

COMMERCIAL GAS CONDENSATE DISCOVERY AT MOSQUITO BAY WEST

- **Point Au Fer LLC #1 well encountered 111 feet TVT of proved net pay in five sands, plus another 10 feet TVT potential pay in one other sand considered probable or possible.**
- **Represents significantly higher net pay count than Otto's mid-case on a pre-drill basis.**
- **Facility and pipeline construction to begin immediately, first production expected in Q3 CY2022.**
- **Following well completion, drill rig to spud new exploration well at Oyster Bayou South.**
- **Delivers strong validation of Otto's disciplined opportunity filter and growth strategy.**

Otto Energy Limited (ASX: OEL) (**Otto** or the **Company**) provides an operational update on the Mosquito Bay West exploration prospect located in Terrebonne Parish, Louisiana.

After being spud on 22 May 2022, the Point Au Fer LLC #1 well was safely drilled to target depth of 14,867' MD (Measured Depth) / 12,967' TVD (True Vertical Depth) and 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 is an excellent result and represents a significantly higher net pay count than Otto was carrying in its mid-case on a pre-drill basis¹. Updated resource estimates will be made available in due course. This is Otto's second exploration success in the last 6 months after the Eaves discovery, with the spudding of the Oyster Bayou South exploration well to commence shortly.

Facility and pipeline construction will begin immediately, with first production expected during Q3 CY2022. The additional free cash flows are expected to strengthen Otto's already strong balance sheet and Otto's ability to explore further opportunities. Otto is currently holding approximately US\$30MM in cash.

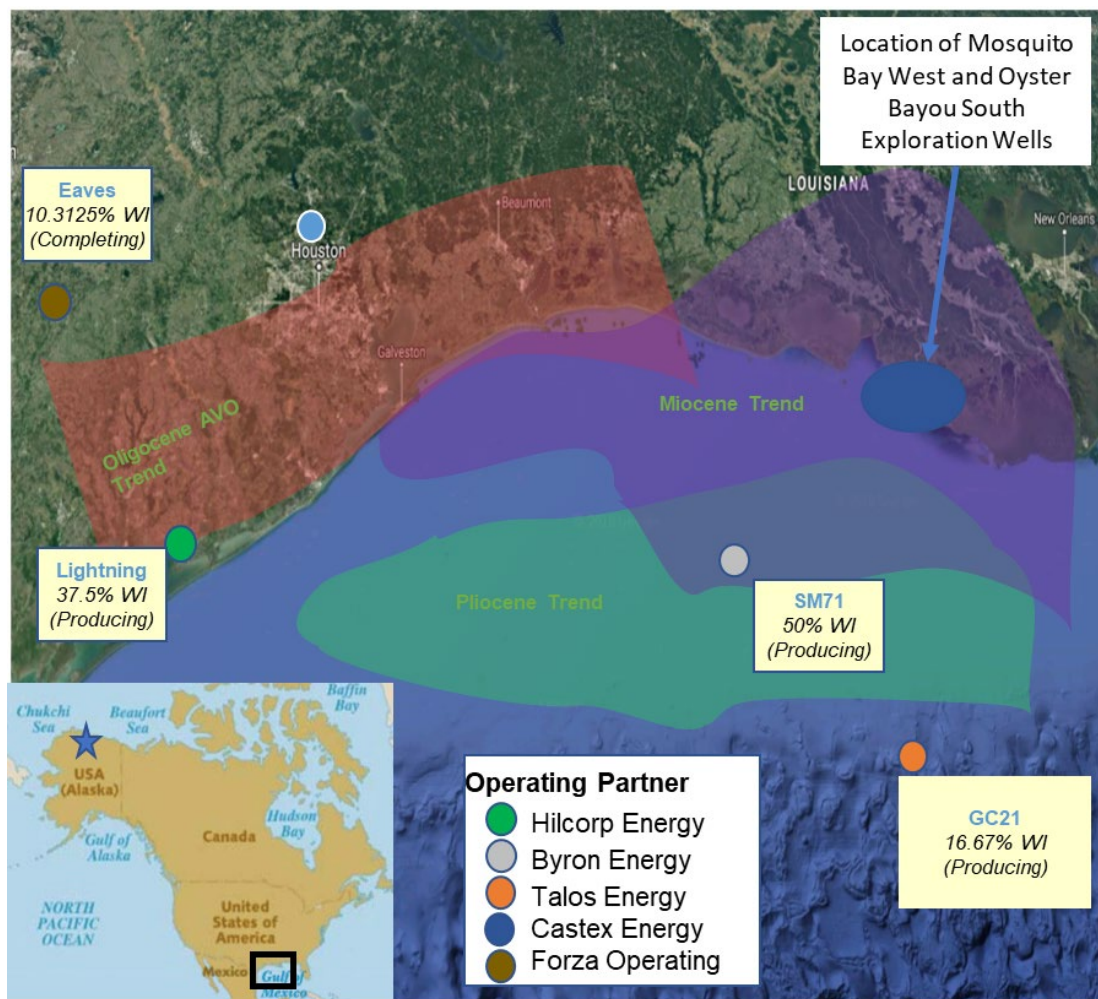
In addition to the Mosquito Bay West discovery, Otto is looking forward to the recompletion of the SM 71 F2 well into the J1 sand and the recompletion of the GC 21 Bulleit well into the DTR-10 sand during CY2022 which will further boost Otto's production.

¹ Please see Otto's announcement on 2 March 2022 which details the pre-drill Prospect Resources for Mosquito Bay West and Oyster Bayou South

Otto Executive Chairman, Mike Utsler, commented:

“This is a fantastic result for the partners in Mosquito Bay West. We now look forward to well completion and facility and pipeline construction, driving rapid first production into current high-priced oil and gas markets. The development of Mosquito Bay West is expected to deliver a meaningfully positive impact to Otto free cash flow from H2 CY2022. It also provides a robust technical and commercial proof point for successful application of Otto’s capital investment framework to potential new opportunities.”

“Following completion of the Mosquito Bay West well, the drill rig will move to spud the geologically dependent Oyster Bayou South prospect – which also possesses multiple pay objectives and access to existing infrastructure to allow for rapid tie-in to markets. The success at Mosquito Bay West has naturally raised our confidence levels leading into drilling of Oyster Bayou South.”



This release is authorized by the Board of Otto.

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