OTTO ENERGY

10 September 2026
ASX RELEASE

UPDATE ON GULF OF AMERICA ASSET MONETIZATION PROCESS

Otto Energy Limited (ASX: OEL) (**Otto** or the **Company**) refers to its announcement of 24 June 2026 regarding the launch of a formal process to evaluate the potential sale of its Gulf of America oil and gas assets (the **Process**), comprising the Company's working interests in the South Marsh Island 71 (**SM 71**) oil field and the Green Canyon 21 (**GC 21**) deepwater oil well (together, the **GoA Assets**).

Outcome of the Process

The Process, conducted by PetroDivest Advisors, LLC as exclusive financial advisor, was broadly marketed and attracted strong interest from multiple parties, several of whom engaged deeply in the Process. But these engagements did not result in an actionable opportunity to monetize the GoA Assets as a combined package.

GC 21 is a mature, late-life deepwater well. Its estimated future net cash flows are less than its associated plugging, abandonment and decommissioning obligations, making it challenging for a purchaser to take on GC 21 as a net liability. A number of parties did, however, express interest in SM 71 during the Process.

Revised approach

Having considered the outcome of the Process and the feedback received, the Board and Management of Otto have developed a revised approach with the Company's monetization efforts to now focus primarily on the divestment of SM 71. PetroDivest will continue to engage with market participants to ascertain interest for SM 71. There is no certainty that this revised approach will result in a transaction.

At the same time, the Company is evaluating alternative strategies for GC 21 and the management of its associated decommissioning obligations, which may or may not involve a sale. GC 21 continues to produce and to generate positive operating cash flow in the interim.

The Company remains debt-free with a robust balance sheet and continues to generate free cash flow. The current oil price environment is providing a sold boost to the Company's balance sheet and cash reserves from its oil-weighted GoA Assets. The Board remains committed to prioritizing and maximising the return of capital to shareholders and to returning excess cash to shareholders in the most efficient and appropriate form practicable.

Commenting on the outcome and revised approach of the Company's Gulf of America Asset Monetization Process, Otto's Independent Non-Executive Chairman, Justin Clyne, said:

"The initial Process has provided the Board with clear and valuable feedback from the market. It confirmed that GC 21, as a late-life asset with a net decommissioning liability, is not readily saleable, and that the more practical path is to pursue a transaction for SM 71 while we address GC 21 separately.

"We will re-engage with the market on SM 71 and, in parallel, work through a disciplined set of alternatives for GC 21. There is no guarantee of an outcome on either front, but our objective is unchanged: to realise value for shareholders where it can be achieved, and to return excess cash to them in the most efficient form practicable as quickly as possible.

Despite the outcome of the Process, the Board believes that the Company's current market value does not represent the intrinsic value of its underlying assets and will continue to work hard until this gap is bridged. In the interim, the Company is benefiting from the longer than anticipated high oil price environment."

Cautionary Note Regarding Forward-Looking Statements

There can be no assurance that the Company's efforts to monetize SM 71, or the alternative strategies being evaluated for GC 21, will result in a completed transaction or other strategic change or outcome. The Company has not set a timetable for the conclusion of either initiative, and it does not intend to comment further on their progress unless and until the Board has approved a specific course of action or the Company has otherwise determined that further disclosure is appropriate or required by applicable law or the ASX Listing Rules.

This release contains forward-looking statements that involve risks and uncertainties. Forward-looking statements are based on the Company's current expectations, assumptions, estimates and projections. Although the Company believes that the expectations and assumptions reflected in these statements are reasonable as and when made, they involve risks and uncertainties that are difficult to predict and, in many cases, beyond the Company's control. These risks and uncertainties include, among other things, the interest of prospective counterparties, volatility of commodity prices, product supply and demand, competition, government regulation, the ability to obtain approvals from third parties and negotiate agreements on mutually acceptable terms, the timing and cost of decommissioning obligations, litigation, operational and reserve estimation risks, and access to and cost of capital. The Company undertakes no duty to publicly update these statements except as required by law.

This release is authorized by the Board of Otto.

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