond our control.

The Company manages this risk by engaging Ryder Scott to prepare the annual reserves and resources statement. Ryder Scott Company evaluates oil and gas properties and independently certifies petroleum reserves quantities in the US and internationally. Ryder Scott is one of the largest, oldest and most respected reservoir evaluation consulting firms in the industry.

Financial Risk

Demand for and pricing of the Company's products remain sensitive to external economic and political factors, weather, natural disasters, the introduction of new and competing supply options, changes in buyer preferences for differing products and price regimes.

The Company is exposed to credit risk as counterparties could fail or could be unable to meet their payment or performance obligations under contractual arrangements. The Company is not insured against all potential risks because not all risks can be insured and because of constraints on the availability of commercial insurance in global markets. Losses that are not insured could impact Otto's financial performance.

A flexible approach to capital management enables this overall level of investment in the different areas of our business and the mix to be adjusted to reflect the external environment. The Company's capital management strategy focuses on capital allocation, capital discipline and capital efficiency.

Insurance is maintained in line with industry practice and sufficient to cover normal operational risks. Insurance coverage is determined by the availability of commercial options and cost/benefit analysis.
The Company is exposed to foreign currency risk from financial assets and liabilities not denominated in US dollars as the reporting currency for the Company is US dollars, reducing exposure to currency fluctuations. The US dollar reflects the majority of the Company's underlying cashflows from operations.

DIRECTORS' REPORT

For the year ended 30 June 2025

Key Asset Risk

Otto's financial performance is significantly dependent on two of its five assets (SM71 and Lightning), which together contributed ninety percent of the Company's gross profit in the 2025 fiscal year. This concentration of revenue generation in a limited number of assets presents a substantial risk. Should production be curtailed at either of these key assets for any significant amount of time, it could have a material adverse effect on the Company's financial performance.

Key Management Risk

As Otto is a non-operator of its key interests, it has a small management team. The Company reduced the Houston footprint during the year and will continue to utilise external experts and consultants to support employees, management and the Boards of the Company and its subsidiaries as required. Otto does not maintain or plan to obtain any insurance against the loss of any key management personnel. The Company makes every reasonable effort to retain key management personnel and acknowledges the Company may need to pay higher than expected retention costs.

Cyber Security risks

Regulatory and compliance obligations are increasing for data protection and security of critical infrastructure. Failure to safeguard the confidentiality, integrity and availability of digital data and information could have an adverse effect on Otto's operation performance.

Otto's technology systems may be subject to both unintentional and intentional disruption, for example cybersecurity attacks. We are committed to the protection of our people, assets, reputation, and brand through securely enabled digital technologies. Digital risks are identified, assessed, and managed based on the business criticality of our people and systems, and may be required to be segregated and isolated. Our exposure to cyber risk is managed by a control framework that ensures cyber events are identified, contained, and recovered in a timely manner.

Commodity price risk

Otto's net operating revenues, profitability and generation of cash flows depend significantly on crude oil and natural gas prices. Oil and natural gas prices are volatile and low prices could have a material adverse impact on profitability and cash flow. There are a number of factors that can cause fluctuations in price that are beyond the control of Otto.

The transition to lower carbon sources of energy in many parts of the world (driven by ESG and climate change concerns) and policies of the Organisation of Petroleum Exporting Countries (OPEC) are two factors which may affect demand for Otto's products, including crude oil, natural gas and NGLs, which in turn may affect the price received (or expected to be received) for these products. Material adverse price impacts (including as a result of the energy transition) may affect the economic performance (including as to margins and cash flows) of, and longevity of production from, Otto's production assets, and ultimately the financial performance of Otto. The Company monitors and analyses the oil and gas markets and seeks to reduce price risk where reasonable and practical.

The Company may utilise commodity price hedge instruments to minimise exposure to short-term price fluctuations by using a series of swaps, costless collars and/or puts. The Company evaluates market prices and sensitivities from time to time to determine when it would be appropriate to enter into these hedges.

Environmental Social & Governance (ESG) Risks

Environmental Social and Governance (ESG) risks are present in Otto's operations and business locations. As a non-operator, Safety and Environmental Management Systems (SEMS) evaluation in partner selection and tracking of operational environmental data allow Otto to monitor and manage environmental risks. Otto also has a comprehensive governance framework starting with the procedures for the selection and appointment of the board of directors, board committees, associated policies and procedures, the corporate delegation of authority, and independent external financial and reserves audits.

DIRECTORS' REPORT

For the year ended 30 June 2025

Otto's social related policies include its Security Trading Policy, Continuous Disclosure and Shareholder Communication Policy, Anti Bribery and Corruption Policy and Active Whistleblower policy.

Climate Change Risk

Climate change and the transition to a lower-carbon economy presents risk in the operation of our existing assets, commercialisation of our growth portfolio, and in the way that the world produces and consumes energy. Climate driven changes to legislation, regulation and policy could result in additional costs or prevent/restrict the Company from continuing its operations.

Otto leverages its risk management framework to ensure an integrated and coordinated approach to the management of climate change across the business.

Regulatory Risks

Otto's business performance is underpinned by our social license to operate, that requires compliance with legislation and the maintenance of a high level of ethical behavior and social responsibility. Otto's business activities are subject to extensive regulation and government policy in each of the countries where we do business. Failure to comply may impact our license to operate.

Stakeholders have evolving expectations of social responsibility and ethical decision making. These are changing at a rate faster than governments can introduce or amend regulation. A significant or continuous departure from national or local laws, regulations or approvals may result in negative social and cultural impacts, reputation and brand, and loss of license to operate.

Violation of international anti-bribery and corruption laws may expose Otto to fines, criminal sanctions, and civil suits, and negatively impact our international reputation. Otto proactively maintains and builds our social license to operate through the application of our values, effective stakeholder engagement strategies, our regulatory compliance framework and our anti-fraud and corruption program. The Company's anti-bribery and corruption framework aims to prevent, detect and respond to unethical behavior.

On 15 April 2024 BOEM issued its final Bonding Rule entitled "Risk Management and Financial Assurance for OCS Lease and Grant Obligations" which significantly increases the amount and accelerates the timing of new supplemental financial assurance required from lessees and grant holders conducting operations on the federal outer continental shelf (OCS). The effective date of the rule is 29 June 2024.

The final rule requires lessees to meet one of two criteria based on: (1) the credit rating of the lessee or (2) the ratio of the value of proved oil and gas reserves of the lease to the estimated decommissioning liability associated with the reserves. On 28 June 2024 the BOEM clarified the timeline for implementing these rules with an estimated timeline of up to 24 months from the date that notices are distributed to companies for BOEM to complete the processing of financial assurance demands for execution.

On 2 May 2025, the U.S. Department of the Interior announced its intention to revise or replace the rule, with potential reductions in bonding obligations and realignment to a risk-based framework proposed in 2020. While the current rule remains in effect, the proposed revision introduces material regulatory uncertainty. Otto continues to monitor developments, which may impact future financial assurance obligations associated with its U.S. offshore interests.

Liquidity and Debt

Otto's cash on hand at 30 June 2025 was US$14.899 million (post distribution to shareholders of US$25.031 million in June 2025), with the Company having no outstanding debt.

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For the year ended 30 June 2025

Option Issue

On 27 August 2021, the Company announced that it had issued 30,000,000 options to Foster Stockbroking Pty Ltd pursuant to the terms of an Equity Capital Markets Advisory Agreement. Of these, 20,000,000 options had an exercise price of $0.02 per option with an expiry date of 27 August 2024 and 10,000,000 options had an exercise price of $0.025 per option and an expiry date of 27 August 2024. At the date of this report, all options have expired.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

Significant events after the balance date

No matters or circumstances have arisen since 30 June 2025 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years apart from those listed below:

- Effective 12 July 2025, Mr Philip Trajanovich resigned as Acting Chief Executive Officer and Chris Dorros was appointed Chief Executive Officer effective 25 August 2025.
- On 14 August 2025 the Company released its statement of reserves and prospective resources as at 30 June 2025. The reserves were compiled by Otto's independent consultant Ryder Scott Company and covered SM 71, Lightning, GC 21, Mosquito Bay West and Oyster Bayou South. The contingent and prospective resources covered SM 71 and Lightning. The summary statement of reserves and resources as at 30 June 2025 and changes to reserves and resources since 30 June 2024 is set out in the Production and Development section of this Directors' Report.

	Otto Energy Limited Grand Total - Reserve Reconciliation (Otto Energy NRI Share)											
	Oil/NGL (Mb bl)				Gas (MMCF)				MBOE			
	Remaining 6/30/2024	Production FY2025	Additions & Revisions	Remaining 6/30/2025	Remaining 6/30/2024	Production FY2025	Additions & Revisions	Remaining 6/30/2025	Remaining 6/30/2024	Production FY2025	Additions & Revisions	Remaining 6/30/2025
Proved (1P)	1,020	204	62	878	5,874	1,251	884	5,507	1,999	413	209	1,796
Probable	547	0	-166	381	4,230	0	-2,484	1,746	1,252		-580	672
Proved + Probable (2P)	1,567	204	-104	1,259	10,104	1,251	-1,600	7,253	3,251	413	-371	2,468
Possible	968	0	156	1,124	10,440	0	2,600	13,040	2,708		589	3,296
Proved + Probable + Possible (3P)	2,536	204	52	2,383	20,554	1,251	1,000	20,293	5,959	413	218	5,764

For full details refer to ASX release dated 14 August 2025

Likely developments and expected results

Other than already discussed, there were no further likely developments in the operations of the Group.

Environmental regulation and performance

So far as the Directors are aware, there have been no breaches of environmental conditions of the Group's exploration or production licenses. Procedures are adopted for each exploration program to ensure that environmental conditions of the Group's tenements are met.

Directors' meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the numbers of meetings attended by each Director were as follows:

DIRECTORS' REPORT

For the year ended 30 June 2025

Director	Board meetings		Audit and risk management Committee (ARC)		Remuneration and nomination committee (RNC)	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Mr J Clyne	5	5	3	3	3	3
Mr P Senycia	11	11	4	4	4	4
Mr J Madden	6	6	1	1	1	1
Mr G Page	11	11	4	4	4	4

Indemnification and insurance of Directors and officers

During the financial year, the Company paid a premium of approximately US$124,000 (2024: US$147,000) to insure the Directors and officers of the Company and its controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on behalf of Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that instrument, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Non-audit services

The following non-audit services were provided by the entity's auditor, BDO Audit Pty Ltd. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

BDO Audit Pty Ltd received or are due to receive the following amounts for the provision of non-audit services:

	2025	2024
	US$000	US$000
Tax compliance services	7	34
Tax consulting and tax advice	52	-
	59	34

DIRECTORS' REPORT

For the year ended 30 June 2025

Auditor's independence declaration

The auditor's independence declaration is included on page 51 of this report.

Remuneration report (audited)

The Directors of the Company have prepared this remuneration report to outline the overall remuneration strategy, policies and practices which were in place during 2025. This structure includes share rights and option plans. The report has been prepared in accordance with Section 300A of the Corporations Act 2001 and its regulations.

Otto Energy's remuneration policy is designed to ensure that the level and form of compensation achieves certain objectives, including:

a) attraction and retention of employees and management to pursue the Group's strategy and goals;
b) delivery of value-adding outcomes for the Group;
c) fair and reasonable reward for past individual and Group performance; and
d) incentive to deliver future individual and Group performance.

Remuneration consists of base salary, superannuation, short-term incentives (STI) and long-term incentives (LTI). Remuneration is determined by reference to market conditions and performance. Performance is evaluated at an individual level as well as the performance of the Group as a whole.

Key management personnel disclosed in this report are:

Directors

Mr Geoff Page	Interim Chairman
Mr Paul Senycia	Non-Executive Deputy Chairman
Mr Justin Clyne	Non-Executive Director (appointed 19 October 2024)
Mr John Madden	Non-Executive Director (resigned 20 October 2024)

Executives

Mr Stephen Herod	Chief Executive Officer (resigned 5 July 2024)
Ms Julie Dunmore	Chief Financial Officer
Mr Philip Trajanovich	Acting Chief Executive Officer (appointed 6 July 2024)

Remuneration governance

Role of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee's role is to review and recommend remuneration for key management personnel (KMP) and review remuneration policies and practices including Company incentive schemes and superannuation arrangements. The Committee considers independent advice, where circumstances require, on the appropriateness of remuneration to ensure the Group attracts, motivates and retains high quality people.

The ASX Listing Rules require that the maximum aggregate amount of remuneration to be allocated among the non-executive Directors be approved by shareholders in a general meeting. In proposing the maximum amount for consideration by shareholders and in determining the allocation, the Remuneration and Nomination

Committee takes account of the time demands made on Directors and such factors as fees paid to non-executive Directors in comparable Australian companies.

The Remuneration and Nomination Committee is comprised of the three non-executive Directors during the 2025 financial year.

DIRECTORS' REPORT

For the year ended 30 June 2025

Remuneration arrangements for Directors and executives are reviewed by the Remuneration and Nomination Committee and recommended to the Board for approval. The Remuneration and Nomination Committee considers external data and information, where appropriate, and may engage independent advisors where appropriate to establish market benchmarks.

Remuneration arrangements are determined in conjunction with the annual review of the performance of Directors, executives and employees of the Group. Performance of the Directors, CEO and executives of the Group is evaluated by the Board, assisted by the Remuneration and Nomination Committee. These evaluations take into account criteria such as the achievement toward the Group's performance benchmarks and the achievement of individual performance objectives.

Non-executive director remuneration policy

Non-executive Directors of the Group are remunerated by way of fees and statutory superannuation where applicable. Fees are set to reflect current market levels based on the time, responsibilities and commitments associated with the proper discharge of their duties as members of the Board. Non-executive Directors' fees are determined within an aggregate non-executive Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at A$500,000 per annum and was approved by shareholders at the Annual General Meeting in January 2008.

Retirement allowances for non-executive Directors

In line with ASX Corporate Governance Council, non-executive Directors' remuneration does not include retirement allowances. Superannuation contributions required under the Australian superannuation guarantee legislation continue to be made and are deducted from the Directors' overall fee entitlements.

Directors' fees set and paid in Australian Dollars (A$)

The following fees (per annum) have applied:

	2025 (1 May 2025 – 30 Jun 2025)	2025 (20 Oct 2024 – 30 Apr 2025	2025 (7 Aug 2024 – 19 Oct 2024)	2024/2025 (1 Jun 2024 – 6 Aug 2024)	2024 (1 Jan 2024 – 31 May 2024)
Base fees:					
Chairman	A$75,000	A$75,000	A$50,000	A$50,000	A$50,000
Deputy Chairman	A$75,000	A$75,000	A$50,000	A$50,000	A$50,000
Other Non-executive Directors	A$75,000	A$75,000	A$40,000	A$40,000	A$40,000
Additional fees:					
Chairman	A$5,000	A$5,000	-	-	A$60,000
Deputy Chairman(i)	A$10,000	-	A$10,000	-	A$42,000
Audit and Risk Management Committee Chair	A$5,000	A$5,000	A$10,000	A$10,000	A$10,000
Remuneration Committee Chair	A$5,000	A$5,000	A$8,000	A$8,000	A$8,000

(i) Deputy Chairman received A$5,000/month from 1 May 2025 until the Board deems the CEO position stabilised.

Appointment

The term of appointment is determined in accordance with the Company's Constitution and is subject to the provisions of the Constitution dealing with retirement, re-election and removal of Directors of the Company. The Constitution provides that all Directors of the Company are subject to re-election by shareholders by rotation at least every three years during the term of their appointment.

DIRECTORS' REPORT

For the year ended 30 June 2025

Directors and executive remuneration policy and framework

The remuneration structure in place for the year ended 30 June 2025 applies to all employees including key management personnel and staff members of the Group. The Group's remuneration structure is comprised of a fixed annual remuneration (FAR) or base salary (including superannuation) and long-term incentives as follows:

Element	Purpose	Performance Metrics	Potential Value
Fixed annual remuneration (FAR)	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Reviewed in line with market positioning
LTI	Alignment to long-term shareholder value	TSR Performance, vesting over 3 year period	30% of FAR

The Board and Remuneration Committee have the discretion to grant annual short-term incentive (STI) awards to members of the executive team at a certain percentage of FAR. STI awards are based on calendar year performance with remuneration recognised based on financial year. For the calendar year ended 31 December 2024, the Committee focused on rewarding key employees for performance and loyalty instead of establishing a formal STI remuneration structure.

During the year the Board and Remuneration Committee exercised their option to grant a discretionary bonus related to the 2024 calendar year to key management personnel identified as being key to the Company's strategic direction as follows:

KMP	Discretionary Bonus US$	Superannuation and Benefits US$	Total Bonus inclusive of superannuation and benefits US$
Philip Trajanovich	119,700	4,788	124,488
Julie Dunmore	82,121	9,439	91,560

Executive remuneration mix

a) Fixed annual remuneration (FAR) or base salary (including superannuation)

To attract and retain talented, qualified, and effective employees, the Group pays competitive base salaries which have been benchmarked to the market in which the Group operates. The Group compiles competitive salary information on companies of comparable size in the oil and gas industry from several sources. Where appropriate, information is obtained from surveys conducted by independent consultants and national and international publications. In the past the Board has engaged independent advisors to review the remuneration levels paid to the Group's key management personnel. An advisor was not retained for the December 2024 or December 2023 performance reviews. FAR is recognised in the accounts based on financial year remuneration.

FAR is paid in cash and is not at risk other than by termination. Individual FAR is set each year based on job description, competitive salary information sourced by the Group and overall competence in fulfilling the requirements of the particular role. There is no guaranteed base pay increases included in any executives' contracts. Superannuation contributions required under the Australian superannuation guarantee legislation continue to be made.

b) Long-term incentives

Long-term incentives may be provided to certain employees via the Otto Energy Limited Performance Rights and Employee Share Option Plans. Under the plans, participants are granted performance rights or options which only vest if vesting period and total shareholder return conditions are met and the employees are still employed by the Group at the end of the vesting period. Participation in, and administration of, the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

DIRECTORS' REPORT

For the year ended 30 June 2025

The amount of performance rights that will vest depends on the vesting period and/or Otto Energy Limited's total shareholder return, including share price growth, dividends, and capital returns. Once vested, the performance rights are automatically converted into shares. Performance rights are granted under the plan for no consideration.

No rights were issued for the year ended 30 June 2025. The total number of performance rights on issue as of 30 June 2025 is nil.

Share trading policy

The trading of shares issued to participants under any of the Company's employee equity plans is subject to, and conditional upon, compliance with the Company's Securities Trading Policy. Executives are prohibited from entering into any hedging arrangements over unvested rights. While the Employee Share Option Plan does not specifically prohibit holders from entering into hedging arrangements over options, the Board would include such restrictions in any offer under the Plan. The Company would consider a breach of this policy as gross misconduct which may lead to disciplinary action and potentially dismissal.

Voting and comments made at the Group's 2024 Annual General Meeting

At its 2024 Annual General Meeting, the Company received approximately 97% of "yes" votes on its remuneration report for the 2024 financial year and the Company did not receive any specific feedback at the Annual General Meeting on its remuneration practices. All resolutions put to the meeting at the 2024 Annual General Meeting were carried on a poll.

Performance of Otto Energy Limited

The Corporations Act requires disclosure of the Company's remuneration policy to contain a discussion of the Company's earnings and performance and the effect of the Company's performance on shareholder wealth in the reporting period and the four previous financial years. The table below provides a five-year financial summary.

	30 June 2025	30 June 2024	30 June 2023	30 June 2022	30 June 2021
Net profit/(loss) after tax (US$'000)	740	(1,653)	(7,006)	15,514	(450)
Share price at year end (AUD)	0.004	0.013	0.015	0.013	0.008
Basic earnings/(loss) (US cents per share)	0.02	(0.03)	(0.15)	0.32	(0.01)
Return of capital (AU cents per share)	0.00657	-	-	-	-
Total dividends (AU cents per share)	0.00143	-	-	-	-

Details of remuneration

The following table shows details of the remuneration received by Directors and executives of the Group for the current and previous financial year.

Remuneration and other terms of employment for the Acting Chief Executive Officer and other staff are formalised in service agreements. Each of these agreements provides for performance related conditions and details relating to remuneration are set out in the following table:

DIRECTORS' REPORT

For the year ended 30 June 2025

	Year	Fixed Remuneration			Variable Remuneration		Total
		Salary and fees $US	Super-annuation $US	Other benefits (i) $US	Cash bonus $US	Termination benefits $US	$US
Directors							
Mr P Senycia	2025	49,393	5,680	-	-	-	55,073
	2024	68,755	7,563	-	-	-	76,318
Mr J Madden(ii)	2025	9,978	1,147	-	-	-	11,125
	2024	39,819	4,380	-	-	-	44,199
Mr G Page	2025	44,704	-	-	-	-	44,704
	2024	37,551	-	-	-	-	37,551
Mr J Clyne(iii)	2025	35,487	-	-	-	-	35,487
	2024	-	-	-	-	-	-
Mr J Jetter(iv)	2025	-	-	-	-	-	-
	2024	77,043	-	-	-	-	77,043
Total Director remuneration	2025	139,562	6,827	-	-	-	146,389
	2024	223,168	11,943	-	-	-	235,111

(i) Reflects the value of allowances and non-monetary benefits (including health insurance and other US payroll deductions).
(ii) Mr John Madden resigned as Non-executive Director effective 20 October 2024
(iii) Mr Justin Clyne was appointed Non-executive Director effective 19 October 2024
(iv) Mr John Jetter retired as Non-executive Director effective 30 June 2024

DIRECTORS' REPORT
For the year ended 30 June 2025

		Fixed Remuneration				Variable Remuneration		Total
	Year	Salary and fees $US	Annual & long service leave $US	Super-annuation $US	Other benefits (i) $US	Cash bonus(ii) $US	Termination benefits $US	$US
Executives								
Mr S Herod(iii)	2025	6,818	-	273	574	-	80,000	87,665
	2024	360,000	-	13,800	41,848	-	-	415,648
Mr P Trajanovich(iv)	2025	314,095	-	14,864	45,871	119,700	-	494,530
	2024	257,867	-	13,116	41,829	117,000	-	429,812
Mr S Castro(v)	2025	-	-	-	-	-	-	-
	2024	148,778	-	1,951	7,692	-	66,950	225,371
Ms J Dunmore(vi)	2025	204,761	16,747	32,996	1,543	82,121	-	338,168
	2024	109,063	11,424	12,295	703	2,712	-	136,197
Mr W Armstrong(vii)	2025	-	-	-	-	-	-	-
	2024	123,600	-	3,196	14,244	-	61,800	202,840
Total executive remuneration	2025	525,674	16,747	48,133	47,988	201,821	80,000	920,363
	2024	999,308	11,424	44,358	106,316	119,712	128,750	1,409,868
Total Director and executive remuneration	2025	665,236	16,747	54,960	47,988	201,821	80,000	1,066,752
	2024	1,222,476	11,424	56,301	106,316	119,712	128,750	1,644,979

(i) Reflects the value of allowances and non-monetary benefits (including health insurance and other US payroll deductions).
(ii) Cash bonus' were paid in recognition of performance at Board discretion
(iii) Mr S Herod resigned as Chief Executive Officer 5 July 2024
(iv) Mr P Trajanovich was appointed Acting Chief Executive Officer 6 July 2024 and resigned on 12 July 2025
(v) Mr S Castro resigned as Chief Financial Officer on 19 December 2023
(vi) Ms J Dunmore was appointed Chief Financial Officer on 20 December 2023
(vii) Mr W Armstrong departed as Senior Vice President (VP) Exploration and New Ventures on 31 December 2023

DIRECTORS' REPORT

For the year ended 30 June 2025

The relative proportions of remuneration that are linked to performance and those that are not, are as follows:

	Fixed and other		At risk – STI		At risk – LTI (i)	
	2025	2024	2025	2024	2025	2024
Directors						
Mr P Senycia	100%	100%	-	-	-	-
Mr J Madden	100%	100%	-	-	-	-
Mr G Page	100%	100%	-	-	-	-
Mr J Clyne	100%	-	-	-	-	-
Mr J Jetter	-	100%	-	-	-	-
Executives						
Mr S Herod(ii)	9%	100%	91%	-	-	-
Mr P Trajanovich(iii)	76%	73%	24%	27%	-	-
Mr S Castro(iv)	-	70%	-	30%	-	-
Ms J Dunmore(v)	76%	98%	24%	2%	-	-
Mr W Armstrong(vi)	-	70%	-	30%	-	-

(i) Since long-term incentives are provided exclusively by way of performance rights or options, the percentages disclosed also reflect the value of remuneration consisting of performance rights and options, based on the value of performance rights or options expensed during the year

(ii) Mr S Herod resigned as Chief Executive Office on 5 July 2024

(iii) Mr P Trajanovich was appointed Acting Chief Executive Office on 6 July 2024

(iv) Mr S Castro resigned as Chief Financial Officer on 19 December 2023

(v) Ms J Dunmore was appointed Chief Financial Officer on 20 December 2023

(vi) Mr W Armstrong departed as Senior Vice President (VP) Exploration and New Ventures on 31 December 2023

Service agreements

On appointment to the Board, all non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of Director.

Remuneration and other terms of employment for executives are also formalised in service agreements. Each of these service agreements provide for the provision of performance related cash bonuses, and participation, when eligible, in the Otto Energy Limited Performance Rights and Employee Share Option Plans. Other major provisions of the agreements relating to remuneration are set out below.

All contracts with executives may be terminated early by either party with notice, per individual agreement, subject to termination payments as detailed below.

Name	Commencement of contract	Base salary (i) (per annum)	Termination benefit(ii)
Mr Stephen Herod *Chief Executive Officer(iii)*	20 June 2023 (resigned 5 July 2024)	US$360,000	$80,000
Mr Philip Trajanovich Acting Chief Executive Officer *(formally Senior VP and Chief Commercial Officer)(iv)*	1 August 2018 (appointed Acting CEO 6 July 2024)	US$315,000	3 months base salary
Ms Julie Dunmore *Chief Financial Officer*	20 December 2023	A$340,000	3 months base salary

DIRECTORS' REPORT

For the year ended 30 June 2025

(i) Executive contracts are reviewed annually by the Board and the Remuneration and Nomination Committee.
(ii) Termination benefits are payable on early termination by the Company, other than for gross misconduct.
(iii) Mr Stephen Herod resigned as CEO effective 5 July 2024.
(iv) Mr Philip Trajanovich was appointed Acting CEO effective 6 July 2024 with a base salary of US$315,000 and no change to termination benefit.

Share-based compensation

Otto Energy Limited has two options for share-based compensation for key management personnel. They are performance rights and options.

Performance rights over equity instruments granted

There were no performance rights issued to key management personnel during the financial year and no performance rights on issue at 30 June 2025 or 30 June 2024.

Options over equity instruments granted

Options granted to the Directors and executives are granted as remuneration unless otherwise noted. Options are issued under the Employee Option Plan. There were no options issued to key management personnel during the financial year.

Shareholding

The number of shares in the Company held during the financial year by key management personnel of the Group, including their personally related parties, is set out below:

Key Management Personnel (KMP)	KMP balance at start of year	Holding on appointment	Purchased during the year	Balance on date ceased to be KMP	KMP balance at end of year
Directors					
Mr P Senycia	8,691,134	-	-	-	8,691,134
Mr J Madden	2,000,000	-	-	2,000,000	-
Mr G Page	-	-	-	-	-
Mr J Clyne	-	-	-	-	-
	10,691,134	-	-	2,000,000	8,691,134
Executives					
Mr S Herod	-	-	-	-	-
Mr P Trajanovich	758,000	-	-	-	758,000
Ms J Dunmore	321,775	-	-	-	321,775
	1,079,775	-	-	-	1,079,775
Total	11,770,909	-	-	2,000,000	9,770,909

Outstanding balances arising from sales/purchases of goods and services

There are no balances outstanding at the end of the reporting period in relation to transactions with key management personnel and their related parties (2024: nil).

End of Remuneration Report

DIRECTORS' REPORT
For the year ended 30 June 2025

Diversity

Proportion of women employees at 30 June 2025:

	Number	Proportion
Whole organisation*	2/6	33%
Senior executive positions	1/2	50%
Board	0/3	0%

*Includes three Otto Energy Limited non-executive Directors

Performance rights

There are no performance rights on issue as at the date of this report.

Options

There are no options on issue as at the date of this report.

No performance right holder has any right under the performance rights to participate in any other share issue of the Company or any other entity. There were no options on issue to employees at 30 June 2025.

No options were granted as remuneration to key management personnel during the year.

This report is made in accordance with a resolution of Directors.

Mr Geoff Page
Interim Chairman

18 September 2025

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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF OTTO ENERGY LIMITED

As lead auditor of Otto Energy Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, the only contraventions of:

1. The auditor independence requirements of the Corporations Act 2001 in relation to the audit; or
2. Any applicable code of professional conduct in relation to the audit.

are those contraventions, details of which are set out below:

Permissible non-assurance services were provided to Otto Energy Limited subsidiaries, Otto Energy Resource Corporation, Otto Energy Galoc Investment 2, Otto Energy Alaska LLC, Otto Energy (Galoc Investment 1) APS and Otto Energy (Galoc Investment 2) APS, during the year ended 30 June 2025, prior to receiving concurrence from the audit committee for the firm to provide the service. The Audit Committee agreed with the firm’s conclusion that the services did not create a threat to the auditors’ independence.

Accordingly, I consider that the objectivity of BDO Audit Pty Ltd in respect of the audit of the financial statements of Otto Energy Limited for year ended 30 June 2025 has not been impaired.

This declaration is in respect of Otto Energy Limited and the entities it controlled during the period.

Ashleigh Woodley

Director

BDO Audit Pty Ltd

Perth

18 September 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

	Note	2025 US$'000	2024 US$'000
Operating revenue (net)	2	15,562	20,366
Cost of sales	3	(7,105)	(9,744)
Gross profit		**8,457**	**10,622**
Other income	2	1,241	1,444
Loss on sale of property, plant and equipment		-	(34)
Gain/(loss) on investments at fair value (net of transaction costs)		-	517
Exploration expenditure	4	(6,661)	(514)
Impairment (expense)/reversal	12	1,027	(9,101)
Finance costs	5	(264)	(260)
Loss on derivative financial instruments		(95)	-
Administration and other expenses	5	(2,858)	(3,850)
Profit/(loss) before income tax		**847**	**(1,176)**
Income tax expense	7	(107)	(477)
Profit/(loss) after income tax		**740**	**(1,653)**
Profit/(loss) for the year after tax		**740**	**(1,653)**
Other comprehensive income that may be recycled to profit or loss			
Total other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		**740**	**(1,653)**
Earnings per share from continuing operations			
Basic and diluted profit/(loss) per share (US cents)	6	0.02	(0.03)
Earnings per share attributable to the ordinary equity holders of the company			
Basic and diluted profit/(loss) per share (US cents)	6	0.02	(0.03)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	2025 US$'000	2024 US$'000
Current assets			
Cash and cash equivalents	8	14,899	40,495
Trade and other receivables	10	1,182	1,828
Prepayments	11	1,093	660
Other assets	11	343	77
Total current assets		**17,517**	**43,060**
Non-current assets			
Oil and gas properties	12	11,333	10,754
Property, plant and equipment		7	9
Other financial assets	11	950	1,000
Total non-current assets		**12,290**	**11,763**
Total assets		**29,807**	**54,823**
Current liabilities			
Trade and other payables	13	607	1,423
Provisions	14	265	566
Total current liabilities		**872**	**1,989**
Non-current liabilities			
Provisions	14	6,469	6,077
Total non-current liabilities		**6,469**	**6,077**
Total liabilities		**7,341**	**8,066**
Net assets		**22,466**	**46,757**
Equity			
Contributed equity	15	112,613	133,170
Reserves	16	10,470	10,470
Accumulated losses		(100,617)	(96,883)
Total equity		**22,466**	**46,757**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

	Contributed equity US$'000	Share-based payments reserve US$'000	Accumulated losses US$'000	Total US$'000
Balance at 1 July 2023	133,170	10,506	(95,230)	48,446
Loss for the year	-	-	(1,653)	(1,653)
Total comprehensive loss for the year	-	-	(1,653)	(1,653)
Transactions with owners in their capacity as owners:				
Equity benefits issued to employees	-	(36)	-	(36)
Balance at 30 June 2024	133,170	10,470	(96,883)	46,757
Balance at 1 July 2024	133,170	10,470	(96,883)	46,757
Profit for the year	-	-	740	740
Total comprehensive profit for the year	-	-	740	740
Transactions with owners in their capacity as owners:				
Return of capital to shareholders (Note 15)	(20,557)	-	-	(20,557)
Dividend paid to shareholders (Note 15)	-	-	(4,474)	(4,474)
Balance at 30 June 2025	112,613	10,470	(100,617)	22,466

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 30 June 2025

	Note	2025 US$'000	2024 US$'000
Cash flows from operating activities			
Oil and gas sales (net)		16,153	20,695
Payments to suppliers and employees		(9,028)	(12,414)
Payments on purchase of derivative financial instruments		(95)	-
Payments for exploration and evaluation		(6,661)	(513)
Interest received		1,298	1,393
Interest paid		-	(106)
Income tax paid		(461)	(1,388)
Net cash inflow from operating activities	9	**1,206**	**7,667**
Cash flows from investing activities			
Proceeds/(payment) for sale/(purchase) of investments		-	1,046
Insurance claim proceeds		2,382	7,556
Payments for development and evaluation		(3,697)	(1,934)
Bond for development asset		50	-
Net cash inflow/(outflow) from investing activities		**(1,265)**	**6,668**
Cash flows from financing activities			
Dividend payment to shareholders		(4,474)	-
Return of capital to shareholders		(20,557)	-
Net cash outflow from financing activities		**(25,031)**	**-**
Net increase/(decrease) in cash and cash equivalents		(25,090)	14,335
Cash and cash equivalents at the beginning of the financial year		40,495	25,851
Effects of exchange rate changes on cash		(506)	309
Cash and cash equivalents at the end of the financial year	8	**14,899**	**40,495**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

ABOUT THIS REPORT

Otto Energy Limited (referred to as 'Otto' or the 'Company') is a for-profit entity limited by shares, incorporated and domiciled in Australia. Its shares are publicly traded on the Australian Securities Exchange. The nature of operations and principal activities of Otto and its subsidiaries (referred to as the 'Group') are described in the Directors' Report.

The consolidated general purpose financial report of the Group was authorised for issue in accordance with a resolution of the Directors on 18 September 2025.

Basis of preparation

The financial report is a general purpose financial report which:

- has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Accounting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB);
- has been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value;
- presents reclassified comparative information where required for consistency with the current year's presentation; and
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the Group and effective for reporting periods beginning on or before 1 July 2024. Refer to Note 26 for further details.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of controlled entities (subsidiaries) is contained in Note 18.

Subsidiaries are consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date that control ceases. In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits or losses resulting from intra-group transactions have been eliminated.

Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in United States dollars, which is Otto Energy Limited's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

ABOUT THIS REPORT (continued)

Rounding of amounts

The amounts contained in these financial statements have been rounded to the nearest thousand dollars ($'000) unless otherwise stated, in accordance with ASIC Instrument 2016/191.

Other accounting policies

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the consolidated financial statements.

Going concern

Otto's financial statements have been prepared on a going concern basis.

Key estimates and judgements

In applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates which are material to the financial report are found in the following notes:

- Note 7 Income tax
- Note 12 Oil and gas properties
- Note 14 Provisions

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

FINANCIAL PERFORMANCE

1. Segment information

The Group has identified its operating segments based on the internal management reports that are reviewed and used by the executive management team in assessing performance and in determining the allocation of resources. The operating segments identified by management are based on the geographical locations of the business which are as follows: Gulf of America (USA) and Other. Discrete financial information about each of these operating segments is reported to the executive management team on at least a monthly basis.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board. The Group had two reportable segments during 2025. Reportable segments exclude results from discontinued operations.

The segment information for the reportable segments for the year ended 30 June 2025 is as follows:

2025	**Gulf of America (USA)**	**Other**	**Consolidated**
	US$'000	**US$'000**	**US$'000**
Operating revenue (net)	15,562	-	15,562
Cost of sales	(7,105)	-	(7,105)
Gross profit	8,457	-	8,457
Other income	387	854	1,241
Exploration expenditure	(6,661)	-	(6,661)
Impairment reversal	1,027	-	1,027
Gain/(loss) on derivatives	(95)	-	(95)
Finance costs	(264)	-	(264)
Administration and other expenses	(996)	(1,862)	(2,858)
Profit/(loss) before income tax from continuing operations	1,855	(1,008)	847
Income tax expense	(25)	(82)	(107)
Profit/(loss) after income tax from continuing operations	1,830	(1,090)	740
30 June 2025			
Total non-current assets	12,288	2	12,290
Total assets	27,894	1,913	29,807
Total liabilities	7,017	324	7,341

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

1. Segment information (continued)

The segment information for the reportable segments for the year ended 30 June 2024 is as follows:

2024	Gulf of America (USA)	Other	Consolidated
	US$'000	US$'000	US$'000
Operating revenue (net)	20,366	-	20,366
Cost of sales	(9,744)	-	(9,744)
Gross profit	10,622	-	10,622
Other income	714	730	1,444
Loss on disposal of property, plant and equipment	(34)	-	(34)
Gain on investments at fair value (net of transaction costs)	517	-	517
Exploration expenditure	(514)	-	(514)
Impairment	(9,101)	-	(9,101)
Finance costs	(255)	(5)	(260)
Administration and other expenses	(2,511)	(1,339)	(3,850)
Loss before income tax from continuing operations	(562)	(614)	(1,176)
Income tax expense	(440)	(37)	(477)
Loss after income tax from continuing operations	(1,002)	(651)	(1,653)
30 June 2024			
Total non-current assets	11,761	2	11,763
Total assets	26,069	28,754	54,823
Total liabilities	7,822	244	8,066

2. Net operating revenue and other income

	2025 US$'000	2024 US$'000
South Marsh 71 (SM 71) sales[(i) (v)]		
Oil sales	8,574	11,234
Gas sales	779	342
Natural gas liquids sales	7	58
Total sales	9,360	11,634
Less: royalties[(i)]	(1,727)	(2,170)
SM 71 operating revenue (net)	7,633	9,464
Bulleit Field (GC 21) sales[(ii) (v)]		
Oil sales	1,970	2,655
Gas sales	107	118
Natural gas liquids sales	72	81
Total sales	2,149	2,854
Less: royalties[(ii)]	(400)	(534)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. Net operating revenue and other income (continued)

	2025 US$'000	2024 US$'000
Lightning sales[(iii) (v)]		
Oil sales	1,961	2,421
Gas sales	2,463	2,903
Natural gas liquids sales	952	1,192
Lightning operating revenue (net)	5,376	6,516
Mosquito Bay West sales[(iii) (v)]		
Oil sales	260	472
Gas sales	281	423
Natural gas liquids sales	90	109
Mosquito Bay West operating revenue (net)	631	1,004
Oyster Bayou South sales[(iii) (v)]		
Oil sales	153	967
Gas sales	15	76
Natural gas liquids sales	5	19
Oyster Bayou South operating revenue (net)	173	1,062
Total operating revenue (net)	15,562	20,366

	2025 US$'000	2024 US$'000
Interest income[(iv)]	1,241	1,444
	1,241	1,444

(i) SM 71 net operating revenue is shown net of royalty payments payable to the (USA) Office of Natural Resources Revenue. Royalty payments are 18.75% of gross revenue under the terms of the SM 71 lease.

(ii) GC 21 net operating revenue is shown net of royalty payments totalling 20%.

(iii) Proceeds from the sale of oil and gas from the Lightning field, Mosquito Bay West, and Oyster Bayou South wells are received net of royalty payments.

(iv) Interest income is recognised using the effective interest rate method.

(v) Gross oil revenue (US$8.6 million) from SM 71 and Gross oil revenue (US$2.0 million) from GC 21, were sold to the same single customer. Net gas revenue (US$0.8 million) from SM 71 was sold to multiple different customers. Net oil revenue (US$2.0 million) and net gas revenue (US$3.4 million) from Lightning were sold to a different single customer. Net oil revenue (US$0.4 million) and net gas revenue (US$0.4 million) from Mosquito Bay West and Oyster Bayou South were sold to another different single customer. Net gas revenue (US$0.2 million) from GC 21 was sold to multiple different customers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. Net operating revenue and other income (continued)

Recognition and measurement

Revenue from the sale of SM 71 oil & gas is recognised and measured in the accounting period in which the goods and/or services are provided based on the amount of the transaction price allocated to the performance obligations. The performance obligation is the supply of oil & gas over the contractual term; the units of supply represent a series of distinct goods that are substantially the same with the same pattern of transfer to the customer. The performance obligation is considered to be satisfied as the customer receives the supply through the pipeline, based on the units delivered. Hence revenue is recognised over time.

Revenue from Lightning oil sales is recognised upon transfer of the product to the purchaser's transportation mode, currently via truck for oil, and at the production facilities for gas which is the point that title passes. Hence revenue is recognised at a point in time.

Production from GC 21 travels from the well via subsea flowline to the Talos owned GC 18 platform where the production is processed and sent to separate oil and gas transportation pipelines. Revenue from the sale of GC 21 oil is recognised at the inlet to the Shell Boxer Pipeline where the sale takes place. Gas is transported through the Manta Ray and Nautilus pipeline systems delivering gas at the Enterprise owned Neptune gas plant where the gas is processed and NGLs extracted from the gas stream. Revenue is recognised separately at this point for NGLs and residue gas as each product is sold at this point, hence revenue is recognised at a point in time.

Production from Mosquito Bay West and Oyster Bayou South is measured at the wellhead and sent to a third party owned central processing facility where production is processed and commingled with other third party production and exported via sales pipeline. Revenue from the sale of Mosquito Bay West and Oyster Bayou South oil are recognised as liquids are recovered at the termination of the sales pipeline after it has passed through a liquids recovery plant. Gas is delivered to a regional Natural Gas Liquids (NGL) extraction plant where NGLs are extracted and the residue gas delivered to a gas sales pipeline. Revenue for NGLs is recognised at the plant gate after NGLs have been extracted from the raw gas stream, revenue for gas sales is recognised at inlet to the gas sales pipeline, hence revenue is recognised at a point in time.

3. Cost of Sales

	2025 US$'000	2024 US$'000
Gathering and production charges	5,180	6,715
Amortisation of capitalised developments – Note 12	1,925	3,029
Total cost of sales of oil and gas properties	7,105	9,744

4. Exploration expenditure

	2025 US$'000	2024 US$'000
Exploration expenditure – Gulf of America/Gulf Coast	6,661	514
	6,661	514

Recognition and measurement

Costs incurred in the exploration stages of specific areas of interest are expensed against the profit or loss as incurred. All exploration expenditure, including general permit activity, geological and geophysical costs, new venture activity costs and drilling exploration wells, is expensed as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

4. Exploration expenditure (continued)

The costs of acquiring interests in new exploration licences are expensed. Once an exploration discovery has been determined, evaluation and development expenditure from that point on is capitalised in the Consolidated Statement of Financial Position as oil and gas properties.

Exploration expenditure in relation to the Gulf of America/Gulf Coast relates to the exploration drilling of the SM 71 F5-ST prospect.

5. Other expenses

	2025 US$'000	2024 US$'000
i) Finance Costs		
Amortisation of borrowing costs	-	7
Accretion of decommissioning fund	264	248
Other	-	5
Total finance cost	264	260
***ii)* Administration and other expenses**		
Employee benefits expense		
Defined contribution superannuation expense	55	73
Share-based payment reversal	-	(36)
Other employee benefits expenses	1,344	2,086
Total employee benefits expense	1,399	2,123
Depreciation expense(i)		
Property, plant and equipment		
Furniture and equipment	3	46
Total depreciation expense	3	46
Corporate and other costs	950	1,816
Business development	-	174
Foreign currency (gains)/losses	506	(309)
	1,456	1,681
Total administration and other expenses	2,858	3,850

(i) Depreciation and amortisation charges are included above in Note 5 Other expenses and Note 3 Cost of sales. Total depreciation and amortisation for the Consolidated Entity is US$1.93 million (2024: US$3.08 million).

6. Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to owners of the Company, excluding any costs of servicing equity (other than dividends), by the weighted average number of ordinary shares, adjusted for the bonus element. There are no potential ordinary shares as all performance rights and options have expired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

6. Earnings per share (continued)

The following table reflects the income and share data used in the basic EPS calculations:

	2025	2024
Profit/(loss) attributable to owners of the Company (US$'000)	740	(1,653)
Weighted average number of ordinary shares on issue for basic earnings per share (number)	4,795,009,773	4,795,009,773
Basic profit/(loss) per share attributable to owners of the Company (US cents)	0.02	(0.03)

7. Income tax

	2025 US$'000	2024 US$'000
The components of tax expense comprise:		
Current tax[(i)]	147	441
Deferred tax – origination and reversal of temporary differences	-	-
Prior period under/ (over) provision[(i)]	(40)	36
	107	477
Reconciliation of income tax expense to prima facie tax payable:		
Profit/(loss) before income tax	847	(1,176)
Prima facie income tax at 30%	254	(353)
Difference in overseas tax rates	(186)	65
Non-assessable income	-	-
Tax effect of amounts not deductible in calculating taxable income	437	3,399
Benefit of deferred tax assets not brought to account	(358)	(2,670)
Prior period under/(over) provision[(i)]	(40)	36
Income tax expense/(benefit)	107	477
Deferred tax assets		
Temporary differences		
– provisions and other corporate costs	(174)	(337)
Deferred tax assets brought to account	(174)	(337)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

7. Income tax (continued)

	2025 US$'000	2024 US$'000
Tax losses - revenue	7,902	11,149
Tax losses - foreign	5,642	5,791
	13,370	16,603
Offset against deferred tax liabilities recognised	(1,888)	(1,740)
Deferred tax assets not brought to account	(11,482)	(14,863)
Deferred tax assets brought to account	-	-
Deferred tax liabilities		
Temporary differences – Oil and gas properties	1,888	1,740
Offset by deferred tax assets recognised	(1,888)	(1,740)
Deferred tax liabilities brought to account	-	-

[(i)]Income tax expense relates to US income tax expense.

Recognition and measurement

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Key estimates and judgements

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are certain transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

7. Income tax (continued)

uncertain. The Group estimates its tax liabilities based on the Group's understanding of the tax law operating in the respective jurisdiction. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

In addition, the Group recognises deferred tax assets relating to carried forward tax losses to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation jurisdiction and the same subsidiary against which the unused tax losses can be utilised. However, utilisation of the tax losses depends on the ability of the entity to satisfy certain tests at the time the losses are recouped. In particular for the Group's US based tax losses, significant judgement has been applied in determining the availability of losses which can be used to offset taxable income.

8. Cash and cash equivalents

	2025 US$'000	2024 US$'000
Cash at bank and on hand	13,644	14,526
Term deposits	1,255	25,969
Balance at end of period	14,899	40,495

9. Reconciliation of loss after income tax to net cash outflow from operating activities

	2025 US$'000	2024 US$'000
Profit/(loss) after income tax	740	(1,653)
Non-cash items:		
Impairment expense/(reversal)	(1,027)	9,101
Depreciation expense – furniture and equipment	3	46
Loss on sale of property, plant and equipment	-	34
(Gain)/loss on investments at fair value	-	(517)
Share-based payment reversal	-	(36)
Finance costs	264	260
Amortisation of oil and gas properties – see Note 3	1,925	3,029
Other non-cash items	506	(322)
Change in assets and liabilities:		
Decrease in trade and other receivables	647	280
Increase in other assets	(699)	(212)
Decrease in trade and other payables	(822)	(1,443)
Decrease in provisions	(331)	(900)
Net cash inflow from operating activities	1,206	7,667

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

OPERATING ASSETS AND LIABILITIES

10. Trade and other receivables

	2025 US$'000	2024 US$'000
Trade receivables	1,143	1,733
Other receivables	39	95
	1,182	1,828

11. Other assets

	2025 US$'000	2024 US$'000
Current		
Prepayments(i)	1,093	660
Other assets	343	77
	1,436	737
Non-current		
Bonds(ii)	375	425
Investments(iii)	575	575
	950	1,000

(i) Prepaid insurance (US$1.08 million)
(ii) Development bond for SM 71 (US$0.325 million) and GC 21 (US$0.05 million)
(iii) Investment in Minotaur Mineral Development Fund 1, LLC

Recognition and measurement

Other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

12. Oil and gas properties

	2025 US$'000	2024 US$'000
Producing and development assets		
At cost		
SM 71 balance at beginning of year	9,058	10,645
SM 71 expenditure for the year	3,987	19
SM 71 decommissioning for the year	741	(125)
SM 71 Insurance proceeds	(2,382)	-
SM 71 amortisation of assets	(1,683)	(1,481)
SM 71 balance at end of year	9,721	9,058

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

12. Oil and gas properties (continued)

	2025 US$'000	2024 US$'000
Lightning balance at beginning of year	1,082	1,846
Lightning decommissioning for the year	(32)	(53)
Lightning amortisation of assets	(148)	(711)
Lightning balance at end of year	902	1,082
GC 21 balance at beginning of year	-	17,273
GC 21 expenditure for the year	(1,027)	111
GC 21 decommissioning for the year	-	(220)
GC 21 impairment	1,027	(9,101)
GC 21 amortisation of assets	-	(508)
GC 21 insurance proceeds	-	(7,555)
GC 21 balance at end of year	-	-
Mosquito Bay West balance at beginning of year	481	568
Mosquito Bay West expenditure for the year	142	3
Mosquito Bay West decommissioning for the year	(1)	(3)
Mosquito Bay West amortisation of assets	(62)	(87)
Mosquito Bay West balance at end of year	560	481
Oyster Bayou South balance at beginning of year	133	355
Oyster Bayou South expenditure for the year	54	-
Oyster Bayou South decommissioning for the year	(6)	5
Oyster Bayou South amortisation of assets	(31)	(227)
Oyster Bayou South balance at end of year	150	133
Total oil and gas properties	11,333	10,754

Recognition and measurement

i) Producing and development assets

Producing projects are stated at cost less accumulated amortisation and impairment charges. Development assets include evaluation, construction, installation or completion of production and infrastructure facilities such as platforms and pipelines, development wells, acquired development or producing assets, capitalised borrowing costs and the estimated costs of decommissioning, dismantling and restoration. Evaluation is deemed to be activities undertaken from the beginning of the definitive feasibility study or testing conducted to assess the technical commercial viability of extracting a resource before moving into the development phase.

Once an exploration discovery has been determined, subsequent evaluation and development expenditure is capitalised to the Consolidated Statement of Financial Position as oil and gas properties as it is probable that future economic benefits associated with the item will flow to the Group. Once such costs are capitalised as oil and gas properties, they will be tested for impairment and assessed for impairment indicators for periods thereafter as prescribed by the relevant accounting standards.

The carrying value of oil and gas properties is reviewed annually by directors to ensure it is not in excess of the recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

12. Oil and gas properties (continued)

Prepaid drilling and completion costs

Where the Company has a non-operated interest in an oil or gas property, it may periodically be required to make a cash contribution for its share of the Operator's estimated drilling and/or completion costs, in advance of these operations taking place.

Where these contributions relate to a prepayment for exploratory or early stage drilling activity, prior to a decision on the commerciality of a well having been made, the costs are expensed in profit or loss when the cash call is paid. The Operator notifies the Company as to how funds have been expended and any relevant costs are reclassified from exploration expense and capitalised to deferred oil and gas properties.

Where these contributions relate to a prepayment for well completion, these costs are capitalised as prepaid completion costs within oil and gas properties.

Commencement of production

When a well demonstrates commercial feasibility or comes into commercial production, accumulated development and evaluation expenditure for the relevant area of interest is amortised on a units of production basis.

Amortisation and depreciation of producing projects

The Group uses the units of production (UOP) approach when amortising and depreciating field-specific assets. Using this method of amortisation and depreciation requires the Group to compare the actual volume of production to the reserves and then to apply this determined rate of depletion to the carrying value of the depreciable asset.

Capitalised producing project costs relating to commercially producing fields are depreciated/amortised using the UOP basis once commercial quantities are being produced within an area of interest. The reserves used in these calculations are the proved plus probable reserves (2P) plus (2P) future development costs and are reviewed at least annually.

Key estimates and judgements

Carrying value of oil and gas assets

Judgement is required to determine when an exploration activity ceases and an evaluation or development activity commences. Evaluation is deemed to be activities undertaken from the beginning of the definitive feasibility study or testing conducted to assess the technical commercial viability of extracting a resource before moving into the development phase. Development assets include evaluation, construction, installation or completion of production and infrastructure facilities such as platforms and pipelines, development wells, acquired development or producing assets, capitalised borrowing costs and the estimated costs of decommissioning, dismantling and restoration.

Circumstances vary for each area of interest and where exploration, evaluation and development activities are conducted within a continual timeframe as part of the same project or drilling campaign with common service providers, a degree of estimation is required in determining the amount of costs capitalised as evaluation and development assets under oil and gas properties.

Assessment of costs associated with non-operated interests is also influenced by notification from the Operator as to how funds have been expended.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

12. Oil and gas properties (continued)

Impairment

Assets are tested for impairment in line with AASB 136. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, which is a product of quantity of reserves, prices, and operating costs, less the cost to sell and value in use.

Due to the interrelated nature of the assumptions, movements in any one variable can have an indirect impact on others and individual variables rarely change in isolation. Additionally, management can be expected to respond to some movements, to mitigate downsides and take advantage of upsides, as circumstances allow. Consequently, it is impractical to estimate the indirect impact that a change in one assumption has on other variables and hence, on the likelihood, or extent, of impairments under different sets of assumptions in subsequent reporting periods.

SM-71

At 31 December 2024, the Company assessed each cash generating unit (CGU) for indicators of impairment. Impairment indicators were identified on SM-71 due to a downgrade of 2P estimated reserve revisions on the SM-71 F1 well with the F-5 ST well appearing to adversely affect production on the F1 well.

SM-71 recoverable values were calculated using a VIU (value in use) calculation. The estimated future cash flows for the VIU calculation were based on estimates, the most significant of which being hydrocarbon reserves (excluding uncommitted developments), future production profiles, commodity prices, operating costs and committed development costs. The basis of reserves in the SM 71 VIU model was the 31 December 2024 2P estimated reserve volumes provided by Edward Buckle, a qualified external petroleum engineering consultant.

Estimated reserves as at 31 December 2024 on a 2P basis were as follows: Gross (100%) oil 1,374 Mbbl/Gross (100%) gas 1,653 MMcf. (June 2024: Gross (100%) oil 1,898 Mbbl/Gross (100%) gas 1,390 MMcf).

Estimates of future commodity prices were based on the Group's best estimate of future market prices with reference to external market analyst's forecasts, current spot prices and forward curves. Production weighted average estimates used in the VIU model at 31 December 2024 were $69/Bbl oil and $3.62/MMBtu gas. The discount rates applied to the future forecasted cash flows were based on the weighted average cost of capital. The pre-tax discount rates applied to non-current assets was 15%.

As at 31 December 2024, the Group assessed the SM-71 cash generating unit and determined that there were no impairment losses. Management considered sensitives of the key inputs and assumptions and concluded a reasonable adverse change in assumptions would not give rise to an impairment.

The F1 well production rate stabilised after shutting in the F5 well at the beginning of March with F5-ST only being used intermittently to provide gas lift. No impairment indicators were present at 30 June 2025 with proved and producing (1P) reserves consistent with prior year reserve estimates.

GC 21

At 31 December 2023, the Group assessed the GC 21 Bulleit cash generating unit and determined that the carrying value of the GC 21 Bulleit cash generating unit was nil. The basis of reserves in the GC 21 VIU model was the 31 December 2023 2P estimated reserve volumes provided by Ryder Scott, the qualified external petroleum engineering consultant. There is no change to this position at 30 June 2025.

A reversal of impairment expense of US$1.0 million was recorded in the current year due to both equipment credits received and a reduced decommissioning asset estimate as advised by the Operator.

There were no impairment indicators identified for the other assets at 30 June 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

12. Oil and gas properties (continued)

Amortisation

Estimation of amortisation of the SM 71, GC 21, Mosquito Bay West, Oyster Bayou South and Lightning oil and gas assets is based on the updated 2P reserves estimate and estimated future development costs as at 30 June 2025. Producing assets are amortised on a unit of production basis on 2P reserves. The estimated reserves for all fields were compiled by Otto's independent consultant Ryder Scott Company. The method of amortisation necessitates the estimation of oil and gas reserves over which the carrying value of the relevant asset will be expensed to profit or loss. See below for judgements relating to reserve estimates.

Reserve Estimates

Estimation of reported recoverable quantities of proved and provable reserves include judgemental assumptions regarding commodity prices, exchange rates, discount rates and production and transportation cost for future cash flows. It also requires interpretation of complex geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reservoirs and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period. Changes in reported estimated reserves can impact assets' carrying amounts, provision for restoration and recognition of deferred tax assets due to changes in expected future cash flows. Reserves are integral to the amount of depreciation, amortisation and impairment charged to the income statement.

13. Trade and other payables

	2025 US$'000	2024 US$'000
Trade payables	499	1,344
Other accrued expenses	108	79
	607	1,423

14. Provisions

	2025 US$'000	2024 US$'000
Current		
Employee benefits	99	46
Tax(i)	166	520
	265	566
Non-current		
Employee benefits	-	28
Decommissioning fund – GC 21 Bulleit(ii)	3,728	4,096
Decommissioning fund – Lightning(ii)	59	87
Decommissioning fund – SM 71 (ii)	2,628	1,807
Decommissioning fund – Mosquito Bay(ii)	25	26
Decommissioning fund – Oyster Bayou South(ii)	29	33
	6,469	6,077

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

14. Provisions (continued)

(i) Provision for income tax expense relates to US corporate tax (US$0.09 million) and Danish corporate tax (US$0.08 million).

(ii) The total present value of the estimated expenditure required to decommission the wells and facilities. The expenditure is expected to be settled at the end of the field life for the 2P production profile.

Recognition and measurement

Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities recognised in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date. Contributions to superannuation plans are expensed when incurred.

Decommissioning fund

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that the Group will be required to settle the obligation and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The unwinding of the discount is expensed as incurred and recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as a finance cost.

Provision is made for the estimated cost of legal and constructive obligations to restore operating locations in the period in which the obligation arises. The estimated costs are capitalised as part of the cost of the related project where recognition occurs upon acquisition of an interest in the operating locations. The carrying amount capitalised is amortised on a unit of production basis during the production phase of the project.

Work scope and cost estimates for restoration are reviewed annually and adjusted to reflect the expected cost of restoration. The Group accounts for changes in cost estimates on a prospective basis.

Key estimates and judgements

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The Group assesses its decommissioning provision at each reporting date. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing, extent and amount of expense can also change. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning. As a result, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management's best estimate of the present value of the future decommissioning costs required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

CAPITAL STRUCTURE, FINANCIAL INSTRUMENTS AND RISK

15. Contributed equity

	Number of Issued Shares	US$'000
Opening Share capital 2024	4,795,009,773	133,170
Return of Capital	-	(20,557)
Closing Share Capital 2025	4,795,009,773	112,613

Return of Capital and Dividend

The Australian Taxation Office issued its final class ruling (CR 2025/43) in relation to the Company's $0.008 return of capital and dividend completed on 16 June 2025. The total return of US$25.031 million comprised a return of capital of A$0.00657 per share (US$20.557 million)) and a dividend out of conduit foreign income of A$0.00143 per share (US$4.474 million).

Whilst the Company is in an accumulated loss position, the Commissioner of Taxation, in final class ruling (CR 2025/43) determined that there was a profit from an isolated transaction in the financial year ended 30 June 2022 from which the special dividend be paid.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number and amount paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. The ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Options

On 27 August 2021, the Company announced that it had issued 30 million options to Foster Stockbroking Pty Ltd pursuant to the terms of an Equity Capital Markets Advisory Agreement. Of these, 20 million options had an exercise price of $0.02 per option with an expiry date of 27 August 2024 and 10 million options had an exercise price of $0.025 per option and an expiry date of 27 August 2024. All options have now expired.

Recognition and measurement

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

16. Reserves

	2025 US$'000	2024 US$'000
Share-based payments reserve	10,470	10,470
	10,470	10,470

The share-based payments reserve is used to recognise the value of share-based payments provided to employees (including key management personnel) as part of their remuneration and share options issued as part of advisory consideration.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

17. Financial instruments

The Group is exposed to market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed.

Otto's Board of Directors ('Board') is responsible for approving Otto's policies on risk oversight and management and ensuring management has developed and implemented effective risk management and internal controls. Risk management is carried out by the senior executives under these policies which have been approved by the Board. Management identifies, evaluates and, if necessary, hedges financial risks within the Group's operating units. The Board then receives reports as required from the Chief Financial Officer in which they review the effectiveness of the processes implemented and appropriateness of policies it sets. At all times during the year, and to the date of this report, the Group did not apply any form of hedge accounting.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk for the Group comprises three types of risk: currency risk, interest rate risk and commodity price risk.

b) Currency risk

The Group's source currency for the majority of revenue and costs is in US dollars. The cash relating to the payment of return of capital/dividend to shareholders in June 2025 of A$0.008 per share was held by the Company in an AUD deposit account. Given the substantial AUD holding throughout the year there was an exposure to foreign exchange risk arising from the fluctuations in the USD to AUD exchange rate on Australian dollar cash balances and monetary items. AUD for the return of capital was purchased at an average exchange rate of AUD/USD 0.66. The exchange rate on the 16 June 2025 payment date was AUD/USD 0.65.

At year end, there is a small exposure to foreign exchange risk arising from the fluctuations in the USD to AUD exchange rate on Australian dollar cash balances and monetary items at year end due to the Group's Australian location.

Currency risk arises where the value of a financial instrument or monetary item fluctuates due to changes in foreign currency exchange rates. The exposure to currency risk is measured using sensitivity analysis and cash flow forecasting.

The Board has formed the view that in the ordinary course of business it would not be beneficial for the Group to purchase forward contracts or other derivative financial instruments to hedge the operational currency risk.

Factors which the Board considered in arriving at this position included the expense of purchasing such instruments and the inherent difficulties associated with forecasting the timing and quantum of cash inflows and outflows compared to the relatively low volume and value of commercial transactions and monetary items denominated in a currency which is not US dollars.

A hypothetical change of 10% (2024: 10%) in the Australian dollar exchange rate was used to calculate the Group's sensitivity to foreign exchange rates movements, as this is management's estimate of possible rate movements over the coming year taking into account current market conditions and past volatility. At 30 June 2025, management has assessed that the entity's exposure to foreign exchange movements below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

17. Financial instruments (continued)

	2025 US$'000	2024 US$'000
Cash and cash equivalents held in AUD	1,378	26,210
	1,378	26,210

The following sensitivity analysis is based on the currency rate risk exposures in existence at the reporting date. The 10.0% sensitivity (2024: 10.0% sensitivity) is based on reasonable possible changes.

Judgements of reasonably possible movements	**Effect on post tax losses Increase/(decrease)**	
	2025 **US$'000**	**2024** **US$'000**
Increase 10% (2024:10%)	138	2,621
Decrease 10% (2024:10%)	(138)	(2,621)

(c) Interest rate risk

Interest rate risk is the risk that the Group's financial position will fluctuate due to changes in market interest rates. At 30 June 2025 the Group's exposure to the risk of changes in the market interest rates relates to interest income on cash and cash equivalents held on term deposit with Westpac Banking Corporation in Australia and Bank of America in the United States.

The financial instruments exposed to movements in variable interest rates are as follows:

	2025 US$'000	2024 US$'000
Cash and cash equivalents	12,445	29,163
	12,445	29,163

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 2.0% sensitivity (2024: 2.0% sensitivity) is based on reasonably possible changes, over a financial year, using an observed range of historical short-term deposit rate movements over the last 3 years.

Judgements of reasonably possible movements	**Effect on post tax losses Increase/(decrease)**	
	2025 **US$'000**	**2024** **US$'000**
Increase 200 basis points (2024:200 basis points)	249	583
Decrease 200 basis points (2024:200 basis points)	(249)	(583)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

17. Financial instruments (continued)

d) Commodity price risk

Otto derives its net operating revenue from the sale of oil and natural gas. As a result, the Company's net operating revenues are determined, to a large degree, by prevailing oil and natural gas prices. Otto sells its production to purchasers pursuant to sales agreements, with sales prices tied to industry standard published index prices, subject to negotiated price adjustments.

Otto may utilise commodity price hedge instruments to minimise exposure to short-term price fluctuations by using a series of swaps, costless collars and/or puts. The Company evaluates market prices and sensitivities from time to time to determine when it would be appropriate to enter into these hedges. Unrealised gains or losses associated with hedges vary period to period, and are a function of hedges in place, the strike prices of those hedges and the forward curve pricing for the commodities being hedged.

e) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligation under a financial instrument that will result in a financial loss to the Group. Credit risk arises from the financial assets of the Group, which comprise trade and other receivables and deposits with banks and financial institutions.

To manage credit risk from cash and cash equivalents, it is the Group's policy to only deposit with banks maintaining a minimum independent rating of 'AA', 'A+' or 'A-'. Contracts for the sale of production from SM 71, GC 21 and Lightning are with creditworthy customers and counterparties.

Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts in the ordinary course of business is not significant. At reporting date no receivables were overdue.

The maximum exposure to credit risk at reporting date was as follows:

	2025 **US$'000**	**2024** **US$'000**
Cash and cash equivalents	14,899	40,495
Trade and other receivables	1,182	1,828
	16,081	42,323

f) Liquidity risk

Liquidity risk is the risk that Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

It is the policy of the Board to ensure that the Group is able to meet its financial obligations and maintain the flexibility to pursue attractive investment opportunities through the Group maintaining sufficient working capital and access to further funding when required through debt, equity or other means.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows with scenario analysis. As at reporting date the Group had sufficient cash reserves to meet its current requirements and no receivables were overdue. The contractual maturity analysis of payables at the reporting date was as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

17. Financial instruments (continued)

	Carrying Value US$'000	Total US$'000	Less than 1 year US$'000	Between 1-2 years US$'000	Between 2-5 years US$'000
Trade and other payables					
2025	607	607	607	-	-
2024	1,423	1,423	1,423	-	-

g) Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while optimisation the potential return to shareholders. The capital structure of the Group at year end comprises 100% equity (2024: 100% equity).

In determining the funding mix of debt and equity (total borrowings/total equity), consideration is given to the relative impact of the gearing ratio on the ability of the Group to service interest and repayment schedules, credit facility covenants and also to generate adequate free cash available for corporate and oil and gas development and production activities.

h) Equity price risk

The Group has no material exposure to equity price risk on its equity investments at 30 June 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

OTHER DISCLOSURES

18. Subsidiaries

Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries:

Subsidiaries of Otto Energy Limited	Country of incorporation	Functional currency	Class of shares	Ownership Interest	
				2025 (%)	2024 (%)
Otto Energy (Galoc Investment 1) Aps	Denmark	USD	Ordinary	100	100
Otto Energy (Galoc Investment 2) Aps	Denmark	USD	Ordinary	100	100
GPC Investments SA (in liquidation)	Switzerland	USD	Ordinary	100	100
Borealis Petroleum Pty Ltd	Australia	USD	Ordinary	100	100
Otto Energy Resources Corporation (Delaware)	USA	USD	Ordinary	100	100
Otto Energy (USA) Inc	USA	USD	Ordinary	100	100
Otto Energy (Louisiana) LLC	USA	USD	Ordinary	100	100
Otto Energy (Gulf One) LLC	USA	USD	Ordinary	100	100
Otto Energy (Gulf Two) LLC	USA	USD	Ordinary	100	100
Otto Operating LLC	USA	USD	Ordinary	100	100

19. Interest in operations

a) Operations

The Group's share of the assets, liabilities, net operating revenues and expenses of operations have been incorporated into the financial statements in the appropriate items of the Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Financial Position.

The Group's interest in operations is detailed below. Oil and Gas exploration and production is the principal activity performed across these assets.

		2025	2024
Asset	Country	Group WI	Group WI
South Marsh Island 71	USA	50%	50%
Lightning	USA	37.5%	37.5%
GC 21	USA	16.67%	16.67%
Mosquito Bay West	USA	30%	30%
Oyster Bayou South	USA	30%	30%

b) Commitments through interests in operations

The aggregate of the Group's commitments through its interests in operations is nil.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

20. Related parties

	2025 US$	2024 US$
Key management personnel compensation		
Short-term employee benefits	883,804	1,353,611
Post-employment benefits	54,960	56,301
Other benefits	47,988	106,317
Termination benefits	80,000	128,750
Total USD	1,066,752	1,644,979

21. Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2025 US$	2024 US$
BDO Audit Pty Ltd		
Audit and review of financial statements	66,605	77,905
Tax compliance services	6,841	34,181
Tax consulting and tax advice	52,363	-
Total remuneration of BDO Audit Pty Ltd	125,809	112,086
Network firms of BDO Audit Pty Ltd		
Audit and review of financial statements	14,010	12,451
Tax compliance services	16,940	39,589
Total remuneration of network firms of BDO Audit Pty Ltd	30,950	52,040
Total	156,759	164,126

It is the Group's policy to employ BDO on assignments additional to their statutory audit duties where BDO's expertise and experience with the Group are important. These assignments are principally tax advice where BDO is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

The BDO entity performing the audit of the group transitioned from BDO Audit (WA) to BDO Audit Pty Ltd on 31 July 2024. The disclosures include amounts received or due and receivable by BDO Audit (WA) Pty Ltd, BDO Audit Pty Ltd and their respective related entities.

22. Contingent assets and liabilities

On 15 April 2024 BOEM issued its final Bonding Rule entitled "Risk Management and Financial Assurance for OCS Lease and Grant Obligations" which significantly increases the amount of new supplemental financial assurance required from lessees and grant holders conducting operations on the federal outer continental shelf (OCS). The effective date of the rule is 29 June 2024. It is estimated to take up to 24 months from the date that notices to companies are distributed for BOEM to complete the processing of financial assurance demands for execution. Companies can request phased-in payments over the first 3 years to meet new supplemental financial assurance requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

22. Contingent assets and liabilities (continued)

The final rule requires lessees to meet one of two criteria based on: (1) the credit rating of the lessee or (2) the ratio of the value of proved oil and gas reserves of the lease to the estimated decommissioning liability associated with the reserves.

If neither criteria is met, lessees and grantees will be expected to provide an amount based on BSEE's P70 probabilistic decommissioning estimate. Management's assessment is that this rule will apply to the Company's interest in GC 21 but not SM 71. The actual exposure is unknown at balance date and uncertainty continues to remain on the timing, amount and implementation of this ruling. Management estimates a maximum exposure of the decommissioning liability associated with the GC 21 reserves at 30 June 2025 of $3.8 million (Otto's share) based on published decommissioning estimates. It is expected third party surety can be used as supplemental financial assurance.

On 2 May 2025, the U.S. Department of the Interior announced its intention to revise or replace the rule, with potential reductions in bonding obligations and realignment to a risk-based framework proposed in 2020. While the current rule remains in effect, the proposed revision introduces material regulatory uncertainty. Otto continues to monitor developments, which may impact future financial assurance obligations associated with its U.S. offshore interests. As at the date of this report, no notice has been received by the Company.

23. Commitments

a) Exploration and capital expenditure commitments

There were no exploration expenditure or capital expenditure commitments contracted for at the reporting date but not recognised as liabilities.

24. Events after the reporting period

No matters or circumstances have arisen since 30 June 2025 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years apart from those listed below:

- Effective 12 July 2025, Mr Philip Trajanovich resigned as Acting Chief Executive Officer and Chris Dorros was appointed Chief Executive Officer effective 25 August 2025.
- On 14 August 2025 the Company released its statement of reserves and prospective resources as at 30 June 2025. The reserves were compiled by Otto's independent consultant Ryder Scott Company and covered SM 71, Lightning, GC 21, Mosquito Bay West and Oyster Bayou South. The contingent and prospective resources covered SM 71 and Lightning. The summary statement of reserves and resources as at 30 June 2025 and changes to reserves and resources since 30 June 2024 is set out in the Production and Development section of this Directors' Report.
  Changes to reserves and resources since 30 June 2024

Otto Energy Limited Grand Total - Reserve Reconciliation (Otto Energy NRI Share)	Oil/NGL (Mbbl)				Gas (MMCF)				MBOE			
	Remaining 6/30/2024	Production FY2025	Additions & Revisions	Remaining 6/30/2025	Remaining 6/30/2024	Production FY2025	Additions & Revisions	Remaining 6/30/2025	Remaining 6/30/2024	Production FY2025	Additions & Revisions	Remaining 6/30/2025
Proved (1P)	1,020	204	62	878	5,874	1,251	884	5,507	1,999	413	209	1,796
Probable	547	0	-166	381	4,230	0	-2,484	1,746	1,252		-580	672
Proved+Probable (2P)	1,567	204	-104	1,259	10,104	1,251	-1,600	7,253	3,251	413	-371	2,468
Possible	968	0	156	1,124	10,440	0	2,600	13,040	2,708		589	3,296
Proved+Probable+ Possible (3P)	2,536	204	52	2,383	20,544	1,251	1,000	20,293	5,959	413	218	5,764

- For full details refer to ASX release dated 14 August 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

25. Parent entity disclosures

As at, and throughout the financial year ended 30 June 2025, the parent company of the Group was Otto Energy Limited.

	2025	2024
	US$'000	US$'000
	Parent entity	
Summarised statement of profit or loss and other comprehensive income		
Profit/(loss) for the year after tax	740	(1,653)
Total comprehensive profit/(loss) for the year	740	(1,653)
Summarised statement of financial position		
Current assets	1,517	28,236
Non-current assets	21,145	18,666
Total assets	22,662	46,902
Current liabilities	196	117
Non-current liabilities	-	28
Total liabilities	196	145
Net assets	22,466	46,757
Total equity of the parent entity comprises:		
Share capital	112,613	133,170
Share based payments reserves	10,470	10,470
Dividend paid	(4,474)	-
Retained earnings	(96,143)	(96,883)
Total equity	22,466	46,757

Guarantees entered into by the parent in relation to the debts of its subsidiaries

Parent company guarantees are extended on a case-by-case basis. Otto Energy Limited has provided a number of performance guarantees for subsidiaries under the terms of joint operations operating agreements, participation agreements and agreements with Governments pertaining to oil & gas exploration.

Otto Energy Limited has a guarantee in place to Byron Energy Inc, for the performance of Otto Energy (Louisiana) LLC's obligations in relation to SM 71.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024 beyond those listed in Note 22.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, except for the following: Investments in subsidiaries are accounted for at cost, less any impairment in the parent entity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

26. New accounting standards and interpretations

The Australian Accounting Standard Board approved AASB 18 Presentation and Disclosure of Financial Statements for application by Australian entities preparing financial statements in accordance with Australian Accounting Standards. AASB 18 replaces AASB 101 Presentation of Financial Statements and is effective for the Group's annual accounts ending 30 June 2028.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2025

Basis of preparation

The consolidated entity disclosure statement has been prepared in accordance with the Corporations Act 2001, reflecting the amendments to section 295 (3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. The Consolidated Entity Disclosure Statement includes the required information for Otto Energy Limited and the entities it controls in accordance with AASB 10 Consolidated Financial Statements.

Tax Residency

S295(3A)(vi) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency may involve judgement as there are different interpretations that could be adopted and which could give rise to different conclusions regarding residency. In determining tax residence, the Group has applied the following interpretations:

Australian Tax Residency

Current legislation and judicial precent has been applied, including having regard to the Tax Commissioner's public guidance.

Foreign Tax Residency

Where appropriate, independent tax advisors have been engaged to assist in the determination of tax residence to ensure applicable foreign tax legislation has been complied with.

Name of entity	Type of entity	Trustee, partner or participant in joint venture	% of share capital held	Country of incorporation	Australian resident	Foreign tax jurisdiction
Otto Energy Limited	Body corporate	n/a	n/a	Australia	Yes	n/a
Otto Energy (Galoc Investment 1) Aps	Body corporate	n/a	100%	Denmark	No	Denmark
Otto Energy (Galoc Investment 2) Aps	Body corporate	n/a	100%	Denmark	No	Denmark
GPC Investments SA (in liquidation)	Body corporate	n/a	100%	Switzerland	No	Switzerland
Borealis Petroleum Pty Ltd	Body corporate	n/a	100%	Australia	Yes	n/a
Otto Energy Resources Corporation (Delaware)	Body corporate	n/a	100%	USA	No	USA
Otto Energy (USA) Inc	Body corporate	Participant in joint venture	100%	USA	No	USA
Otto Energy (Louisiana) LLC	Body corporate	Participant in joint venture	100%	USA	No	USA
Otto Energy (Gulf One) LLC	Body corporate	Participant in joint venture	100%	USA	No	USA
Otto Energy (Gulf Two) LLC	Body corporate	Participant in joint venture	100%	USA	No	USA
Otto Operating LLC	Body corporate	n/a	100%	USA	No	USA

DIRECTORS' DECLARATION

For the year ended 30 June 2025

In accordance with a resolution of the Directors of Otto Energy Limited, I state that:

1. In the opinion of the Directors:
   a. the financial statements, notes and the additional disclosures included in the audited 2025 Remuneration Report, comply with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and other mandatory professional reporting requirements;
   b. the financial statements and notes give a true and fair of the financial position of the Group as at 30 June 2025 and of its performance for the year ended on that date;
   c. the financial statements and notes comply with International Financial Reporting Accounting Standards as disclosed in the 'Basis of Preparation' section within the notes to the 2025 Financial Report;
   d. the consolidated entity disclosure statement is true and correct; and
   e. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the year ended 30 June 2025.

On behalf of the Board

Mr Geoff Page
Interim Chairman
18 September 2025

BDO

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INDEPENDENT AUDITOR'S REPORT

To the members of Otto Energy Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Otto Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment Testing of Oil & Gas Properties.

<table>
<tr><th>Key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>
The Group’s carrying value of oil and gas properties as disclosed in Note 12 represents a significant asset to the Group and is comprised of several Cash Generating Units (“CGUs”). The Australian Accounting Standards require the Group to assess whether there are any indicators that oil and gas properties may be impaired.
The Group concluded there were impairment indicators identified during the year as disclosed within Note 12 to the financial report. Accordingly, the Group was required to estimate the recoverable amounts of the CGUs in accordance with the Australian Accounting Standards from which no impairment was recognised.
The assessment of impairment is complex and contains a number of estimates and judgements. The key judgements and estimates used in the group’s impairment assessment are disclosed in Note 12 to the financial report. Accordingly, this matter was considered to be a key audit matter.
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Our work included but not limited to the following procedures:

Assessing the appropriateness of the Group’s categorisation of Cash Generating Units (“CGUs”) and the allocation of assets to the carrying value of CGUs based on our understanding of the Group’s business and internal reporting;
Assessing management’s valuation methodology applied in estimating the recoverable value;
Comparing reserve estimates from management’s experts to determine whether the data has been correctly included in the impairment models. This included assessing the competency and objectivity of management’s experts;
Reviewing the accuracy and integrity of management’s value in use models;
Challenging key inputs used in the value in use calculation including but not limited to the following:

Assessing the appropriateness of the discount rates applied;
Evaluating management’s oil and gas price assumptions against external market data; and
Evaluating the reasonableness of forecasted operating and production costs against actuals and source documentation where possible;

Reviewing the Director’s minutes and ASX announcements for evidence of consistency of information with management’s assessment of the carrying value of respective CGUs; and
Assessing the adequacy of the related disclosures in Note 12 to the financial report.

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Other information

The directors are responsible for the other information. The other information comprises the information contained in the Financial report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in or pages 42 to 49 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Otto Energy Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

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Ashleigh Woodley

Director

Perth, 18 September 2025

ADDITIONAL ASX INFORMATION

As at 29 August 2025

Distribution of shareholdings

Range	Number of holders	Number of shares
1 – 1,000	170	23,971
1,001 – 5,000	187	570,130
5,001 – 10,000	344	2,867,844
10,001 – 100,000	1,443	64,080,999
100,001 and over	1,097	4,727,466,829
Total	3,241	4,795,009,773

Shareholders by location

	Number of holders	Number of shares
Australian holders	3,063	4,440,941,103
Overseas holders	178	354,068,670
	3,241	4,795,009,773

Unmarketable parcels

There were 2,002 shareholders holding less than a marketable parcel of shares.

Twenty largest shareholders

	Name	Ordinary shares	
		Number of shares	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,310,824,944	48.19
2	BNP PARIBAS NOMS PTY LTD	256,166,487	5.34
3	CITICORP NOMINEES PTY LIMITED	225,818,822	4.71
4	BOOM SECURITIES (HK) LIMITED	178,469,847	3.72
5	BNP PARIBAS NOMINEES PTY LTD	148,339,771	3.09
6	MR KENNETH JOSEPH HALL	86,000,000	1.79
7	BOOM SECURITIES (HK) LIMITED	84,981,336	1.77
8	BNP PARIBAS NOMINEES PTY LTD	84,680,585	1.77
9	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	42,442,042	0.89
10	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	35,760,914	0.75
11	TROPICAL INVESTMENTS WA PTY LTD	35,555,555	0.74
12	MR DOUGAL JAMES FERGUSON	31,340,000	0.65
13	GRAHAM NEWMAN PTY LTD	30,566,416	0.64
14	MR ANASTASIOS MAZIS	30,022,091	0.63
15	ASB NOMINEES LIMITED	30,000,000	0.63
16	SHARESIES AUSTRALIA NOMINEE PTY LIMITED	29,132,074	0.61
17	MS ANNA CZARNOCKA	26,700,000	0.56
18	MR NEIL DAVID OLOFSSON & MRS BELINDA OLOFSSON	25,050,000	0.52
19	MR EDWARD MARIAN CZARNOCKI	24,000,000	0.50
20	SHENTON JAMES PTY LTD	23,000,000	0.48
		3,698,907,172	77.97

ADDITIONAL ASX INFORMATION

As at 29 August 2025

Substantial shareholders

Name	Ordinary shares	
	Number of shares	%
Molton Holdings Limited	2,305,859,697	48.09%

Unquoted securities

There are no unlisted securities of the Company.

Voting rights

Ordinary shares
In accordance with the Company's Constitution, on a show of hands every shareholder present in person or by proxy, attorney or representative of a shareholder has one vote and on a poll every shareholder present in person or by proxy, attorney or representative of a shareholder has in respect of fully paid shares, one vote for every share held.

Options
There were no options on issue as at 30 June 2025.

Corporate governance

The Company's Corporate Governance Statement can be accessed at www.ottoenergy.com

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