

FY 22 FINANCIAL RESULTS PRESENTATION

Otto Energy Limited (ASX: OEL) (**Otto** or the **Company**) advises that it has today released its FY 22 results presentation. A copy of the presentation is appended to this release.

Additional information can be found on the Company's website at www.ottoenergy.com

This release is authorized by the Board of Otto.

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OTTO ENERGY

FY 2022 UPDATE

Delivering and growing
value in 2022 and beyond

ASX: OEL



Disclaimer and important notices



Forward Looking Statements

This presentation contains "forward-looking statements" that are subject to risk factors that are associated with oil and gas businesses. It is believed that the targets reflected in these statements are reasonable, but they may be affected by a variety of variables and changes in underlying assumptions which could cause actuals to differ materially, including but not limited to: results or trends for future operations, drilling results, projections, intentions, or beliefs about future events may, and often do, vary from actual results and the differences can be material. Some of the key factors which could cause actual results to vary from those Otto expects include changes in natural gas and oil prices, the timing of planned capital expenditures, availability of resources, uncertainties in estimating proved reserves and resource potential and forecasting drilling and production results, operational factors affecting the commencement or maintenance of producing wells, the condition of the capital markets generally, as well as the Company's ability to access them, and uncertainties regarding environmental regulations or litigation and other legal or regulatory developments affecting Otto's business. Statements regarding future production are subject to all of the risks and uncertainties normally incident to the exploration for and development and production of oil and gas.

Disclaimer

This presentation includes certain estimates of proved, probable and possible reserves that have been prepared by the Company and are by their nature more speculative than estimates of proved reserves and accordingly are subject to substantially greater risk of being actually realized by the Company. The information in this presentation that relates to oil and gas reserves was compiled by Mr Ed Buckle, 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). The reserves included in this presentation 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) / and Petroleum Resources Management System (PRMS). The reserves information included in this presentation are based on, and fairly represents, information and supporting documentation reviewed by Mr Buckle (ASX Listing Rule 5.42). 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 presentation of the matters based on this information in the form and context in which it appears.

We cannot assure you that all of our prospects will ultimately be prospective in all or any of the targeted zones, or that such acreage will ultimately be drilled or included in drilling units. Type curve metrics described herein refer to the Company's internal estimates of average per well hydrocarbon quantities and production profiles that may be potentially recovered from a hypothetical future well developed generally from the most analogous information available based on the average offset well performance of third-party operator wells. These quantities do not necessarily constitute or represent reserves. There is no assurance that the Company will achieve comparable results on its acreage and individual well results will vary.

Further, Otto expresses no view as to whether its joint venture participants will agree with, and support Otto's assessment of these opportunities presented within this presentation.

Terms used

All references to dollars, cents or \$ in this presentation are to US currency, unless otherwise stated.

Otto – Debt Free Enterprise



CAPITAL STRUCTURE

Shares on issue	4,795 M
Share price (30 Sept 22)	A\$ 0.012
Options and share rights	96 M
Market capitalisation	A\$57.5 M

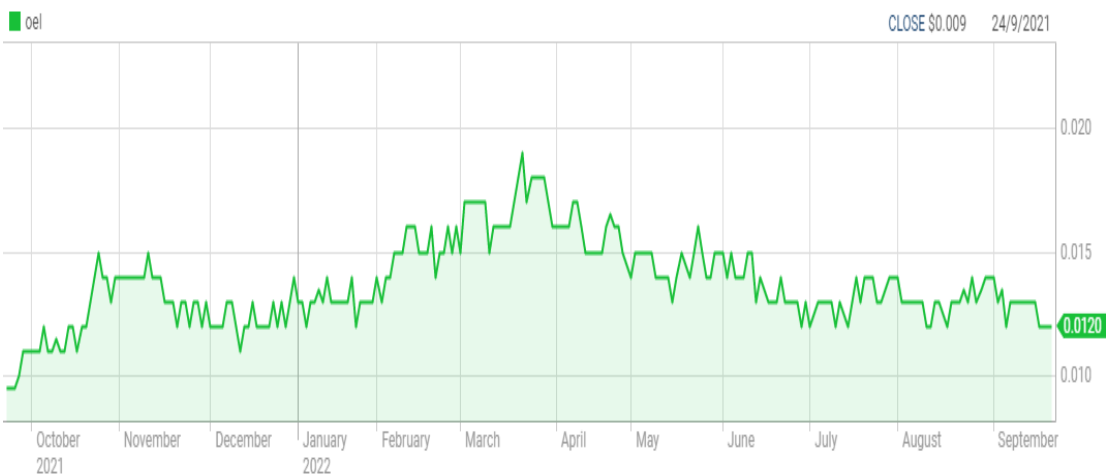
LIQUIDITY POSITION

Cash (30 Sept 2022)	US\$24.9 M
PANR stock * (30 Sept 2022)	US\$3.8M
Debt - drawn (30 Sept 2022)	US\$0.0M

SHARE REGISTER COMPOSITION

Corporate/strategic	49%
Retail	43%
Institutional/broker	8%

SHARE PRICE CHART

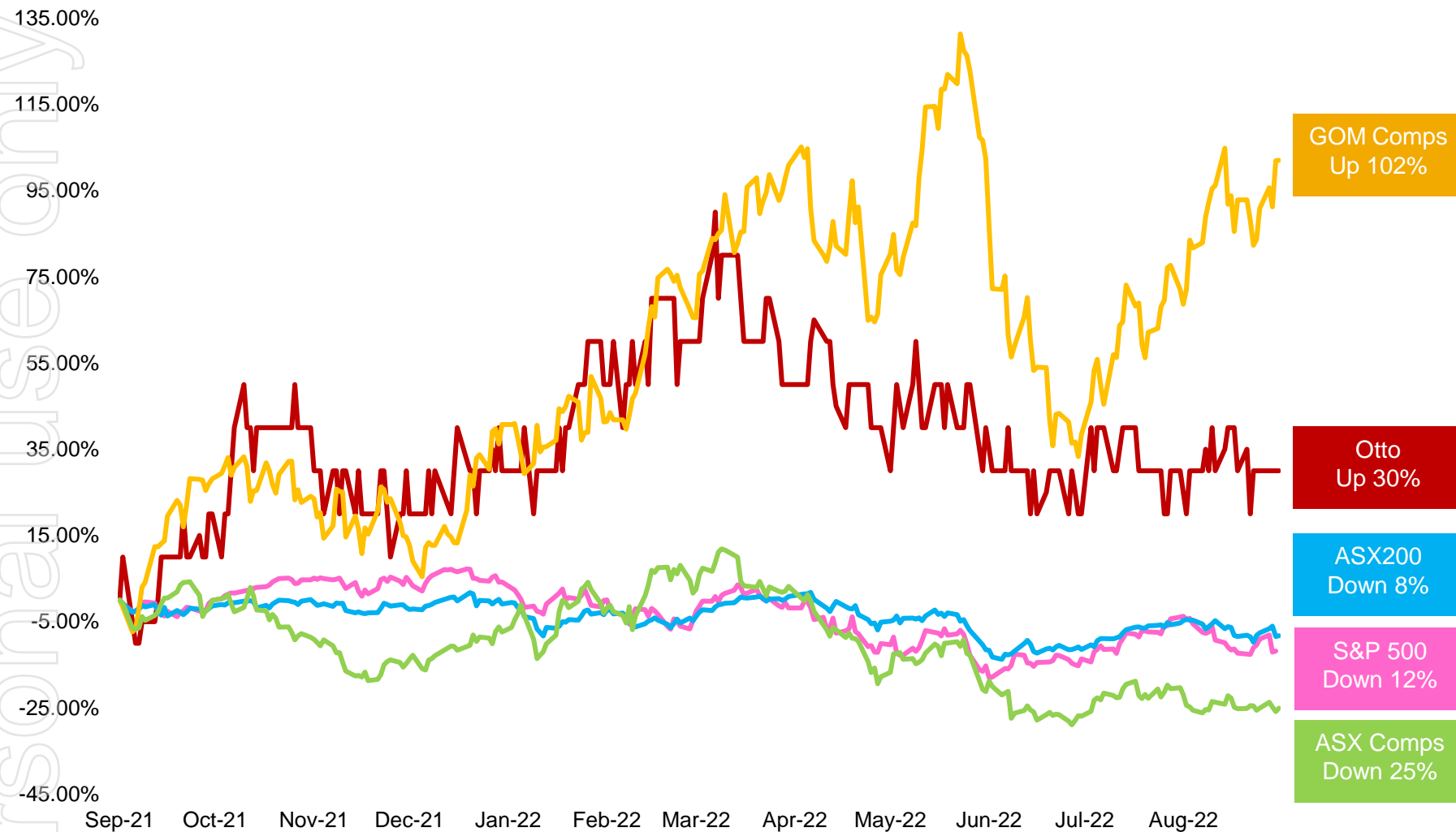


BOARD OF DIRECTORS

Executive Chairman and Chief Executive Officer	Mike Utsler
Non-Executive Director	John Jetter
Non-Executive Director	John Madden
Non-Executive Director	Geoff Page
Non-Executive Director	Paul Senycia

* Based on 3,272,592 shares of PANR held as of 30 Sept 2022, with a share price of 104 pence and a GBP to US\$ exchange rate of \$1.113 as of 30 Sept 2022

Otto TSR vs Peer Universe



Australia Peers

- Horizon Oil Limited (ASX:HZN)
- Byron Energy Limited (ASX:BYE)
- Cue Energy Resources Limited (ASX:CUE)
- Cooper Energy Limited (ASX:COE)
- Central Petroleum Limited (ASX:CTP)
- Australis Oil & Gas Limited (ASX:ATS)
- Empire Energy Group Limited (ASX:EEG)
- Buru Energy Limited (ASX:BRU)
- Blue Energy Limited (ASX:BLU)
- Warrego Energy Limited (ASX:WGO)
- Comet Ridge Limited (ASX:COI)
- 88 Energy Limited (ASX:88E)
- Galilee Energy Limited (ASX:GLL)
- Helios Energy Limited (ASX:HE8)
- State Gas Limited (ASX:GAS)
- Strike Energy Limited (ASX:STX)
- FAR Limited (ASX:FAR)
- Carnarvon Energy Limited (ASX:CVN)

GOM Peers

- Talos Energy Inc. (NYSE:TALO)
- W&T Offshore Inc. (NYSE:WTI)
- Byron Energy Limited (ASX:BYE)
- Murphy Oil Corp. (NYSE:MUR)
- Kosmos Energy Ltd. (NYSE:KOS)

FY 22 Highlights

Set against the backdrop of the past year's complexities, Otto's strategy, together with its excellent operational results, and strong oil and gas pricing environment has enabled us to deliver one of the best financial results in our company's history. There has been an 80% reduction in debt through the year, to a remaining US\$2.3 million at balance date. Post release of these financials, we further have announced we are now debt free and hedge free from October 1

REVENUE

US\$51.1m

Total WI revenue



29%

US\$40.6m

Net Operating Revenue



35%

EARNINGS

US\$30.2m

EBITDAX *



348%

US\$27.1m

EBITDA *



564%

PROFITS

US\$19.8m

Net Income before tax



528%

US\$15.5m

Net income after tax



3548%

CASH FLOW

US\$21.1m

Net operating cashflow
(pre-exploration)



11%

US\$24.9m

Free cashflow
(operating net investing)

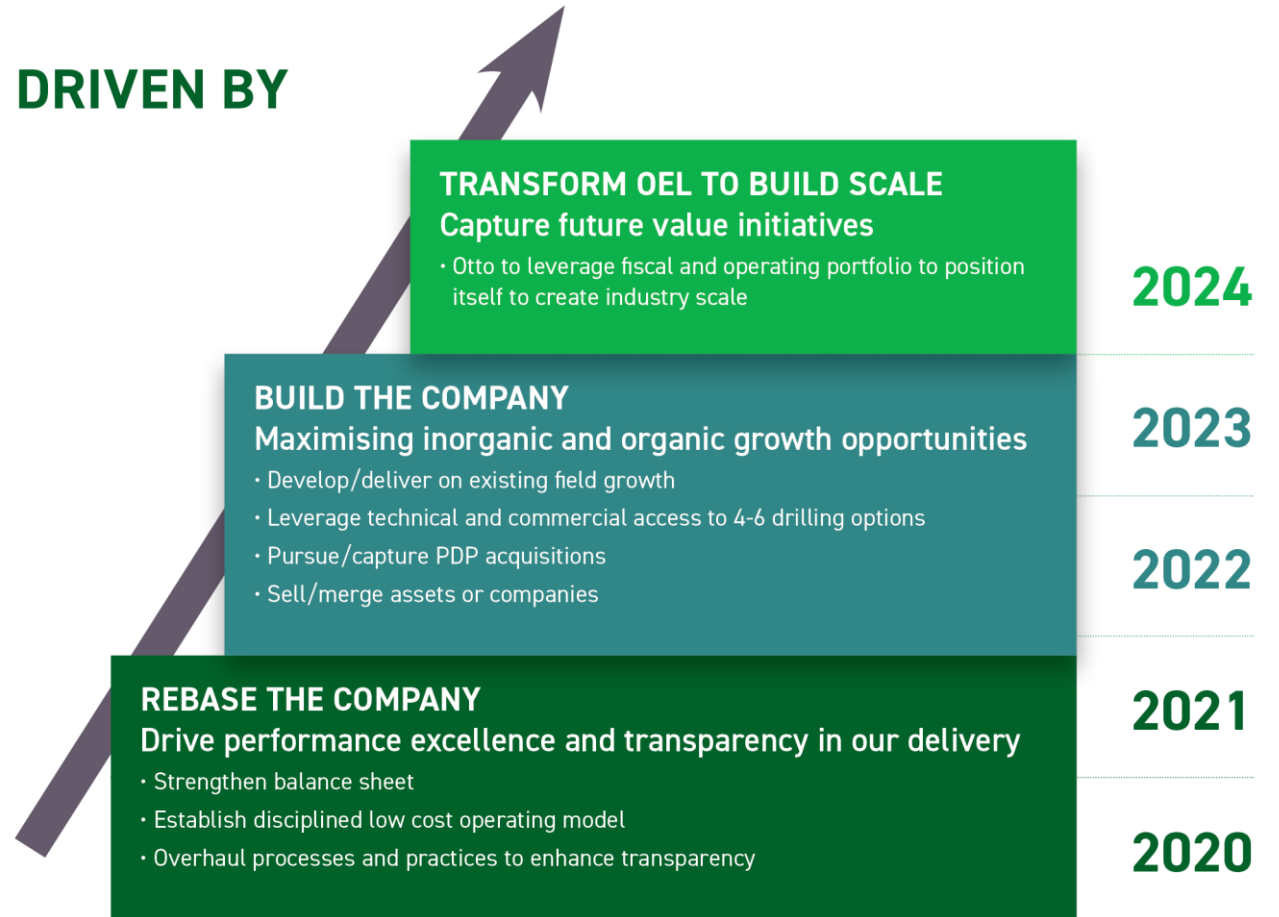


564%

Otto Strategic Focus – Delivering Results



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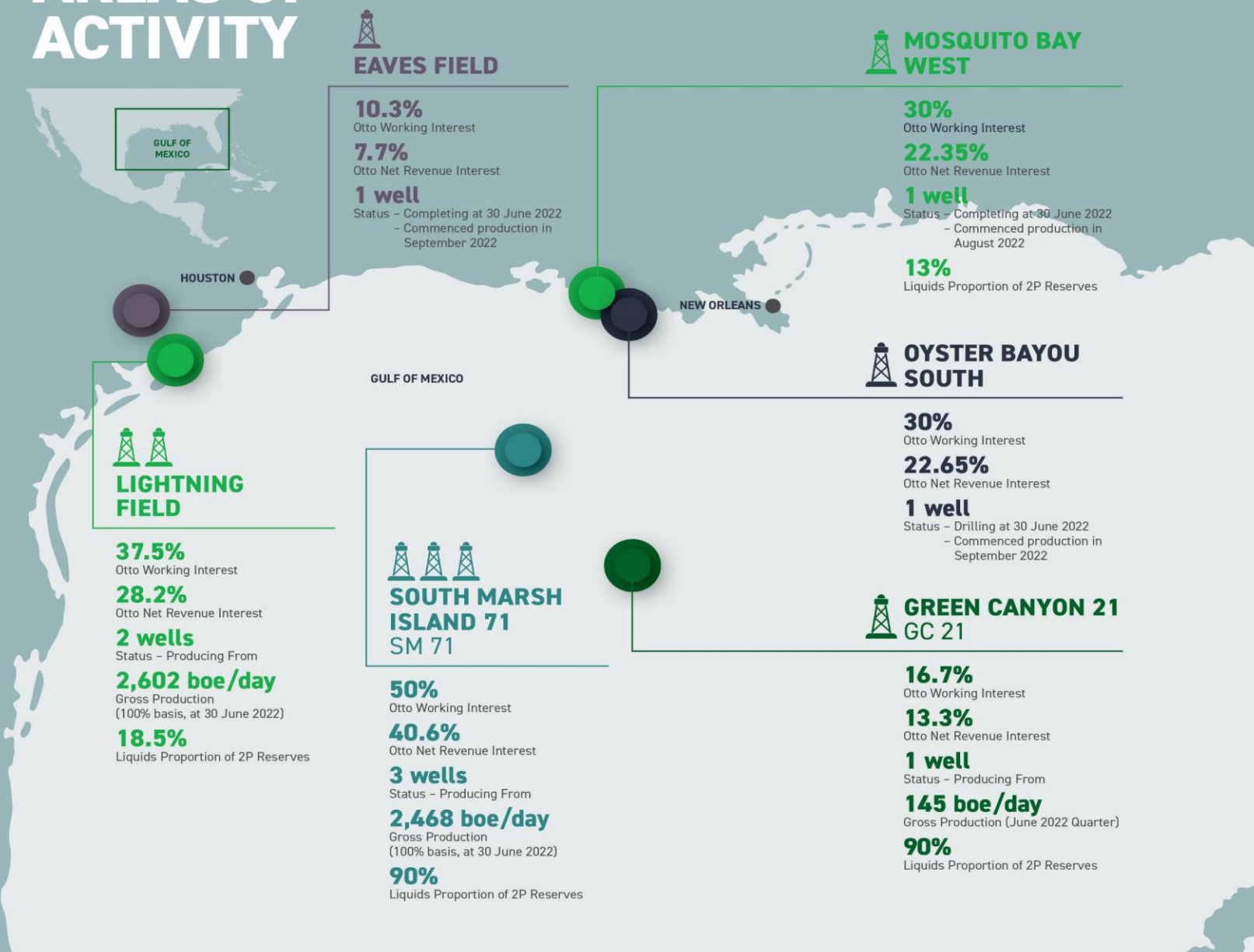
Company Overview

Gulf of Mexico Onshore/Offshore Basin

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AREAS OF ACTIVITY



FY 22 – Financial and Operational Highlights



FINANCIAL PERFORMANCE (USD\$)

\$40.6m

Operating Revenue, net of royalties

\$30.2m

EBITDAX *

\$15.5m

Net Income after tax

\$26.8m

Cash Balance at 30 June 2022

\$2.3m

Debt Balance at 30 June 2022, to be paid off by 30 September 2022

OPERATIONAL PERFORMANCE (USD\$)

845 Mboe

Annual Production (WI)

3%/4%

Gearing/Debt to Equity

28%

Return on Equity

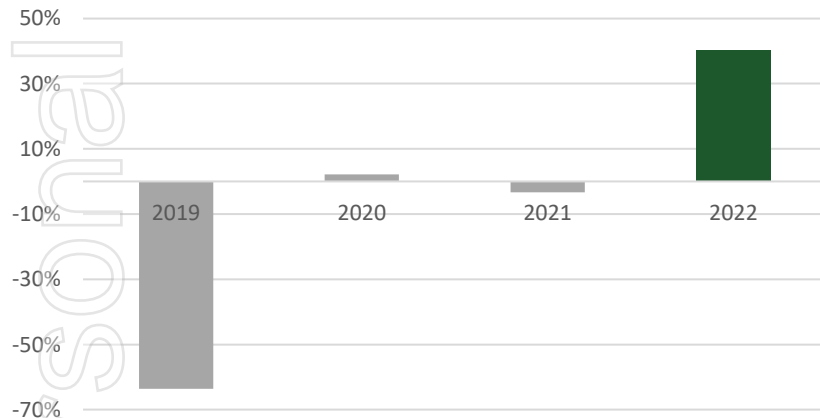
41%

Return on Average Capital Employed

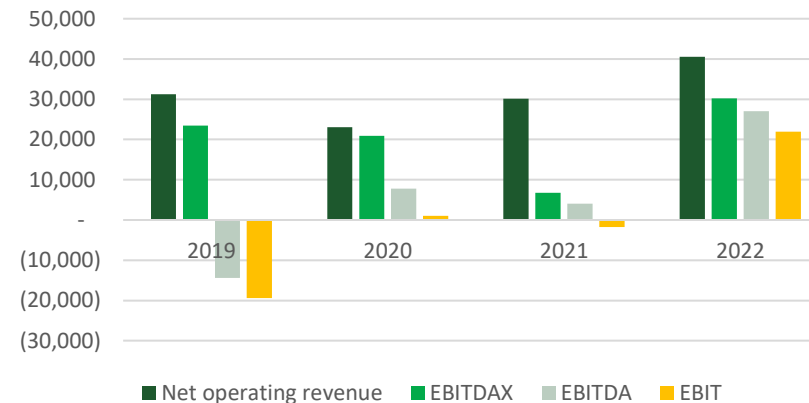
\$24.9m

Free Cash Flow (operating net investing)

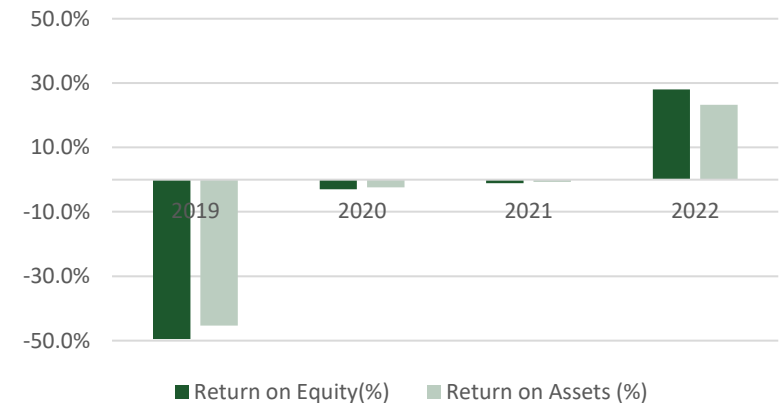
ROACE (%)



Improvement in Earnings US\$('000)



Improvement in Returns



* Considered non-IFRS financial information. Refer to the audited financial statements released on 28 Sept 22 - Appendix 1 for information and reconciliation

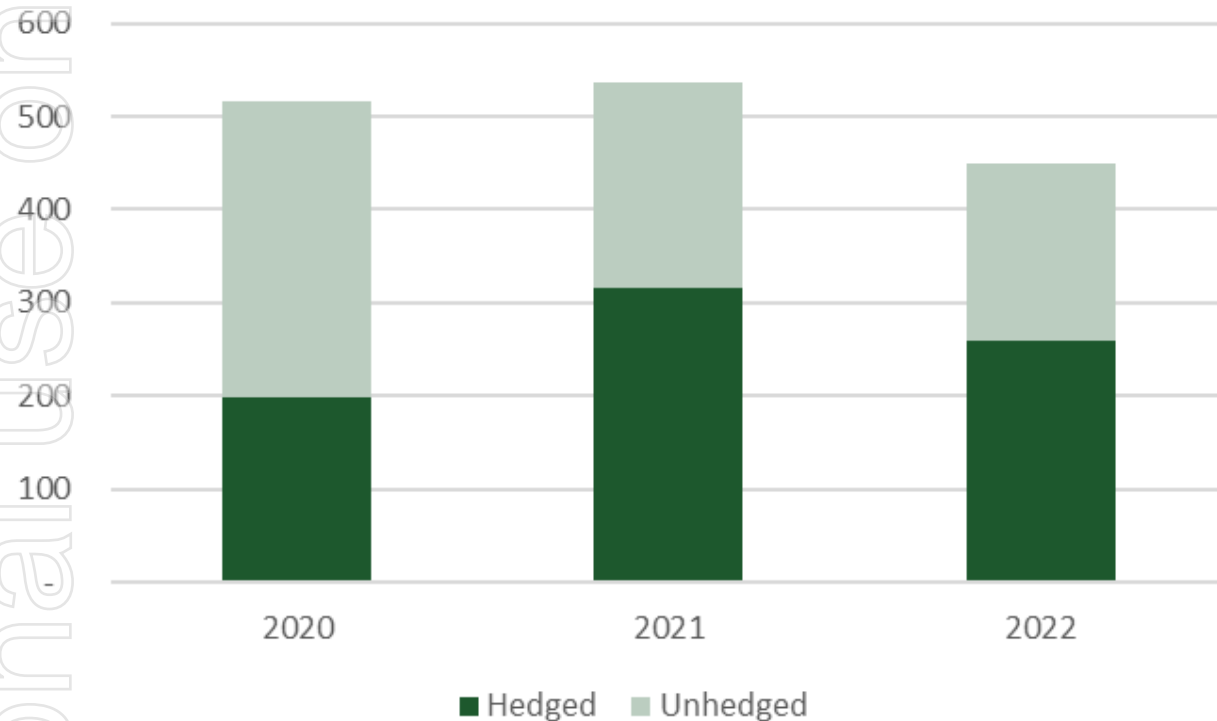
Year over Year Production

Entirely unhedged as of 1 October 2022

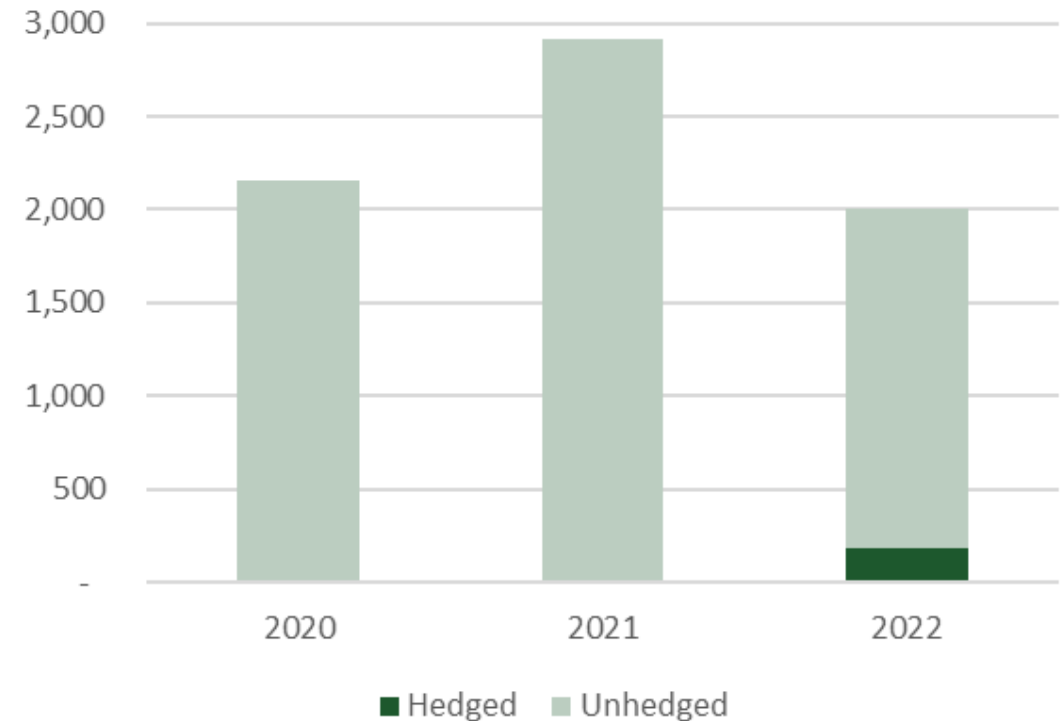


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Oil Production (Mbls)



Gas Production (MMcf)



OEL – Disciplined Capital Management Model

Our Disciplined Operating Model provides framework for creating value



Exploration

Lower risk infrastructure led

Development

Prioritize on Gulf conventional gas and oil

Production

Target lower carbon intensity gas and liquids operations

Marketing

Maximize netback pricing on assets

Build diversification of Gulf portfolio via:

- A. PDP Acquisitions,
- B. Drill Participation (4 – 6 quality wells/yr)
- C. Portfolio management

TO DELIVER:

1. Increasing Production and 100+% RRR
2. Portfolio Free Cash Breakeven at US\$15 - US\$20/BOE
3. Gearing at 20-30% through the cycle, pre-major growth and up to 50% including major growth
4. Debt to Equity Ratio < 50%
5. ROACE > 15%
6. DROI(15) > 25%

Returns to Shareholders

Distributions via sale, special dividends or buybacks

Debt repayments

Leverage sources of capital to fund

Grow Reserves / Resources

Target 4-6 key play concepts per year as well as strategic PDP acquisitions

Fund major growth to achieve scale

Buy / Sell / Merge

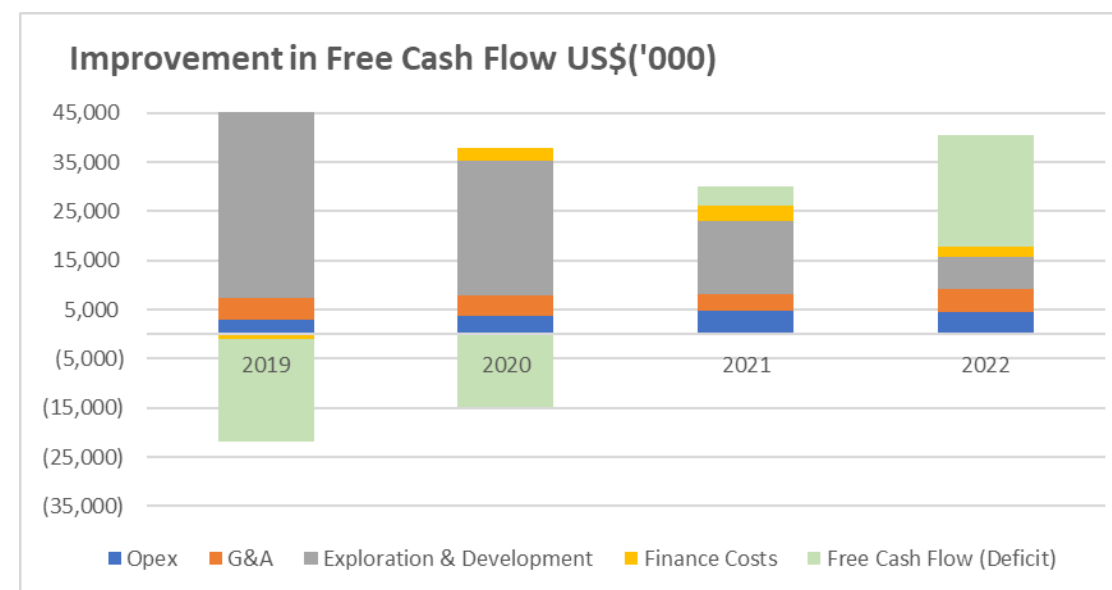
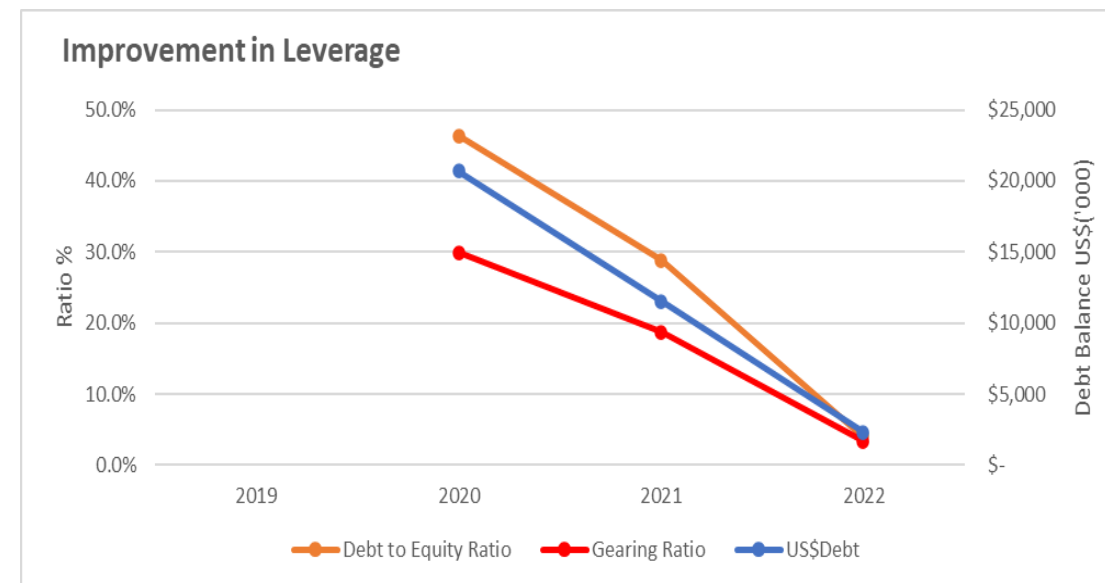
Capital Allocation Framework

Clear Target Investment Criteria



Our capital allocation framework sets clear target investment criteria for oil and gas investments we are targeting. Using these criteria while maintaining balance sheet and financial discipline allows us to build a diversified folder which is robust against changes in pricing and demand.

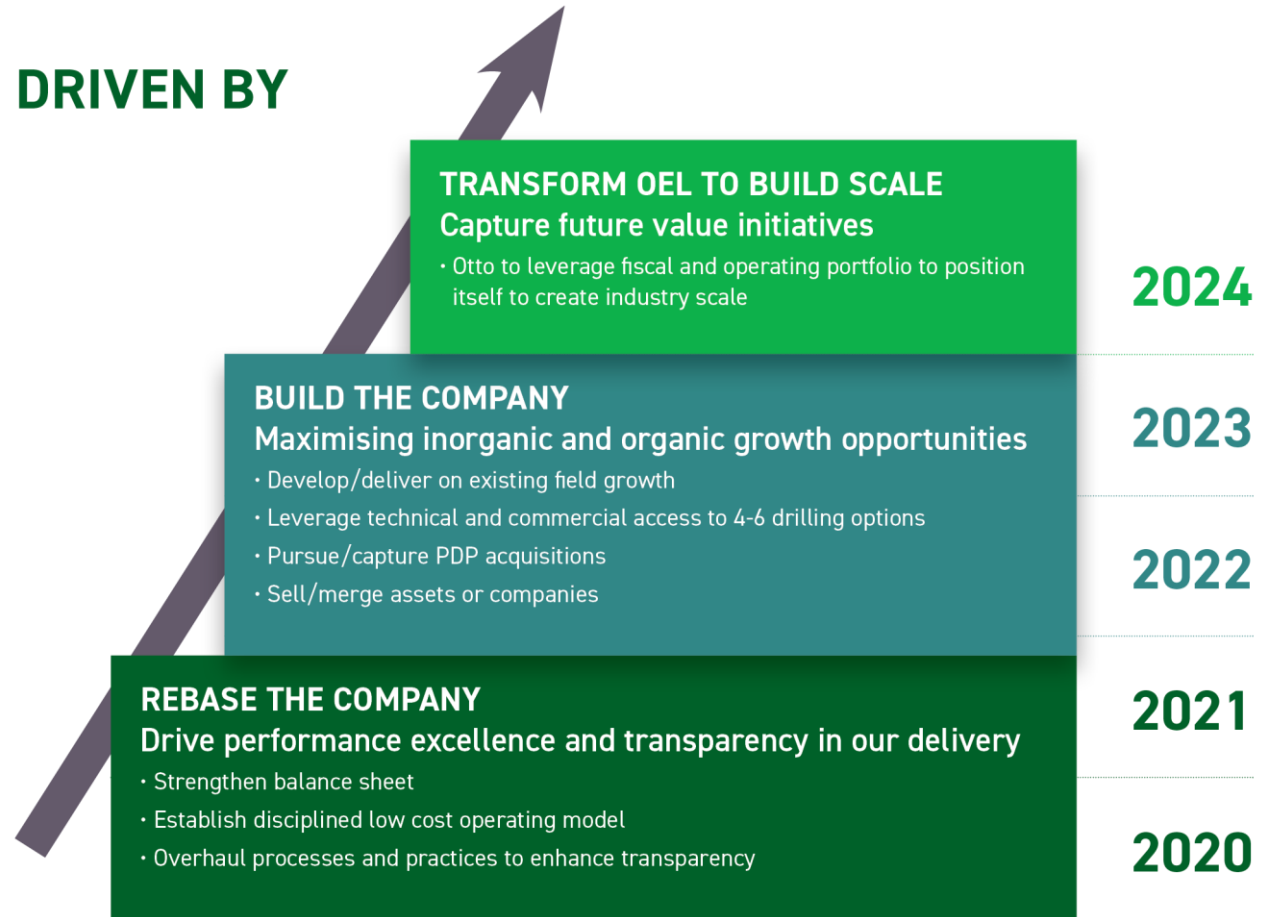
OIL AND GAS ONSHORE AND OFFSHORE GULF OF MEXICO	KEY ATTRIBUTES
INVESTMENT FOCUS	<ul style="list-style-type: none"> • Generate high returns to continue funding growth from existing cash flows • Leverage existing infrastructure to lower costs of development and reduce risks
TARGETED CHARACTERISTICS	<ul style="list-style-type: none"> • High cash flow generation • Shorter payback periods • Quick to tie-in to markets • Multiple market access potentials • Resilient to commodity pricing • Upside potential



Otto Strategic Focus – Delivering Results



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FY 2023 guidance ranges for performance

Compared to FY 2022 actual delivery



	Performance category	FY 22 (act.)	FY 23 guidance range
Metrics to deliver fiscally disciplined performance	- Production (WI)(MMBOE)	0.845	0.90 – 1.05
	- Capex spend (US\$MM)	6.5	10.0 – 15.0
	- Opex FLC spend (US\$MM)	3.1	5.5 – 7.0
	- NFLC spend (US\$MM)	5.5	5.0 – 6.0

With the volatility in commodity prices, we continuously monitor the market to make sure we are using the latest economic indicators for our planning and budgeting.	Market (2022)	Low	Mid	High
	- WTI Oil (US\$/bbl)	81	91	101
	- Henry Hub (US\$/MMbtu)	4.5	5.4	6.4
	- Carbon Tax	10	19	20

Otto Energy: delivering value



1 Experienced management

A mature, opportunity-rich environment

2 Maximizing our base

A diverse, high-margin portfolio

3 Fiscal discipline

Leveraging a strong balance sheet to deliver both inorganic and organic growth

4 Phased growth

Creating growth access through rigorous inorganic opportunities evaluation

5 Greater shareholder returns

Build company size and scale through a highly disciplined approach to capital management