

QUARTERLY ACTIVITIES REPORT

For the Three Months ended 31 March 2022

Otto Energy Limited (ASX:OEL) (Otto or the Company) presents its quarterly activities report for the period ended 31 March 2022.

SUMMARY QUARTERLY PROD. VOLUMES (WI BASIS)

	31-Mar-22	31-Dec-21	% change	30-Sep-21	30-Jun-21
Total Oil (Bbls)	114,006	122,710	-7%	108,523	132,585
Total Gas (Mcf)	467,266	522,044	-10%	574,604	665,060
Total NGLs (Bbls)	13,246	15,222	-13%	18,065	19,929
Total BOE	205,130	224,940	-9%	222,355	263,357
Total (Boe/d)	2,279	2,445	-7%	2,417	2,894
Percent Liquids (%)	62%	61%	1%	57%	58%
Total WI Revenue (US\$MM)	\$ 13.4	\$ 12.3	10%	\$ 10.4	\$ 10.8

3Q FY2022 HIGHLIGHTS

Strategic Delivery

- The Company's strategic plan is built upon three pillars:
- **Pillar 1 – Base asset delivery excellence**
 - Base production from South Marsh 71 (**SM 71**) and Lightning continues to be at or above expectations.
 - Green Canyon 21 “Bulleit” well (**GC 21**) producing intermittently from the MP Sand while awaiting a recompletion in the shallower DTR-10 Sand, expected in Q3 CY 2022. Recompletion costs are budgeted to be paid out of free cash flow.
- **Pillar 2 – Organic growth within existing base**
 - No capital expenditures were performed or budgeted on Otto's existing assets during the quarter.
 - At SM 71, recompletion potential for the F2 well is being targeted for 2Q CY22, consistent with Otto's current planning and budget.
 - Resource progression at Lightning is targeted for CY 2022, consistent with Otto's current planning and budget. Drill cost estimates, combined with seismic data

and specific development drilling site mapping are ongoing to develop well proposals for Green #3 and #4.

- **Pillar 3 – Inorganic growth via opportunity capture to enhance value**
 - Agreement to participate in two new offshore exploration wells, Mosquito Bay West and Oyster Bayou South. Both wells are expected to be drilled in Q2 CY 2022 from existing cash reserves.
 - Discovery at Otto's Vick #1 well in Lavaca County, TX. The well encountered 12 feet of net pay in the shallower Yegua formation. Completion operations are underway with first production expected in May 2022.
 - Otto continues to evaluate prospects, assets and corporate entities with respect to whether a purchase and/or consolidation would be a good fit with its portfolio.

Financial Delivery

- **Revenue** – Revenue for the March quarter increased approximately 10% when compared to the December quarter, due to an increase in crude oil, natural gas, and NGL prices during the March quarter. Partially offsetting this increase in prices was a decrease in production due to normal production characteristics.
- **Capex investments** – During the March quarter, the Company invested approximately US\$1.9 million on Mosquito Bay (US\$0.9 million) and Oyster Bayou (US\$1.0 million).
- **Opex cost management** –
 - **15%** lower field lifting costs versus the prior year March 2021 quarter.
 - **2%** slightly higher non-field lifting costs, after excluding one-time, non-recurring restructuring costs versus the prior year March 2021 quarter.
- **Operating cash flow** –
 - Positive net cash from operating activities of US\$2.1 million for the March quarter.

Liquidity

- Cash balance at the end of the March quarter was US\$26.0 million.
- Residual equity interest held in Pantheon Resources plc (LSE: PANR) at the end of the March quarter valued at US\$5.0 million.¹
- Debt balance at the end of the March quarter was US\$4.6 million.

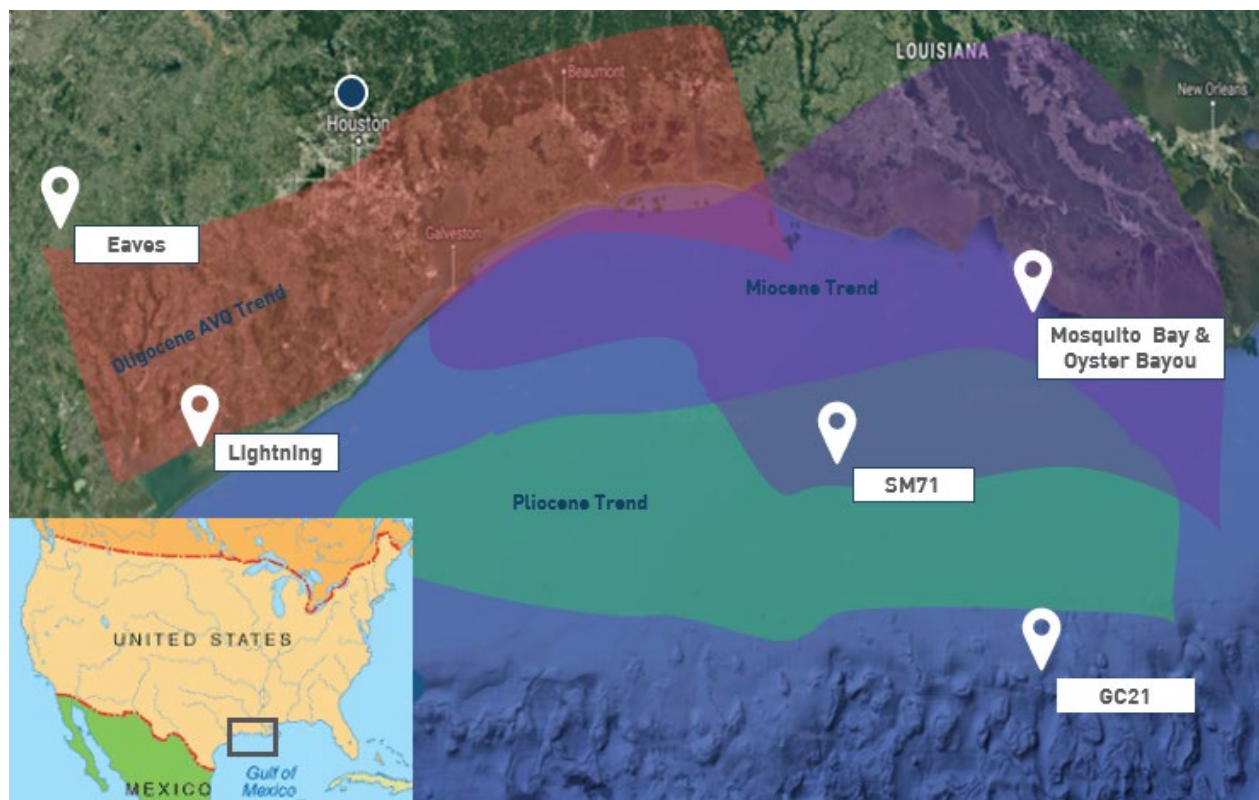
¹ Based on prevailing PANR share price of 117.6 pence and a 1.316 US\$ to GBP exchange rate as of 31 March 2022.

COMMENT FROM OTTO EXECUTIVE CHAIRMAN, MIKE UTSLER

“Financial Year 2022 has seen a robust period of operational and financial delivery from Otto. We are well positioned to take advantage of rising commodity prices given our disciplined operating model. We have also continued to take structured steps in simplifying our company structure and to optimize our outsourced services in a drive to further lower our ongoing cost of business. As a result, we continue to deliver strong free cash flow while reducing our remaining debt. The results of these efforts are being reflected in the increase in our market liquidity, share price, and in the continuing strengthening of our balance sheet. This enables us to drill our next two wells, Mosquito Bay and Oyster Bayou, out of free cash flow, as well as recomplate Green Canyon 21 and the SMI 71 F2 well, without incurring any additional debt. The market remains robust in new investment opportunities that can potentially increase the Company’s scale, bolster our long-term reserves inventory, increase our production levels and deliver value accretion for our shareholders.”

SUMMARY OF OPERATIONS

Area	Status	WI	NRI	Operator	Comments
South Marsh 71 (SM 71)	Producing	50.0%	40.6%	Byron Energy	3 wells
Lightning	Producing	37.5%	28.2%	Hilcorp	2 wells
Green Canyon 21 (GC 21)	Producing	16.7%	13.3%	Talos Energy	1 well
Eaves Well	Completing	10.3%	7.7%	Forza Operating	1 well
Mosquito Bay West	Dredging	30.0%*	22.4%	Castex Energy, Inc.	1 well
Oyster Bayou South	Dredging	30.0%*	22.7%	Castex Energy, Inc.	1 well



*Earned by paying 40% of exploration costs through casing point

SOUTH MARSH ISLAND 71 (SM 71)

Location:	Louisiana/Offshore Gulf of Mexico
Area:	12.16 km ²
Water Depth:	137 feet
Otto's Working Interest:	50.00% (Byron Energy Inc. – Operator)

During the quarter, on a working interest basis, the F1, F2 and F3 wells produced approximately 112.5 Mboe (-7% over prior quarter), or 1,251 Boe/d, which was lower than the December quarter due to normal field decline. Production was approximately 1,158 Boe/d as of 31 March 2022. As of the date of this report, daily production rates are consistent with the daily production rates as of 31 March 2022.

Recompletion potential for the F2 well is being planned by the operator for 2Q CY22, depending on regulatory approvals.

The SM 71 lease ranks number 3 of all currently active oil producing leases on the US Gulf of Mexico shelf with the SM 71 F3 and F1 ranked as the number 1 and number 2 active oil producing wells.

SM 71 Quarterly Production and Revenue Summary

SM 71 Production Volumes		31-Mar-22	31-Dec-21	% change	30-Sep-21	30-Jun-21
WI	Oil (bbls)	99,951	107,431	-7%	91,511	112,232
	Gas (Mscf)	75,566	85,277	-11%	69,145	94,085
	Total (Boe)	112,545	121,644	-7%	103,035	127,913
	Total (Boepd)	1,251	1,322	-5%	1,120	1,406
NRI	Oil (bbls)	81,210	87,287	-7%	74,353	91,189
	Gas (Mscf)	61,397	69,288	-11%	56,180	76,444
	Total (Boe)	91,443	98,835	-7%	83,716	103,930
	Total (Boepd)	1,016	1,074	-5%	910	1,142

SM 71 Sales Revenue		31-Mar-22	31-Dec-21	% change	30-Sep-21	30-Jun-21
WI	Oil - \$million	\$ 9.2	\$ 7.9	16%	\$ 6.1	\$ 7.0
	Oil - \$ per bbl	\$ 91.88	\$ 73.68	25%	\$ 66.89	\$ 62.81
	Gas - \$million	\$ 0.4	\$ 0.5	-24%	\$ 0.4	\$ 0.3
	Gas - \$ per MMbtu	\$ 4.64	\$ 5.30	-12%	\$ 4.51	\$ 3.29
	Total - US\$million	\$ 9.6	\$ 8.4	14%	\$ 6.5	\$ 7.4
NRI	Total - US\$million	\$ 7.8	\$ 6.9	14%	\$ 5.3	\$ 6.0

LIGHTNING

Location:	Onshore Matagorda County, Texas
Otto's Working Interest:	37.50% (Hilcorp Energy – Operator)

During the quarter, on a working interest basis, the Green #1 and #2 wells produced approximately 90.9 Mboe (-10% over prior quarter), or 1,010 Boe/d, which was lower than the December quarter, due to normal field decline. Production was approximately 913 Boe/d as of 31 March 2022. As of the date of this report, daily production rates are consistent with the daily production rates as of 31 March 2022.

Reinterpretation of the 3D seismic by the operator confirms that there are multiple levels of hydrocarbon pay in the Lightning field. While production is currently from the upper Tex Miss 1 zone, the lower Tex Miss 2/3 zone was tested in both wells while they were being drilled. The Tex Miss 2/3 zone appears to be significantly larger in area and potentially thicker but indicates lower permeability. Future wells (potentially Green #3) might test the ability to stimulate the Tex Miss 2/3 zone and unlock its significant upside potential.

Lightning Quarterly Production and Revenue Summary

Lightning Volumes		31-Mar-22	31-Dec-21	% change	30-Sep-21	30-Jun-21
WI	Oil (bbls)	13,340	14,463	-8%	15,906	18,437
	Gas (Mscf)	387,056	432,312	-10%	499,836	563,559
	NGLs (bbls)	13,055	14,973	-13%	17,764	19,581
	Total (Boe)	90,905	101,488	-10%	116,976	131,945
	Total (Boepd)	1,010	1,103	-8%	1,271	1,450
NRI	Oil (bbls)	10,037	10,882	-8%	11,967	13,871
	Gas (Mscf)	291,207	325,256	-10%	376,059	424,002
	NGLs (bbls)	9,822	11,265	-13%	13,365	14,732
	Total (Boe)	68,394	76,356	-10%	88,009	99,271
	Total (Boepd)	760	830	-8%	957	1,091

Lightning Sales Revenue		31-Mar-22	31-Dec-21	% change	30-Sep-21	30-Jun-21
WI	Oil - \$million	\$ 1.2	\$ 1.1	14%	\$ 1.1	\$ 1.2
	Oil - \$ per bbl	\$ 92.78	\$ 75.18	23%	\$ 68.35	\$ 63.25
	Gas - \$million	\$ 2.0	\$ 2.1	-4%	\$ 2.1	\$ 1.7
	Gas - \$ per MMbtu	\$ 5.21	\$ 4.86	7%	\$ 4.24	\$ 2.96
	NGLs - \$million	\$ 0.5	\$ 0.5	-7%	\$ 0.6	\$ 0.4
	NGLs - \$ per bbl	\$ 37.76	\$ 35.43	7%	\$ 31.66	\$ 20.75
	Total - US\$million	\$ 3.8	\$ 3.7	1%	\$ 3.8	\$ 3.3
NRI	Total - US\$million	\$ 2.8	\$ 2.8	1%	\$ 2.8	\$ 2.4

GREEN CANYON 21 (GC 21)

Location:	Offshore, Gulf of Mexico
Water Depth:	1,200 feet
Otto's Working Interest:	16.67% (Talos Energy – Operator)

The “Bulleit” appraisal well located at GC 21 commenced production from the deeper MP Sand in October 2020. During the quarter, on a working interest basis, the GC 21 well produced approximately 1.7 Mboe (-7% over prior quarter), or 19 Boe/d, as production is currently being managed by the operator. The well was shut-in for 53 days during the current quarter for pressure buildup.

A recompletion in the shallower DTR-10 Sand is scheduled for Q3 CY 2022 at a budgeted cost of US\$35.5 million (US\$5.9 million, net to Otto). These costs are budgeted to be paid out of existing free cash flow. This preliminary schedule is dependent upon deepwater rig availability, weather, general work timing considerations and long lead items. It is estimated that point-forward economics for the recompletion are highly positive and strongly value accretive.

GC 21 Quarterly Production and Revenue Summary

GC 21 Production Volumes		31-Mar-22	31-Dec-21	% change	30-Sep-21	30-Jun-21
WI	Oil (bbls)	715	816	-12%	1,106	1,916
	Gas (Mscf)	4,645	4,455	4%	5,624	7,416
	NGLs (bbls)	191	249	-23%	301	347
	Total (Boe)	1,680	1,808	-7%	2,344	3,500
	Total (Boepd)	19	20	-5%	25	38
NRI	Oil (bbls)	572	653	-12%	885	1,533
	Gas (Mscf)	3,716	3,564	4%	4,499	5,932
	NGLs (bbls)	152	199	-23%	241	278
	Total (Boe)	1,344	1,446	-7%	1,875	2,800
	Total (Boepd)	15	16	-5%	20	31

GC 21 Sales Revenue		31-Mar-22	31-Dec-21	% change	30-Sep-21	30-Jun-21
WI	Oil - \$million	\$ 0.07	\$ 0.06	10%	\$ 0.07	\$ 0.12
	Oil - \$ per bbl	\$ 92.79	\$ 73.74	26%	\$ 65.87	\$ 63.57
	Gas - \$million	\$ 0.02	\$ 0.02	-21%	\$ 0.03	\$ 0.02
	Gas - \$ per MMbtu	\$ 3.49	\$ 5.00	-30%	\$ 4.33	\$ 2.31
	NGLs - \$million	\$ 0.01	\$ 0.01	-6%	\$ 0.01	\$ 0.01
	NGLs - \$ per bbl	\$ 44.01	\$ 35.80	23%	\$ 29.53	\$ 22.14
	Total - US\$million	\$ 0.09	\$ 0.09	1%	\$ 0.11	\$ 0.15
NRI	Total - US\$million	\$ 0.08	\$ 0.07	2%	\$ 0.08	\$ 0.12

EAVES PROSPECT

Location:	Onshore Lavaca County, Texas
Otto's Working Interest:	10.3% in a 160-acre unit (Forza Operating – Operator)

The Vick #1 well, within the Eaves Prospect, was spud on 9 December 2021 and reached 9,242' TVD on 22 December 2021. The well was logged and cored across multiple intervals, encountering a total of 12 feet of net pay in the shallower Yegua formation as expected.

Completion operations in the Yegua are underway at approximately 5,450 feet TVD, with first production expected in Q2 CY 2022. Total costs to drill, complete and bring this well to production are expected to be approximately US\$0.2 million, net to Otto.

MOSQUITO BAY WEST AND OYSTER BAYOU SOUTH

Location:	Offshore Terrebonne Parish, Louisiana
Otto's Working Interest:	30% by paying 40% of exploration costs through casing point (Castex Energy – Operator)

On 2 March 2022, the Company announced that it had agreed to participate in two new offshore exploration wells to be drilled in Q2 CY 2022, Mosquito Bay West and Oyster Bayou South, in state waters in Terrebonne Parish, Louisiana. The wells will both target a number of locally productive Miocene sands, with each well having a number of separate objective sands. In the event of success, production from both wells is set to be processed and transported to market through an existing production facility, based on pre-agreed terms and conditions. The wells are to be drilled from a barge rig in approximately nine feet of water with spudding of both wells expected during May 2022.

Each well is expected to cost Otto US\$1.7 MM on a dry hole cost basis. Both wells are to be funded from existing cash reserves.

CORPORATE

PANTHEON SHAREHOLDING (LSE: PANR)

Otto continues to own 3,272,592 shares of PANR, valued at US\$6.3 million as at 19 April 2022², as well as a 0.5% of 8/8ths overriding royalty interest (ORRI) in any future production from the Talitha Unit in Alaska, which is operated by Pantheon.

² Based on prevailing PANR share price of 148 pence and a 1.30 US\$ to GBP exchange rate as of 19 April 2022

NET REVENUE

Net revenue for the quarter, on a WI basis, was approximately US\$13.4 million, a 10% increase over the prior quarter due to a weighted 20% increase in commodity prices (comprised of a 25% increase in crude oil prices, a 3% increase in natural gas prices, and a 7% increase in NGL prices).

Otto's hydrocarbon sales for the quarter equate to 2,279 Boe/d, a 7% decrease over the prior quarter primarily driven by normal field declines.

From a cash receipts perspective, Otto received proceeds of approximately US\$9.2 million during the quarter, predominantly related to production, net of royalties, for December 2021, January 2022 and February 2022.

Working Interest, net to Otto	31-Mar-22	31-Dec-21	% change	30-Sep-21	30-Jun-21
Oil revenue (\$millions)	\$ 10.5	\$ 9.1	16%	\$ 7.3	\$ 8.3
Avg oil price (\$/Bbl) - pre-hedges	\$ 91.99	\$ 73.86	25%	\$ 67.09	\$ 62.88
Avg oil price (\$/Bbl) - post-hedges	\$ 69.25	\$ 60.61	14%	\$ 54.59	\$ 54.14
Gas revenue (\$millions)	\$ 2.4	\$ 2.7	-8%	\$ 2.5	\$ 2.0
Avg gas price (\$/Mmbtu) - pre-hedges	\$ 5.09	\$ 4.94	3%	\$ 4.27	\$ 3.00
Avg gas price (\$/Mmbtu) - post-hedges	\$ 5.09	\$ 4.52	13%	\$ 4.13	\$ 3.00
NGL revenue (\$millions)	\$ 0.5	\$ 0.5	-7%	\$ 0.6	\$ 0.4
Avg NGL price (\$/Bbl)	\$ 37.85	\$ 35.44	7%	\$ 31.62	\$ 20.78
Total revenue (\$millions)	\$ 13.4	\$ 12.3	10%	\$ 10.4	\$ 10.8
Avg WA price (\$/Boe) - pre-hedges	\$ 65.48	\$ 54.50	20%	\$ 46.61	\$ 41.00
Avg WA price (\$/Boe) - post-hedges	\$ 52.84	\$ 46.27	14%	\$ 40.12	\$ 36.60

See attached Appendix 5B for detailed cash flow disclosures.

COMMODITY PRICE RISK MANAGEMENT

As of 31 March 2022, Otto had a crude oil hedge book of 104,580 barrels of oil hedged through September 2022 via swaps, at a weighted average LLS price of US\$56.87 per bbl.

The Company has no natural gas hedges as of 31 March 2022.

As a result of the recent increase in crude oil and natural gas prices, the Company realized a loss on hedges for the quarter of approximately US\$1.8 million.

COST PERFORMANCE

Non-field lifting costs for the March quarter were approximately US\$1.0 million, which equates to a slight 2% increase over the prior-year March 2021, after excluding one-time, non-recurring restructuring costs.

LIQUIDITY AND DEBT

Otto's cash on hand at the end of the March quarter was approximately US\$26.0 million (December quarter: US\$26.2 million).

On 2 November 2019, the Company entered a three-year senior secured US\$55 million facility with Macquarie Bank Limited (**Macquarie**) (the **Credit Facility**). The initial commitment under the Credit Facility was US\$35 million (made up of US\$25 million available under Tranche A1 and US\$10 million available under Tranche A2), with an additional US\$20 million subject to further credit approval from Macquarie, with an interest rate of LIBOR plus 8.0% per annum. Quarterly principal repayments commenced on 31 March 2020.

As of 31 March 2022, the Company had drawn US\$25 million under Tranche A1 and had repaid US\$20.4 million, resulting in a closing debt balance of US\$4.6 million. Tranche A2 remained undrawn as of 31 March 2022 and has been extended to expire on 30 June 2022. The Credit Facility currently matures on 4 November 2022. The Credit Facility is secured by substantially all of the Company's oil and gas producing assets.

RELATED PARTY TRANSACTIONS

Payments to related parties and their associates totaled approximately US\$103,000 consisting of Executive Directors fees (US\$75,000) and Non-Executive Directors fees including superannuation payments (US\$58,000).

SHAREHOLDERS

Otto's issued capital as at 19 April 2022:

Class	Number
Fully paid ordinary shares	4,795,009,773
Options ³	72,500,000
Performance Rights ⁴	23,944,667

³ 42,500,000 options at A\$0.08 expire in November 2023; 20,000,000 options at A\$0.02 expire in August 2024; and 10,000,000 options at A\$0.025 expire in August 2024.

⁴ 2,788,667 rights expire in November 2022; and 21,156,000 rights expire in November 2023

Otto's Top 20 Holders as at 19 April 2022:

Rank	Name	Units	% of Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,332,183,424	48.64
2	CITICORP NOMINEES PTY LIMITED	196,992,570	4.11
3	MONEX BOOM SECURITIES (HK) LTD	180,652,398	3.77
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	152,151,934	3.17
5	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	108,836,837	2.27
6	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD	80,841,664	1.69
7	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	58,705,014	1.22
8	MONEX BOOM SECURITIES (HK) LTD	58,128,401	1.21
9	BNP PARIBAS NOMS PTY LTD	51,520,063	1.07
10	CS THIRD NOMINEES PTY LIMITED	44,574,839	0.93
11	MR JOHN PHILIP DANIELS	44,485,823	0.93
12	MR NEIL DAVID OLOFSSON & MRS BELINDA OLOFSSON	26,920,333	0.56
13	MR DOUGAL JAMES FERGUSON	24,340,000	0.51
14	MR ANASTASIOS MAZIS	23,807,812	0.50
15	TROPICAL INVESTMENTS WA PTY LTD	22,555,555	0.47
16	MR DAVID ELTON	19,186,116	0.40
17	SHENTON JAMES PTY LTD	19,000,000	0.40
18	ASB NOMINEES LIMITED	18,703,524	0.39
19	MR DANIEL LEE	18,211,778	0.38
20	REMOND HOLDINGS PTY LTD	18,000,000	0.38
Total Top 20 Shareholders		3,499,798,085	72.99%
Total Remaining Shareholders		1,295,211,688	27.01%
Total Shares on Issue		4,795,009,773	100.0%

Substantial Holders as at 19 April 2022:

Name	Units	% of Units
Molton Holdings Limited	2,305,859,697	48.09%

Director Holdings as at 19 April 2022:

Name	Units	% of Units
John Jetter	57,881,668	1.21%
Paul Senycia	7,959,387	0.17%
Mike Utsler	5,000,000	0.10%

This announcement is approved for release by the Board of Otto Energy Limited.

OTTO AT A GLANCE

Otto is an ASX-listed oil and gas exploration and production company focused on the Gulf of Mexico region. Otto currently has oil production from its SM 71 and GC 21 fields in the Gulf of Mexico and gas/condensate production from its Lightning asset in onshore Matagorda County, Texas. Cashflow from its producing assets underpins its strategy and financial stability.

DIRECTORS

Michael Utsler – Chairman & CEO
 John Jetter – Non-Executive
 Geoff Page – Non-Executive
 Paul Senycia – Non-Executive

CHIEF FINANCIAL OFFICER

Sergio Castro

COMPANY SECRETARY

Kaitlin Smith (AE Administrative Services)

ASX Code: OEL

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Definitions

“bbl” = barrel	“Mboe” = thousand barrels of oil equivalent (“boe”) with a boe determined using a ratio of 6,000 cubic feet of natural gas to one barrel of oil
“bbls” = barrels	– 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency
“bopd” = barrels of oil per day	“MMboe” = million barrels of oil equivalent (“boe”) with a boe determined on the same basis as above
“Mbbbl” = thousand barrels	“NRI” means Net Revenue Interest
“Mscf” = 1000 standard cubic feet	“WI” means Working Interest
“NGLs” = natural gas liquids	
“MMscf” = million standard cubic feet	
“Mmbtu” = million British thermal units	

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Otto Energy Limited

ABN

56 107 555 046

Quarter ended ("current quarter")

31 March 2022

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	9,166	26,865
1.2	Payments for		
	(a) exploration & evaluation	(2,179)	(3,502)
	(b) development	(107)	54
	(c) production	(785)	(2,291)
	(d) staff costs	(1,180)	(2,203)
	(e) administration and corporate costs	(760)	(1,616)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	8
1.5	Interest and other costs of finance paid	(237)	(860)
1.6	Income taxes paid	(5)	(9)
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		
	(a) derivative instruments	(1,844)	(5,211)
	(b) other	-	-
1.9	Net cash from / (used in) operating activities	2,069	11,235

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	(53)
(d) exploration & evaluation	-	-
(e) investments	-	10,589
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-	10,536

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(2,300)	(6,900)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(2,300)	(6,900)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	26,195	11,100
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,069	11,235
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	10,536
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2,300)	(6,900)
4.5	Effect of movement in exchange rates on cash held	(2)	(9)
4.6	Cash and cash equivalents at end of period	25,962	25,962

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	25,962	26,195
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	25,962	26,195

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	133
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Payments to related parties and their associates totalled US\$133,000 consisting of Executive Directors fees (US\$75,000) and Non-Executive Directors fees including superannuation payments (US\$58,000)

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7.1	Loan facilities	34,600	4,600
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	34,600	4,600
7.5	Unused financing facilities available at quarter end		10,000
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p>On 2 November 2019, Otto Energy entered into a three-year senior secured US\$55 million term debt facility with Macquarie Bank Limited (Macquarie) as follows:</p> <p><u>Initial commitment of \$35 million</u></p> <ul style="list-style-type: none"> • Tranche A1 (\$25 million) available upon facility close. Fully drawn. Repaid amounts are not available for re-borrowing • Tranche A2 (\$10 million) was undrawn as of 31 March 2022 and has been extended to expire on 30 June 2022. • Interest rate of LIBOR plus 8.0% per annum; • Matures November 2022; • Quarterly principal repayments commenced 31 March 2020; • Senior secured non-revolving facility with security over US based assets; and • The Facility may be repaid early without penalty. <p><u>Additional \$20 million available</u></p> <ul style="list-style-type: none"> • Subject to further credit approval from Macquarie on same terms as above 		

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	2,069
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	
8.3	Total relevant outgoings (item 8.1 + item 8.2)	2,069
8.4	Cash and cash equivalents at quarter end (item 4.6)	25,962
8.5	Unused finance facilities available at quarter end (item 7.5)	10,000
8.6	Total available funding (item 8.4 + item 8.5)	35,962
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 April 2022.....

Authorised by: The Board of Directors of Otto Energy Limited.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.