H1 FY26 FINANCIAL RESULTS

Otto Energy Limited (ASX:OEL) (**Otto** or the **Company**) is pleased to provide its financial results for the half year ended 31 December 2025.

Strategy

- The Company is continuing to take steps to define the scope and timing of a return of excess cash to shareholders, whilst preserving sufficient liquidity to operate and fund the Company's asset retirement obligations.
- During the half year reporting period, the Company completed the share sale facility for holders of unmarketable parcels of fully paid ordinary shares in Otto Energy Limited as announced on 27 October 2025. Following the completion of the unmarketable parcel sale, 1,680 shareholders with unmarketable parcels totalling 42,750,844 shares were sold.
- As at 31 December 2025 Otto did not have any open hedge positions. In March 2025, Otto entered into hedges of 63,000 bbl of LLS put options at a price of US$1.50/bbl and strike price of US$60/bbl for a total cost of US$94,500. The last 20,000 remaining put options expired in August 2025.

Financial

- Revenue for the half year of US$6.72 million (H1FY2025 US$8.16 million) and EBITDAX (excludes exploration expenditure) US$2.91 million (H1FY2025 US$2.46 million)
- Strong Net Cash position of US$19.31 million (30 June 2025 US$14.90 million) with zero debt.
- Net operating cash inflow of US$4.28 million (H1FY2025 net operating cash outflow US$1.95 million).
- Net profit after tax US$1.12 million (H1 FY2025 loss US$5.00 million). The current period gain was driven by gross profit from operations of US$2.93 million, partially offset by an impairment charge of US$0.89 million on Mosquito Bay and Oyster Bayou assets.

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OTTO ENERGY

Operations

- Production decreased by 12% (WI Basis) to 1,326 boepd at 52% liquids (H1 FY2025: 1,509 boepd at 50% liquids) driven predominantly by normal field decline and decreased production on SM-71 attributable to lower gas production associated with the shut-in of the F5 well at the beginning of March 2025.

- Net Operating Revenue US$6.72 million (H1 FY 2025: US$8.16 million), an 18% decrease attributable to a combination of reduced production and lower oil and gas liquids prices, offset by increases in the average gas price:

	H1 FY26	H1 FY25	% Change
Avg oil price ($/Bbl)	59.05	70.09	-16%
Avg gas price ($/Mmbtu)	2.95	2.13	39%
Avg NGL price ($/Bbl)	20.50	23.54	-13%

- The below table summarizes the Company's production, WI revenue and prices received during the six months ended 31 December 2025 (H1 FY26) and 2024 (H1 FY 25):

	H1 FY26	H1 FY25	% Change
Total Oil (Bbls)	102,451	110,615	-7%
Total Gas (Mcf)	699,076	832,013	-16%
Total NGLs (Bbls)	25,090	28,323	-11%
Total BOE	244,053	277,607	-12%
Total (Boepd)	1,326	1,509	-12%
Percent Liquids (%)	52%	50%	4%
Total WI Revenue (US$MM)	8.7	10.2	-15%

COMMENTING ON OTTO'S PERFORMANCE ACROSS THE HALF YEAR PERIOD, CEO, CHRIS DORROS, SAID:

"The half year has seen Otto's portfolio of producing assets continue to perform well. Despite weaker commodity prices, the Company delivered consistent free cash flow, boosting our overall cash balance by US$4.3 million to US$19.3 million at the end of December. The Company's results benefited from historically low downtime, stabilising oil production rates at our Gulf of America assets, and reliable gas volumes from Lightning.

Otto is taking active steps to define the scope and timing of a return of excess cash to shareholders, in a form which provides the greatest benefit to investors, whilst preserving sufficient liquidity to operate and to fund the Company's Asset Retirement Obligations."

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

OTTO AT A GLANCE

Otto is an ASX-listed oil and gas production company focused on the US Gulf Coast region. Otto currently has production from its SM 71 and GC 21 assets in the Gulf of America, Mosquito Bay West and Oyster Bayou South fields in Louisiana state waters and production from its Lightning assets onshore Texas in Matagorda County. Cashflow from its producing assets underpins its strategy and financial stability.

DIRECTORS
Justin Clyne – Non-Executive and Chairman
Paul Senycia – Non-Executive and Deputy Chairman
Geoff Page– Non-Executive

CEO
Chris Dorros

CHIEF FINANCIAL OFFICER
Julie Dunmore

COMPANY SECRETARY
Kaitlin Smith (AE Administrative Services)

CONTACTS
Level 12, 50 Pirie Street
Adelaide SA 5000 Australia

INVESTOR RELATIONS
Matt Worner (Vector Advisors)
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Definitions	
"ATO" = Australian Tax Office "bbl" = barrel "bbls" = barrels "boe/d" = barrels of oil equivalent per day "LWD" = logging while drilling "Mbbl" = thousand barrels "Mcf" = thousand cubic feet "MD" = measured depth "NGLs" = natural gas liquids "MMcf" = million cubic feet "Mmbtu" = million British thermal units	"Mboe" = thousand barrels of oil equivalent ("boe") with a boe determined using a ratio of 6,000 cubic feet of natural gas to one barrel of oil - 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency "MMboe" = million barrels of oil equivalent ("boe" with a boe determined on the same basis as above "NRI" = Net Revenue Interest "TVT" = true vertical thickness "WI" = Working Interest

Forward Looking Statements

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning Otto's production and other statements that are not historic facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are forward looking statements. Although Otto believes its expectations reflected in these statements are reasonable, such statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements.

Appendix 1 - Reconciliation of non-IFRS financial information

Where indicated, this announcement also contains some non-IFRS financial information, including in the H1 FY25 Highlights. Below is a reconciliation of non-IFRS financial information to reviewed IFRS financial information. EBITDA (earnings before interest, tax, depreciation, impairment and depletion), EBITDAX (earnings before interest, tax, depreciation, impairment, depletion and exploration expenditure) and EBIT (earnings before interest and tax) are non IFRS measures that are presented to provide investors with further information and perspective on the overall financial performance and operations of the Company. The non-IFRS financial information is not reviewed, however, the numbers have been extracted from the reviewed financial statements. The reviewed Half Year Financial Report accompanies this summary release and is available on the Otto Energy website at **www.ottoenergy.com**. Please refer to the reviewed financial statements for the IFRS information.

	US$(000)		*$/Boe*	
	H1 FY26	**H1 FY25**	**H1 FY26**	**H1 FY25**
Operating revenue, net of royalties	6,723	8,161	27.55	25.35
Gathering and production charges (opex)	(2,729)	(2,711)	(11.18)	(8.42)
Cash Operating Gross Profit	**3,994**	**5,450**	**16.37**	**16.93**
Net admin costs (G&A) *	(1,088)	(1,072)	(4.46)	(3.86)
FX losses	6	(1,915)	0.02	(6.90)
EBITDAX (exludes exploration)	**2,912**	**2,463**	**11.93**	**8.87**
Exploration expenditures	-	(6,657)	-	(23.98)
EBITDA	**2,912**	**(4,194)**	**11.93**	**(15.11)**
Impairment (expenses)/reversals	(885)	382	(3.63)	1.38
Amortisation of capitalised developments	(1,067)	(1,318)	(4.37)	(4.75)
Depreciation - admin	(1)	(2)	(0.00)	(0.01)
EBIT	**959**	**(5,132)**	**3.93**	**(18.49)**
Finance income/(costs)	170	537	0.70	1.93
Net loss before tax	**1,129**	**(4,595)**	**4.63**	**(16.55)**
Tax	(5)	(400)	(0.02)	(1.44)
Net loss after tax	**1,124**	**(4,995)**	**4.61**	**(17.99)**
* Net admin costs (G&A) includes:				
employee benefits	(577)	(591)	(2.36)	(2.13)
corporate costs	(511)	(481)	(2.09)	(1.73)
Net admin costs (G&A)	**(1,088)**	**(1,072)**	**(4.46)**	**(3.86)**

OTTO ENERGY LIMITED

ABN: 56 107 555 046

Half-year financial report

31 December 2025

CONTENTS

CORPORATE DIRECTORY

Directors	
	Mr Justin Clyne – Non-Executive Director Mr Paul Senycia – Non-Executive Director Mr Geoff Page – Non-Executive Director
Company Secretary	Ms Kaitlin Smith
Key Executives	Mr Chris Dorros – Chief Executive Officer Ms Julie Dunmore – Chief Financial Officer
Principal registered office in Australia	Level 12 50 Pirie St Adelaide SA 5000 Tel: + 61 8 6467 8800 Fax: + 61 8 6467 8801
Houston Office	440 Louisiana St, Suite 900 Houston, TX 77002 Tel: +1 713-893-8894
Share Registry	Link Market Services Limited Level 12 QV1 Building 250 St Georges Terrace Perth WA 6000 Tel: + 61 8 9211 6670 Fax: + 61 2 9287 0303
Auditors	BDO Audit Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000 Tel: + 61 8 6382 4600 Fax: + 61 8 6382 4601
Securities Exchange Listing	Australian Securities Exchange Level 8, Exchange Plaza 2 The Esplanade Perth WA 6000 ASX Code: OEL
Website address	www.ottoenergy.com
ABN	56 107 555 046

DIRECTORS' REPORT

For the half-year ended 31 December 2025

The Directors present their report together with the consolidated financial statements of the Group comprising Otto Energy Limited (referred to as 'Otto' or the 'Company') and its subsidiaries for the half-year ended 31 December 2025 (the 'Group').

Directors

The Directors in office at any time during the half-year and until the date of this report are set out below.

Mr Justin Clyne
Mr Geoff Page
Mr Paul Senycia

Company Secretary

Ms Kaitlin Smith

Strategy

The Company is continuing to take steps to define the scope and timing of a return of excess cash to shareholders, whilst preserving sufficient liquidity to operate and to fund the Company's asset retirement obligations.

During the half year reporting period, the Company completed the share sale facility for holders of unmarketable parcels of fully paid ordinary shares in Otto Energy Limited as announced on 27 October 2025. Following the completion of the unmarketable parcel sale, 1,680 shareholders with unmarketable parcels totalling 42,750,844 share were sold. The shares were sold on market for a sale price of $0.004 for 39,350,884 shares and $0.0045 for 3,400,000 shares with a record date of 24th October 2025. The Company believes that this process will have ongoing benefits for the Company in reducing the administrative costs associated with maintaining such a large number of unmarketable parcels. Following the unmarketable parcels sale, the Company had 1,602 shareholders on the register and 4,795,009,773 shares on issue (no change).

Operating and Financial Review

Financial Position

As at 31 December 2025, the Company had total assets of US$32.336 million (June 2025: US$29.807 million) and total liabilities of US$8.746 million (June 2025: US$7.341 million), resulting in net assets of US$23.590 million (June 2025: US$22.466 million). Included in these amounts was cash of US$19.314 million (June 2025: US$14.899 million).

Production and Development

Summary Production Volumes Table (WI)

	H1 FY26	H1 FY25	% Change
Total Oil (Bbls)	102,451	110,615	-7%
Total Gas (Mcf)	699,076	832,013	-16%
Total NGLs (Bbls)	25,090	28,323	-11%
Total BOE	244,053	277,607	-12%
Total (Boepd)	1,326	1,509	-12%
Percent Liquids (%)	52%	50%	4%
Total WI Revenue (US$MM)	8.7	10.2	-15%
Oil revenue ($millions)	6.0	7.8	-22%
Avg oil price ($/Bbl)	59.05	70.09	-16%
Gas revenue ($millions)	2.1	1.8	15%
Avg gas price ($/Mmbtu)	2.95	2.13	39%
NGL revenue ($millions)	0.5	0.7	-23%
Avg NGL price ($/Bbl)	20.50	23.54	-13%
Total revenue ($millions)	8.7	10.2	-15%
Avg WA price ($/Boe)	35.45	36.88	-4%

The figures reported in this Directors' Report are on a working interest basis. On a net revenue interest basis, after accounting for royalties and taxes, total net revenue for the Company for H1 FY26 and H1 FY25 was US$6.723 million and US$8.161 million, respectively, as shown on the Consolidated Statement of Profit or Loss.

The decrease in production is primarily attributable to decreased production at South Marsh 71 and Lightning. South Marsh 71 experienced significantly lower gas production attributable to the F-5 well being shut in at the beginning of March 2025 and only used intermittently during the half year to provide gas lift for the F1 well. Other factors included downtime for various scheduled maintenance and repairs with normal field decline also impacting production levels. Decreased production on Lightning is consistent with normal field decline.

Operating Results

Consolidated net gain from operations after income tax for the half-year ended 31 December 2025 was US$1.124 million (2024 net loss after income tax:US$4.995 million). The current period gain was driven by gross profit from operations of US$2.927 million, partially offset by an impairment charge of US$0.885 million on Mosquito Bay and Oyster Bayou assets.

Net revenue for the current half-year was US$6.723 million (2024: US$8.161 million), a decrease attributable to a 12% decrease in production, a 16% decrease in average crude oil prices, a 13% decrease in average natural gas liquids prices and partly offset by a 39% average increase in natural gas prices.

Cost of sales for the current half-year was US$3.796 million (2024: US$4.029 million), a decrease associated with the reduction in depletion charges from lower production.

Exploration expenditure during the current half-year was nil (2024: US$6.657 million). In the prior half year period, the Company elected to participate in the drilling of the SM 71 F5-ST production acceleration well.

Administrative expenses for the current half-year were US$1.089 million (2024:US$1.074 million), consistent with the prior period and subsequent to the 2023 strategic overhead cost reduction strategy implemented by the Board.

Commodity Price Risk Management

Otto derives its revenue from the sale of oil and natural gas. As a result, Otto's revenues are determined, to a large degree, by prevailing oil and natural gas prices. Otto sells its production to purchasers pursuant to sales agreements, with sales prices tied to industry standard published index prices, subject to negotiated price adjustments. Otto may utilise commodity price hedge instruments at the Board's discretion to minimise exposure to short term price fluctuations. These financial instruments may include swaps, costless collars and/or puts.

As at 31 December 2025 Otto did not have any open hedge positions. In March 2025, Otto entered into hedges of 63,000 bbl of LLS put options at a price of US$1.50/bbl and strike price of US$60/bbl for a total cost of US$94,500. The last 20,000 remaining put options expired in August 2025.

Asset Level Summary Performance

Gulf of America – South Marsh Island 71 (SM 71)

Production from the SM 71 F Platform in the Gulf of America commenced in March 2018, with the F1 and F3 wells producing in the primary D5 Sand reservoir and the F2 well producing from the B55 Sand. Otto owns a 50% WI (40.63% NRI) in this field, with production for the half-year ended 31 December 2025 and 2024 as follows:

SM 71 Production Volumes		H1 FY26	H1 FY25	% Change
WI (50.0%)	Oil (bbls)	62,115	71,890	-14%
	Gas (Mscf)	15,263	90,082	-83%
	Total (Boe)	64,659	86,903	-26%
	Total (Boepd)	351	472	-26%
NRI (40.6%)	Oil (bbls)	50,469	58,410	-14%
	Gas (Mscf)	12,401	73,192	-83%
	Total (Boe)	52,536	70,609	-26%
	Total (Boepd)	286	384	-26%

SM 71 Sales Revenue		H1 FY26	H1 FY25	% Change
WI (50.0%)	Oil - $ per bbl	$ 57.5	$ 69.36	-17%
	Gas – $ per Mmbtu	$ 3.4	$ 2.83	19%
	Total – US$million	$ 3.6	$ 5.3	-31%

Production rates began declining late December 2024, impacted by pressure communication with the F5 well but stabilized after shutting in the F5 well in March 2025 and placing the F1 well on continuous gas lift. In addition to the decrease in production, sales revenues declined due to lower crude oil prices being partially offset by higher natural gas prices. Crude oil prices were 17% lower than the previous half-year and natural gas prices were 19% higher.

The F1 and F3 wells began producing in March 2018 from the primary D5 Sand reservoir, while the F2 well began production in April 2018 from the B55 Sand. During the month of May 2024, the F3 well was shut-in indefinitely due to high water cut and low oil production levels. In September 2022, the F2 well was successfully recompleted in the J1 sand and resumed production. The F2 well produced minor volumes during the half-year averaging 14 barrels per day (8/8ths).

On 16 August 2024 it was announced that Otto Energy had agreed to participate in the F5-ST well targeting the D5 sand with the well to be side tracked out of the original F5 well bore. Completion operations were finalized on 24 November 2024 and production commenced on 30 November 2024. The F5 well was shut in mid March 2025 because of the reservoir communication with the F1 well; however it continues to be used intermittently to provide gas lift for the F1 well with positive results.

Texas Gulf Coast – Lightning Field

The first well in the Lightning field, the Green #1, commenced production in May 2019, while the Green #2 began production in February 2020. Otto owns a 37.5% WI (27.8% NRI) in this field, with production for the half-year ended 31 December 2025 and 2024 as follows:

Lightning Volumes		H1 FY26	H1 FY25	% Change
WI (37.5%)	Oil (bbls)	17,438	21,008	-17%
	Gas (Mscf)	583,092	643,966	-9%
	NGLs (bbls)	19,934	22,795	-13%
	Total (Boe)	134,554	151,131	-11%
	Total (Boepd)	731	821	-11%
NRI (27.8%)	Oil (bbls)	12,947	15,597	-17%
	Gas (Mscf)	432,909	478,105	-9%
	NGLs (bbls)	14,800	16,924	-13%
	Total (Boe)	99,898	112,205	-11%
	Total (Boepd)	543	610	-11%

Lightning Sales Revenue		H1 FY26	H1 FY25	% Change
WI (37.5%)	Oil - $ per bbl	$ 63.1	71.46	-12%
	Gas – $ per Mmbtu	$ 2.9	2.02	43%
	NGLs – $ per bbl	$ 21.5	24.18	-11%
	Total – US$million	$ 3.2	3.4	-4%

Production volumes for the current half-year were lower than production volumes for the prior half-year due to normal field declines. In addition to the decrease in production, sales revenues declined due to lower crude oil and natural gas liquid prices offset by higher natural gas prices. Crude oil and natural gas liquids prices were 12% and 11% lower than the previous half-year partly offset by 43% higher natural gas prices.

Gulf of America (State of Louisiana waters) – Oyster Bayou South

The Oyster Bayou South prospect was spud in June 2022 in state waters in Terrebonne Parish, Louisiana. Production began in September 2022.

The Oyster Bayou South well is subject to water handling constraints of the central processing facility, based on the combined water production from Mosquito Bay West and Oyster Bayou South, as well as processing priority with other wells utilizing the same facilities. The operator brought the well back online in August 2025 after alleviating saltwater disposal constraints and was online for 57 days in the September quarter then predominantly shut-in for the December quarter due to water handling capacity.

An internal review carried out as at 31 December 2025, by Edward Buckle, a qualified external petroleum engineering consultant, identified higher lease operating costs and abandonment estimates combined with lower commodity price estimates. After reviewing the results of the revised cost estimates, the Company recognised an impairment loss of US$0.268 million.

Otto owns a 30% WI (22.7% NRI) in this field, with production for the half-year ended 31 December 2025 and 2024 as follows:

Oyster Bayou South Production Volumes		H1 FY26	H1 FY25	% Change
WI (30%)	Oil (bbls)	3,713	545	582%
	Gas (Mscf)	11,691	2,458	376%
	NGLs (bbls)	542	119	356%
	Total (Boe)	6,204	1,073	478%
	Total (Boepd)	34	6	478%
NRI (22.7%)	Oil (bbls)	2,803	411	582%
	Gas (Mscf)	8,827	1,855	376%
	NGLs (bbls)	409	90	356%
	Total (Boe)	4,684	810	478%
	Total (Boepd)	25	4	478%

Oyster Bayou South Sales Revenue		H1 FY26	H1 FY25	% Change
WI (30%)	Oil - $ per bbl	$ 63.4	82.19	-23%
	Gas – $ per MMbtu	$ 3.2	2.01	61%
	NGLs – $ per bbl	$ 16.1	18.83	-15%
	Total – US$million	$ 0.3	0.1	443%

Gulf of America (State of Louisiana waters) – Mosquito Bay West

The Mosquito Bay West prospect was spud in May 2022 in state waters in Terrebonne Parish, Louisiana. Production began in August 2022. Otto owns a 30% WI (22.4% NRI) in this field. Production volumes for the current half-year were slightly lower than the prior half-year due to normal field declines. Lower oil production volumes combined with lower crude oil and natural gas liquid prices were offset by higher natural gas prices. Crude oil and natural gas liquids prices were both 18% lower than the previous half-year offset by 52% higher natural gas prices. Production for the half-year ended 31 December 2025 and 2024 as follows:

Mosquito Bay West Production Volumes		H1 FY26	H1 FY25	% Change
WI (30%)	Oil (bbls)	2,205	2,471	-11%
	Gas (Mscf)	74,701	74,438	0%
	NGLs (bbls)	3,464	3,587	-3%
	Total (Boe)	18,119	18,464	-2%
	Total (Boepd)	98	100	-2%
NRI (22.4%)	Oil (bbls)	1,643	1,841	-11%
	Gas (Mscf)	55,652	55,456	0%
	NGLs (bbls)	2,581	2,672	-3%
	Total (Boe)	13,499	13,756	-2%
	Total (Boepd)	73	75	-2%

Mosquito Bay West Sales Revenue		H1 FY26	H1 FY25	% Change
WI (30%)	Oil - $ per bbl	$ 62.4	76.4	-18%
	Gas – $ per MMbtu	$ 3.3	2.1	52%
	NGLs – $ per bbl	$ 15.8	19.2	-18%
	Total – US$million	$ 0.4	0.4	5%

The 31 December 2025 internal review carried out by Edward Buckle, a qualified external petroleum engineering consultant, identified higher recompletion, lease operating costs and abandonment estimates combined with lower commodity price estimates. After reviewing the results of the revised cost estimates, the Company recognised an impairment loss of US$0.703 million.

Gulf of America – Green Canyon 21 (GC-21)

Otto owns a 16.67% WI (13.34% NRI) in this field, with production for the half-year ended 31 December 2025 and 2024 as follows:

GC 21 Production Volumes		H1 FY26	H1 FY25	% Change
(16.67%)	Oil (bbls)	16,979	14,701	15%
	Gas (Mscf)	14,329	21,070	-32%
	NGLs (bbls)	1,150	1,822	-37%
	Total (Boe)	20,517	20,035	2%
	Total (Boepd)	112	109	2%
I (13.3%)	Oil (bbls)	13,583	11,761	15%
	Gas (Mscf)	11,463	16,856	-32%
	NGLs (bbls)	920	1,458	-37%
	Total (Boe)	16,414	16,028	2%
	Total (Boepd)	89	87	2%

GC 21 Sales	Revenue		H1 FY26	H1 FY25	% Change
(16.67%)	Oil - $ per bbl	$	59.0	70.17	-16%
	Gas – $ per Mmbtu	$	3.0	2.07	47%
	NGLs – $ per bbl	$	19.9	24.44	-19%
	Total – US$million	$	1.1	1.13	-5%

Production volumes were 2% higher in the current half-year compared to the prior half-year. The oil production uplift resulted from an increase to the choke settings in November 2025, which continues to be monitored. Crude oil and natural gas liquids prices were 16% and 19% lower than the previous half-year partly offset by 47% higher natural gas prices.

Liquidity and Debt

Otto's cash on hand at 31 December 2025 was US$19.314 million (June 2025: US$14.899 million) with the Company having no outstanding debt.

Significant Events after Balance Sheet Date

No matters or circumstances have arisen since 31 December 2025 that would have a material impact on the Group's operations.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that instrument, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditor's independence declaration

The auditor's independence declaration is included on page 9 of this report. This report is made in accordance with a resolution of Directors.

Justin Clyne

Mr Justin Clyne
Chairman
11 March 2026

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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF OTTO ENERGY LIMITED

As lead auditor for the review of Otto Energy Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Otto Energy Limited and the entities it controlled during the period.

Ashleigh Woodley

Director

BDO Audit Pty Ltd

Perth

11 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2025

	Note	31/12/2025 US$'000	31/12/2024 US$'000
Operating revenue (net)	5	6,723	8,161
Cost of sales	6	(3,796)	(4,029)
Gross Profit		**2,927**	**4,132**
Interest income	5	299	669
Impairment (expense)/reversal	10	(885)	382
Exploration expenditure		-	(6,657)
Foreign currency gains/(losses)	7	6	(1,915)
Finance costs	8	(129)	(132)
Administration and other expenses	8	(1,089)	(1,074)
Profit/(loss) before income tax		**1,129**	**(4,595)**
Income tax (expense)	9	(5)	(400)
Profit/(loss) after income tax for the period		**1,124**	**(4,995)**
Other comprehensive income that may be recycled to profit or loss			
Other comprehensive income		-	-
Total comprehensive income/(loss) for the period		**1,124**	**(4,995)**
Earnings per share			
Basic income/(loss) per share (US cents)		0.02	(0.10)
Diluted income/(loss) per share (US cents)		0.02	(0.10)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	31/12/2025 US$'000	30/06/2025 US$'000
Current assets			
Cash and cash equivalents		19,314	14,899
Trade and other receivables		1,285	1,182
Prepayments and other assets		914	1,436
Total current assets		**21,513**	**17,517**
Non-current assets			
Oil and gas properties	10	9,871	11,333
Property, plant and equipment		2	7
Other assets		950	950
Total non-current assets		**10,823**	**12,290**
Total assets		**32,336**	**29,807**
Current liabilities			
Trade and other payables		1,356	607
Provisions		216	265
Total current liabilities		**1,572**	**872**
Non-current liabilities			
Provisions		7,174	6,469
Total non-current liabilities		**7,174**	**6,469**
Total liabilities		**8,746**	**7,341**
Net assets		**23,590**	**22,466**
Equity			
Contributed equity		112,613	112,613
Reserves		10,470	10,470
Accumulated losses		(99,493)	(100,617)
Total equity		**23,590**	**22,466**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2025

	Contributed equity	Share-based payments reserve	Accumulated losses	Total
	US$'000	US$'000	US$'000	US$'000
Balance at 1 July 2024	133,170	10,470	(96,883)	46,757
Loss for the period	-	-	(4,995)	(4,995)
Total comprehensive income for the period	-	-	(4,995)	(4,995)
Balance at 31 December 2024	**133,170**	**10,470**	**(101,878)**	**41,762**
Balance at 1 July 2025	112,613	10,470	(100,617)	22,466
Profit for the period	-	-	1,124	1,124
Total comprehensive income for the period	-	-	1,124	1,124
Balance at 31 December 2025	**112,613**	**10,470**	**(99,493)**	**23,590**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2025

	31/12/2025 US$'000	31/12/2024 US$'000
Cash flows from operating activities		
Oil and gas sales (net of royalties)	6,630	8,104
Payments to suppliers and employees	(2,575)	(3,735)
Payments for exploration and evaluation	-	(6,657)
Net interest received/(paid)	290	741
Income tax paid	(63)	(400)
Net cash inflow/(outflow) from operating activities	**4,281**	**(1,947)**
Cash flows from investing activities		
Net of (payments)/credits for development	127	(3,856)
Net cash inflow/(outflow) used in investing activities	**127**	**(3,856)**
Cash flows from financing activities		
Net cash inflow/(outflow) from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	4,409	(5,804)
Cash and cash equivalents at the beginning of the half-year	14,899	40,495
Effects of exchange rate changes on cash	6	(1,915)
Cash and cash equivalents at the end of the half-year	**19,314**	**32,776**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Corporate information

The half-year consolidated financial report of the Group for the six months ended 31 December 2025 was authorised for issue in accordance with a resolution of the Directors on 11 March 2026.

Otto Energy Limited is a company incorporated and domiciled in Australia whose shares are publicly traded. The principal activities of the Group are described in the consolidated financial statements of the Group for the year ended 30 June 2025 which are available at www.ottoenergy.com and ASX announcements.

2. Basis of preparation

The half-year consolidated financial report for the six months ended 31 December 2025 has been prepared in accordance with AASB 134 Interim Financial Reporting.

The half-year consolidated financial report does not include all the information and disclosures required in the annual financial report and should be read in conjunction with the Group's financial report for the year ended 30 June 2025 which is available at www.ottoenergy.com.

3. Changes to the Group's accounting policies

There are no new or amended standards adopted by Otto Energy Limited affecting the 31 December 2025 half-year consolidated financial report.

4. Segment information

The Group has identified its operating segments based on the internal management reports that are reviewed and used by the executive management team in assessing performance and in determining the allocation of resources. The operating segments identified by management are based on the geographical locations of the business which are as follows: Gulf of America (USA) and Other. Discrete financial information about each of these operating segments is reported to the executive management team on at least a monthly basis. The segment information for the reportable segments for the half-year ended 31 December 2025 and comparable period is as follows:

31 December 2025	**Gulf of America (USA)**	**Other**	**Consolidated**
	US$'000	US$'000	US$'000
Operating revenue	6,723	-	6,723
Cost of sales	(3,796)	-	(3,796)
Gross profit	**2,927**	**-**	**2,927**
Interest and other income	276	23	299
Impairment	(885)	-	(885)
Finance costs	(129)	-	(129)
Foreign currency gains/(losses)	-	6	6
Administration and other expenses	(448)	(641)	(1,089)
Profit/(loss) before income tax	**1,741**	**(612)**	**1,129**
Income tax (expense)/reversal	(5)	-	(5)
Profit/(loss) after income tax for the period	**1,736**	**(612)**	**1,124**
31 December 2025			
Total non-current assets	10,822	1	10,823
Total assets	30,911	1,425	32,336
Total liabilities	8,293	453	8,746

4. Segment information (continued)

31 December 2024	Gulf of America (USA)	Other	Consolidated
	US$'000	US$'000	US$'000
Operating revenue	8,161	-	8,161
Cost of sales	(4,029)	-	(4,029)
Gross profit	**4,132**	**-**	**4,132**
Interest and other income	215	454	669
Exploration expenditure	(6,657)	-	(6,657)
Impairment reversal	382	-	382
Finance costs	(132)	-	(132)
Foreign currency gains/(losses)	-	(1,915)	(1,915)
Administration and other expenses	(501)	(573)	(1,074)
Profit/(loss) before income tax	**(2,561)**	**(2,034)**	**(4,595)**
Income tax (expense)/reversal	(400)	-	(400)
Profit/(loss) after income tax for the period	**(2,961)**	**(2,034)**	**(4,995)**
30 June 2025			
Total non-current assets	12,288	2	12,290
Total assets	27,894	1,913	29,807
Total liabilities	7,017	324	7,341

5. Revenue and other income

	31/12/2025	31/12/2024
	US$'000	US$'000
South Marsh 71 (SM 71) Sales[(i)]		
Oil Sales	3,573	4,971
Gas Sales	58	288
Natural Gas Liquids Sales	-	7
Total Sales	3,631	5,266
Less: Royalties[(i)]	(678)	(975)
SM 71 Operating Revenue (Net)	2,953	4,291
Lightning Sales[(ii)]		
Oil Sales	764	1,057
Gas Sales	1,301	1,006
Natural Gas Liquids Sales	374	493
Lightning Operating Revenue (Net)	2,439	2,556
GC 21 Sales[(iii)]		
Oil Sales	1,003	1,029
Gas Sales	49	49
Natural Gas Liquids Sales	22	46
Total Sales	1,074	1,124
Less: Royalties[(iii)]	(201)	(210)
GC 21 Operating Revenue (Net)	873	914

5. Revenue and other income (continued)

	31/12/2025 US$'000	31/12/2024 US$'000
Mosquito Bay West Sales(ii)		
Oil Sales	105	159
Gas Sales	155	119
Natural Gas Liquids Sales	38	51
Mosquito Bay West Revenue (Net)	298	329
Oyster Bayou South Sales(ii)		
Oil Sales	141	61
Gas Sales	16	7
Natural Gas Liquids Sales	3	3
Oyster Bayou South Operating Revenue (Net)	160	71
Total Operating Revenue (Net)	6,723	8,161
Interest and other income	299	669
	299	669

(i) SM 71 operating revenue is shown net of royalty payments payable to the (USA) Office of Natural Resources Revenue. Royalty payments are 18.75% of revenue under the terms of the SM 71 lease.
(ii) Proceeds from the sale of oil and gas from the Lightning field, Mosquito Bay West and Oyster Bayou South are received net of royalty payments.
(iii) GC 21 operating revenue is shown net of royalty payments totalling 20%.
(iv) Interest income is recognised using the effective interest rate method.

Recognition and measurement

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable component, the Group estimates the expected consideration for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

6. Cost of Sales

	31/12/2025 US$'000	31/12/2024 US$'000
Gathering and Production charges	2,729	2,711
Depreciation of capitalised developments	1,067	1,318
Total Cost of Sales	3,796	4,029

7. Foreign currency gains/(losses)

	31/12/2025 US$'000	31/12/2024 US$'000
Foreign currency gains/(losses) [(i)]	6	(1,915)
Total Foreign currency gains/(losses)	6	(1,915)

(i) Previous half year foreign currency losses were attributable to funds held in AUD (US$24.6 million) in relation to the Company's AUD$0.008 return of capital and dividend completed on 16 June 2025.

8. Other expenses

	31/12/2025 US$'000	31/12/2024 US$'000
Finance costs		
Accretion of decommissioning fund	129	132
Total finance costs	129	132
Administration and other expenses		
Employee benefits expense		
Defined contribution superannuation	30	25
Other employee benefits expenses	547	566
Total employee benefits expense	577	591
Depreciation expense		
Property, plant and equipment		
Furniture and equipment	1	2
Total depreciation expense	1	2
Other expenses		
Corporate and other costs (net of recharges)	511	481
Total other expenses	511	481
Total Administration and other expenses	1,089	1,074

9. Income tax

	31/12/2025 US$'000	31/12/2024 US$'000
US corporate income tax expense	5	400
Total income tax expense	5	400

10. Oil and gas properties

	31/12/2025 US$'000	30/06/2025 US$'000
Producing and development assets		
At cost		
SM 71 balance at beginning of period	9,721	9,058
SM 71 expenditure for the period	-	3,987
SM 71 decommissioning for the period	(76)	741
SM 71 Insurance proceeds	-	(2,382)
SM 71 amortisation of assets	(714)	(1,683)
SM 71 balance at end of period	8,931	9,721
Lightning balance at beginning of period	902	1,082
Lightning decommissioning for the period	143	(32)
Lightning amortisation of assets	(105)	(148)
Lightning balance at end of period	940	902
GC 21 balance at beginning of period	-	-
GC 21 expenditure/(credits) for the period	(86)	(1,027)
GC 21 impairment (expense)/reversal	86	1,027
GC 21 balance at end of period	-	-
Mosquito Bay West at beginning of period	560	481
Mosquito Bay West expenditure for the period	-	142
Mosquito Bay West amortisation of assets	(39)	(1)
Mosquito Bay West decommissioning for the period	182	(62)
Mosquito Bay West impairment	(703)	-
Mosquito Bay West balance at end of period	-	560
Oyster Bayou at beginning of period	150	133
Oyster Bayou expenditure for the period	-	54
Oyster Bayou decommissioning for the period	159	(6)
Oyster Bayou amortisation of assets	(41)	(31)
Oyster Bayou impairment	(268)	-
Oyster Bayou balance at end of period	-	150
Total oil and gas properties	9,871	11,333

Impairment

Assets are tested for impairment in line with AASB 136. Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair

10. Oil and gas properties (continued)

value, which is a product of quantity of reserves, prices, and operating costs, less the cost to sell and value in use.

Due to the interrelated nature of the assumptions, movements in any one variable can have an indirect impact on others and individual variables rarely change in isolation. Additionally, management can be expected to respond to some movements, to mitigate downsides and take advantage of upsides, as circumstances allow. Consequently, it is impractical to estimate the indirect impact that a change in one assumption has on other variables and hence, on the likelihood, or extent, of impairments under different sets of assumptions in subsequent reporting periods.

The Company assessed each cash generating unit (CGU) for indicators of impairment. Impairment indicators were identified on SM-71, Mosquito Bay West and Oyster Bayou South due to 2P estimated cost revisions.

SM-71, Mosquito Bay and Oyster Bayou recoverable values were calculated using a VIU (value in use) calculation. The estimated future cash flows for the VIU calculation are based on estimates, the most significant of which are hydrocarbon reserves (excluding uncommitted developments), future production profiles, commodity prices, operating costs and committed development costs.

SM-71

At 31 December 2025, the Group has assessed the SM-71 cash generating unit and determined that there is no impairment loss. The basis of reserves in the SM 71 VIU model was the 31 December 2025 2P estimated reserve volumes provided by Edward Buckle, a qualified external petroleum engineering consultant.

Estimated reserves as at 31 December 2025 on a 2P basis were as follows: Gross (100%) oil 1,521 Mbbl/Gross (100%) gas 542 MMcf. (June 2025: Gross (100%) oil 1,638 Mbbl/Gross (100%) gas 1,536 MMcf).

Estimates of future commodity prices are based on the Group's best estimate of future market prices with reference to external market analyst's forecasts, current spot prices and forward curves. 31 December 2025, production weighted average estimates used in the VIU model were $63/Bbl oil and $3.63/MMBtu gas.

The discount rates applied to the future forecast cash flows are based on the weighted average cost of capital. The post-tax discount rates that has been applied to non-current assets is 15%.

Management have considered sensitivities of the key inputs and assumptions and have concluded a reasonable adverse change in assumptions would not give rise to an impairment.

GC 21

At 31 December 2023, the Group assessed the GC 21 Bulleit cash generating unit and determined that the carrying value of the GC 21 Bulleit cash generating unit was nil. The basis of reserves in the GC 21 VIU model was the 31 December 2023 2P estimated reserve volumes provided by Ryder Scott, the qualified external petroleum engineering consultant. There is no change to this position at 31 December 2025.

A reversal of impairment expense of US$0.086 million was recorded in the current half-year due to equipment credits received.

10. Oil and gas properties (continued)

Mosquito Bay West and Oyster Bayou South

At 31 December 2025, the Group assessed the Castex cash generating unit which comprises the Mosquito Bay West and Oyster Bayou South wells and determined that the carrying value of the Castex cash generating unit was nil resulting in an impairment loss of US$0.971 million.

The basis of reserves in the Castex VIU model was the 31 December 2025 2P estimated reserve volumes provided by Edward Buckle, a qualified external petroleum engineering consultant.

Estimated reserves as at 31 December 2025 on a 2P basis were as follows: Gross (100%) oil 197 Mbbl/Gross (100%) gas 5,095 MMcf/Gross (100%) NGL's 214 Mbbl. (June 2025: Gross (100%) oil 199 Mbbl/Gross (100%) gas 5,156 MMcf/Gross (100%) NGL's 222 Mbbl).

Estimates of future commodity prices are based on the Group's best estimate of future market prices with reference to external market analyst's forecasts, current spot prices and forward curves. 31 December 2025, production weighted average estimates used in the VIU model were $61/Bbl oil and $3.62/MMBtu gas.

The discount rates applied to the future forecast cash flows are based on the weighted average cost of capital. The post-tax discount rate applied to non-current assets is 15%.

There were no impairment indicators identified for the other assets at 31 December 2025.

11. Contingent assets and liabilities

Otto maintains a 0.5% of 8/8ths ORRI in any future production from the Talitha unit in Alaska.

On 15 April 2024 BOEM issued its final Bonding Rule entitled "Risk Management and Financial Assurance for OCS Lease and Grant Obligations" which significantly increases the amount of new supplemental financial assurance required from lessees and grant holders conducting operations on the federal outer continental shelf (OCS). As at the date of this report, no notice has been received by the Company.

12. Commitments

There are no material capital expenditure commitments at reporting date.

13. Related parties

There are no new related party transactions for the reporting period.

14. Events after the reporting period

No matters or circumstances have arisen since 31 December 2025 that would have a material impact on the Group's operations.

DIRECTORS' DECLARATION

For the half-year ended 31 December 2025

In accordance with a resolution of the Directors of Otto Energy Limited, I state that:

1. In the opinion of the Directors:
    a. the financial statements and notes of Otto Energy Limited for the half-year ended 31 December 2025 are in accordance with the *Corporations Act 2001,* including:
        (i) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
        (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*
    b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Mr Justin Clyne
Chairman
11 March 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Otto Energy Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Otto Energy Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and

ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001.*

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor’s responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group’s financial position as at 31 December 2025 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

Ashleigh Woodley

Director

Perth, 11 March 2026