

ASX ANNOUNCEMENT
8 October 2020

GREEN CANYON 21 “BULLEIT” FIELD START UP SLIGHTLY DELAYED DUE TO SEVERE WEATHER IN THE GULF OF MEXICO

- The Green Canyon 21 (GC 21) “Bulleit” field has been slightly delayed in its initial startup due to severe weather conditions in the Gulf of Mexico.
- Latest Tropical Storm/hurricane advisories result in expected return to GC 21 location by Friday, Oct 9 with production expected 3 – 4 days after completing final well tie-in and safety checks
- GC 21 has been developed via subsea tieback to the GC 18 platform for processing of production and delivery into regional oil and gas sales pipelines
- Production from the field will be slowly increased after initial startup over a 1-2 week period as part of a planned ramp up strategy
- Product sales are secured via long term production handling, transportation and sales arrangements
- Additional proven reserves exist in the already discovered shallower DTR-10 sand which can be produced from the existing well bore

Otto Energy (“Otto”) (ASX: OEL) is providing a market update on the status of production startup delays for the Green Canyon 21 (GC 21) “Bulleit” field, operated by Talos Energy, Inc (“Talos”) (NYSE: TALO). Severe weather in the form of yet another named tropical storm with the potential to become a hurricane has formed in the Gulf of Mexico and has resulted in the vessel providing support for final hookup and tie-in of the well being demobilized as a safety precaution. Based on weather forecasts presently, the operator expects to return to location on Oct 9th to resume final completion activities. This is expected to require 3-4 additional days before the well will be opened to begin production. First production was being targeted for the end of Q3 2020 per Otto’s previous announcements so this amounts to an approximately two-week delay over prior estimates.

Operator Talos has a planned well production ramp up strategy where production will slowly be ramped up in 1000 bopd increments until the well reaches a steady state production rate. Otto will update the market further at this point in time.

During 2019 the GC 21 “Bulleit” well was drilled which intersected the following intervals:

- DTR-10 interval – net 140 feet of TVD oil pay encountered; and
- MP interval – approximately net 110 feet of TVD oil pay expected to be delivered in high quality reservoir consistent with analogue wells in the GC18 field.

Otto Energy has a 16.67% Working Interest and 13.33% Net Revenue Interest in the GC 21 lease and project.

The project has been developed via an approximately 10 mile subsea tieback to the Talos Operated GC 18 Whistler platform where production will be processed and then delivered into regional oil and gas sales pipelines.

Otto’s product sales from GC 21 are secured via long term production handling, transportation and sales arrangements.

Operator Talos has progressed this project while dealing with the impact of COVID-19 on the project and a significant number of regional weather events, with first production now imminent just 14 months after discovery.

Otto's next announcement will be when production has commenced.

Otto's CEO and Managing Director, Mike Utsler, commented: *"This is a monumental occasion for Otto Energy with our first Gulf of Mexico Deepwater production coming online shortly, just 14 months after discovery. This production complements our existing production at SM 71 in the Gulf of Mexico Shelf and Lighting in Matagorda county, onshore Texas."*

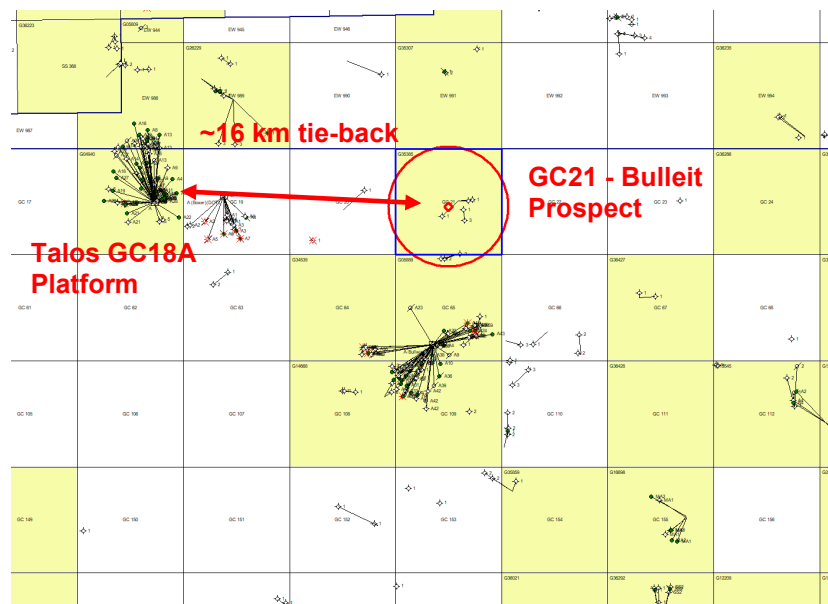
We would like to congratulate operator Talos Energy on having this Deepwater subsea tieback nearing first producing just 14 months from discovery and successfully navigating unprecedented operating challenges with COVID-19 and a significant number of regional weather events."

This announcement is approved for release by the Company's Managing Director.

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Bulleit, Green Canyon 21 Key Details

Partners		Working Interest	Net Revenue Interest
	Talos Energy (operator)	50.00%	40%
	EnVen Energy Ventures, LLC	33.33%	26.67%
	Otto Energy	16.67%	13.33%
Geological Setting	Pliocene age MP sand analogous to Green Canyon 18 field, which has produced approximately 39 MMboe to date.		
Development Concept	Approximately 10 mile/16 km subsea tieback to the Talos-operated GC 18A facility with connections into regional oil and gas sales pipelines.		



GC21 Development scenario map