

F5-ST WELL ENCOUNTERS HYDROCARBON PAY IN THE D5, I2 AND I3 SAND INTERVALS

HIGHLIGHTS

- **SM 71 F5-ST well has been drilled and logged to 7,297 feet Measured Depth.**
- **133 feet of True Vertical Thickness (“TVT”) net hydrocarbon pay was intersected in the primary D5 sand interval.**
- **22 feet of TVT net hydrocarbon pay was intersected in the secondary I3 sand interval and 13 feet of TVT net hydrocarbon pay was intersected in the I2 sand.**
- **While pulling out of the well after drilling and logging, the drill pipe and Bottom Hole Assembly became stuck in hole. A Bypass well has been proposed to redrill the I2, I3 and D5 sand intervals and Otto has elected to participate in this activity.**

Otto Energy Limited (ASX: OEL) (“**Otto**” or the “**Company**”) is pleased to announce that the F5-ST well, operated on behalf of the joint venture by Byron Energy Inc. (“Byron Energy”) within the South Marsh Island 71 (“SM 71”) lease in the Gulf Of Mexico shelf was drilled and logged to 7,297 feet Measured Depth (“MD”) / 6,561 feet True Vertical Depth (“TVD”) as of 15 October 2024.

Based on a preliminary evaluation of Logging While Drilling (“LWD”) gamma ray and resistivity data acquired over the prospective portions of the wellbore, the presence of hydrocarbons within the D5, I2 and I3 Sand intervals is as summarized below:

Zone	Top of Sand (feet) MD	Base of Sand (feet) MD	TVT Net Feet Hydrocarbon Pay
I2 Sand	6,248	6,290	13
I3 Sand	6,290	6,360	22
D5 Sand	7,075	7,204	133

Drilling into and through the D5 sand interval went smoothly without losses being observed. About 60 feet below the base of the D5 sand, the well encountered a very thin high-pressure water sand and the well took a kick. Once that was resolved, the drill string and Bottom Hole Assembly became stuck above the D5 sand while pulling out of the hole at approximately 6,100’ MD. After repeated attempts to free the stuck pipe, it was decided to cut the drill pipe and cement the well back. The hole has now been cemented off below 3,673’ MD. Expenditures associated with this

For personal use only

procedure including the loss of the directional drilling assembly and LWD tool has been estimated to be US\$ 2 MM net to Otto.

A bypass of the well has been proposed to redrill the D5, I2 and I3 sands approximately 50 feet West to the previously drilled D5-ST Bottom Hole Location at an estimated cost of US\$ 3.4 MM (8/8ths) (US\$1.7 MM net to Otto). Otto Energy has elected to participate in this activity. The bypass well is expected to take 4 days to reach a Total Depth of approximately 7,220' MD.

After the drilling and evaluation of the bypass well, should Otto elect to participate in the completion of the well, it will take a further 14 days to complete the well and an estimated further 7 days to bring the well onto production.

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

Otto Energy Acting Chief Executive Officer Phil Trajanovich commented:

“Otto Energy is encouraged by the net pay encountered in the D5, I2 and I3 sand intervals, while it is disappointing to have encountered drilling issues after this pay was logged. We have elected to participate in the bypass proposal and look forward to making progress redrilling and logging these intervals in a new hole close by to the previously logged pay. We will continue to update the market on the progress of this well.”

ABOUT OTTO

Otto Energy is an oil and gas exploration, and production company focused on the US Gulf Coast. The Company has a high-quality production base comprised of five producing assets. These include the South Marsh Island 71 (SM 71) oil field in the shallow water Gulf of Mexico, the Lightning gas/condensate field onshore in Matagorda County, Texas, the Green Canyon 21 (GC 21) oil well in the deepwater Gulf of Mexico, and the Mosquito Bay West and Oyster Bayou South wells in Terrebonne Parish in the state waters of Louisiana. The Company also holds a 0.5% ORRI in the Talitha Unit in Alaska Operated by Pantheon Resources (LSE:PANR).

This release is authorized by the Board of Otto.

Phil Trajanovich Acting CEO +61 8 6467 8800 info@ottoenergy.com	Investors: Mark Lindh AE Advisors +61 (0) 414 551 361
--------------------------------------------------------------------------	----------------------------------------------------------------

For personal use only