

ASX ANNOUNCEMENT
20 January 2021

SALE OF ALASKA ASSETS

- Otto Energy has agreed terms by which it will sell its Alaskan assets to acreage Operator Pantheon Resources via the sale of subsidiary Borealis Alaska LLC.
- Borealis Alaska LLC holds a 10.8% working interest in the 44,463 acre Talitha Unit in Alaska in which Pantheon has spud the Talitha #A well as of January 13, 2021.
- Under terms of the sale, Otto will receive 14,272,592 shares in Pantheon Resources Plc.
- Otto will retain an existing 0.5% of 8/8ths ORRI in any future production from the Talitha Unit.

Otto Energy Limited (ASX: OEL) (**Otto**) is pleased to announce that we have reached agreement to sell the Otto subsidiary, Borealis Alaska LLC (**Borealis**) which hold a 10.8% interest in the 44,463 acre Talitha Unit in Alaska to the acreage operator Pantheon Resources (**Pantheon**).

Under the terms of this sale, Otto will receive 14,272,592 shares in Pantheon Resources Plc (London Stock Exchange: PANR) in exchange for Borealis Alaska LLC. These shares will be subject to a lock up period through 30 June 2021. These shares are valued at approximately US\$8.02 MM as at 18 January 2021.¹

This transaction, as developed and agreed, is mutually beneficial to both parties in that it:

- Allows Otto to receive a portfolio share position in Pantheon as a company which will provide access to their high quality, diversified Alaskan acreage position which includes the Talitha Unit (44,463 acres), the Alkaid Unit (22,804 acres), an additional 27,670 acres on the North slope and their recently successful January 2021 Alaska Lease Sale acquisition of 66,000 acres offsetting their existing Units.
- Allows Pantheon to progress the exploration and potential development of the Talitha Unit in the most expedient and efficient manner by holding the entire working interest in the Talitha Unit,
- The transaction also will mean no capital outlay is required by Otto for the Talitha #A well and no further cash will be required to be spent on Alaska by Otto, which will enable us to focus on our core business in the GOM, whilst retaining an interest in the upside offered by Alaska.

Otto will retain an existing a 0.5% of 8/8ths overriding royalty interest (ORRI) in any future production from the Talitha Unit.

The sale is subject to the Alaskan Department of Natural Resources (DNR) approval.

Otto Executive Chairman, Mike Utsler, commented: *"The successful sale of Otto's 10.8% WI in the Talitha Unit to Pantheon creates an exciting opportunity for Otto to participate in Pantheon's broader, high quality Alaskan portfolio as they progress their activities in Alaska. We would like to congratulate Pantheon on the successful advancement of the Talitha Unit and wish them success with the Talitha #A well and with their other Alaskan projects. We look forward to being a Pantheon Resources shareholder."*

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

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¹ Based on PANR closing share price of 41.4 pence and a 1.3574 US\$ to GBP exchange rate