

ASX ANNOUNCEMENT

9 March 2020

CURRENT OIL PRICE HEDGING POSITION

- **Otto Energy has had a long-term Commodity Price Risk Management Policy in place since April 2019**
- **Hedging of 2020 production is at a price of \$56.71/bbl**
- **Overall hedge book through the year 2022 is 398,437 bbl at an average price of \$55.02/bbl translating into 61% of net PDP volumes hedged through 2022**

In the light of recent oil price movements, Otto Energy ("Otto") (ASX: OEL) would like to reiterate that as previously advised on 3 April 2019, Otto has a long-term Commodity Price Risk Management (CPRM) policy in place and would like to update investors of the current hedge book position of the company.

The hedging program is designed to provide certainty of cash flows and funding during a period of significant investment in growth projects as well as being a requirement under Otto's Credit Facility with Macquarie Bank.

All hedging is undertaken using LLS Swaps where Otto receives a fixed price for oil production volumes.

A summary of price and volumes hedged by year can be seen in the table below.

	Price	Volume (bbl)
2020 (March to December)	\$56.71	170,261
2021	\$53.71	184,616
2022	\$54.00	43,560
Total Volume and Average Price	\$55.02	398,437

The overall hedged volume of 398,437 bbl equates to 61% of net PDP oil production being hedged through the year 2022.

This release is authorised by the Board of Directors.

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