ANNUAL GENERAL MEETING

CHAIRMAN'S ADDRESS

Dear Shareholders,

I am grateful and once again welcome the opportunity to present to you, our shareholders, at today's 2026 Annual General Meeting (**AGM**) of Otto Energy Limited (**Otto** or the **Company**). This is my third AGM as a director of Otto however my first as the Company's Chairman, while in the previous two AGM's I served as Interim Chair and Non-Executive Director. I would like to briefly state a few of the Company's operational and financial performance highlights for FY2026 which are summarised in the Annual Report to Shareholders and on which our CEO, Chris Dorros, will also speak in greater detail in his presentation to follow.

The key highlights from the 2026 Financial year (**FY** or **FY2026**) included a solid improvement in cash generation and profits with:

- Net cash from Operating Activities of US$8.1 million, a significant increase from FY2025 of US$1.2 million;
- Net Profit After Tax of US$4.1 million, up from US$0.7 million in FY2025;
- A cash position of US$23.2 million at year-end, up from the position at the end of FY2025 of US$14.9 million; and
- Importantly, Otto continues to operate with a debt-free balance sheet.

Shareholders rarely get an insight into the effort that goes in behind the scenes to produce these results but they are testament to the day to day consistent and diligent work from Otto's small but committed team. In Australia this comprises Otto's finance team of Julie Dunmore, CFO, and Sarah Johnston, Assistant Accounant, along with our Company Secretary, Kaitlin Smith. This team works in a cash constrained environment. I don't mean that in the sense that the Company is starved of cash but rather that with a focus on preserving cash for return to shareholders, they are all very much aware that operationally we run on a tight budget to enable this to happen.

In the US, we have our CEO, Chris Dorros, who continues to deliver on all facets of operation and strategy against a mixed macro environment. The first half of the FY was characterised by softer oil prices, while the second half saw a strengthening commodity price environment however since the end of the FY, we continue to see significant volatility in the oil price. These factors were managed well by Chris in an environment where we also faced a natural decline in our mature producing portfolio which was largely offset by management intervention, holding oil volumes broadly flat.

Just prior to the start of FY2026, Otto undertook a distribution of US$25 million (circa A$40 million), comprising a Return of Capital (**ROC**) of A$0.00657 per share and a dividend of A$0.00143 per share from conduit foreign income. Subsequent to the end of FY2026, Otto continued to deliver on its strategic objectives with 2 key milestones to realise the best possible value of its assets for shareholders.

Firstly, In September we announced a proposed 100:1 consolidation of issued capital followed by a ROC of approximately A$20.0 million, equivalent to A$0.417 per share on a post-consolidation basis. Both initiatives are the subject of resolutions at today' s AGM.

Secondly, in accordance with the Company' s clearly enunciated strategy, on 9 November Otto announced that its wholly owned subsidiary, Otto Energy (Louisiana) LLC, has agreed to sell its 50% working interest in South Marsh Island 71 (**SM 71**) in the Gulf of America to Byron Energy Inc. Consideration payable to Otto for the disposal is US$2.5 million in cash at closing, with Otto retaining all production from its SM 71 interest from the Effective Date of 1 September 2026 until 2,928 production hours have accrued which is expected to occur in early January 2027. In total, Otto expects to receive cash of approximately US$6.0 million, plus a US$325,000 bond refund. Net of insurance costs, the expected value is approximately US$5.9 million.

These achievements are pleasing in the context of delivering on the strategy set several years ago of aiming to realise the best possible value from the Company' s assets for our shareholders which with the decline in our maturing portfolio, your Board believes is a very good outcome. The disposal of SM 71 will be the subject of a vote by shareholders at an EGM to be held on 16 December.

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The Board considers that the disposal of SM 71 realises more value for shareholders than continuing to hold the asset. SM 71 is a mature field whose production currently comes almost entirely from a single completion. The Board' s rationale for the disposal of SM 71 are that it:

- crystallises the value of SM 71 in cash, at a value within the range of oil futures prices over its expected producing life;
- transfers SM 71's decommissioning cost risk to Byron, and removes Otto's exposure to any future Bureau of Ocean Energy Management (**BOEM**) demand for supplemental financial assurance for SM 71; and
- follows a broadly marketed sale process, with Byron as a buyer that knows the asset in detail.

Chris will speak more about this in his presentation.

Finally, I would like to sincerely thank Chris, Julie, Sarah and Kaitlin for their efforts across the year. When dealing with a small management team, multiple time zones and, at times, a challenging asset portfolio, they have excelled in delivering an outcome for FY2026 for which the Board believes we can all be very grateful. I would also like to thank my fellow Board members, Geoff and Paul, for their contribution, insight and expertise, as well as thoughtful advice and counsel.

This release is authorised by the Board of Otto.

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