

10 July 2014

Manager of Company Announcements
ASX Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

By E-Lodgement

ASX ANNOUNCEMENT – INVESTOR PRESENTATION

Please find attached a presentation to be provided to investors on Thursday 10th July 2014.

Yours faithfully

Matthew Allen
Chief Executive Officer

OTTO AT A GLANCE

- ASX-listed oil and gas company with a strategy to grow its oil and gas business across exploration, development and production
- Focused on South East Asia and East Africa
- Operator of the producing Galoc oil field in the Philippines, which provides cashflow

COMPANY OFFICERS

Rick Crabb	Chairman
Ian Macliver	Director
Rufino Bomasang	Director
John Jetter	Director
Ian Boserio	Director
Matthew Allen	CEO
Craig Hasson	CFO
Scott Blenkinsop	Company Secretary

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ASX : OEL



Otto Energy
Investor Presentation
July 2014

Disclaimer



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This presentation contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

The Company, its directors, officers and employees make no representation, warranty (express or implied), or assurance as to the completeness or accuracy of forward looking statements.

The reserve and contingent resource information in this report is based on information compiled by Mr Mark Pogson MSc (DIC), PhD (Physical Chemistry) BSc (Chemistry and Geochemistry), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Pogson consultant to the Company, with more than 25 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE).

Reserves and Contingent resources have been estimated using both probabilistic and deterministic methods. Otto is not aware of any new information or data that materially affects the assumptions and technical parameters underpinning the estimates of reserves and contingent resources and the relevant market announcements referenced continue to apply and have not materially changed.

Clear Regional Focus:

Focus on conventional hydrocarbon exploration and production within South East Asia and the East Africa Rift System (“EARS”)



1

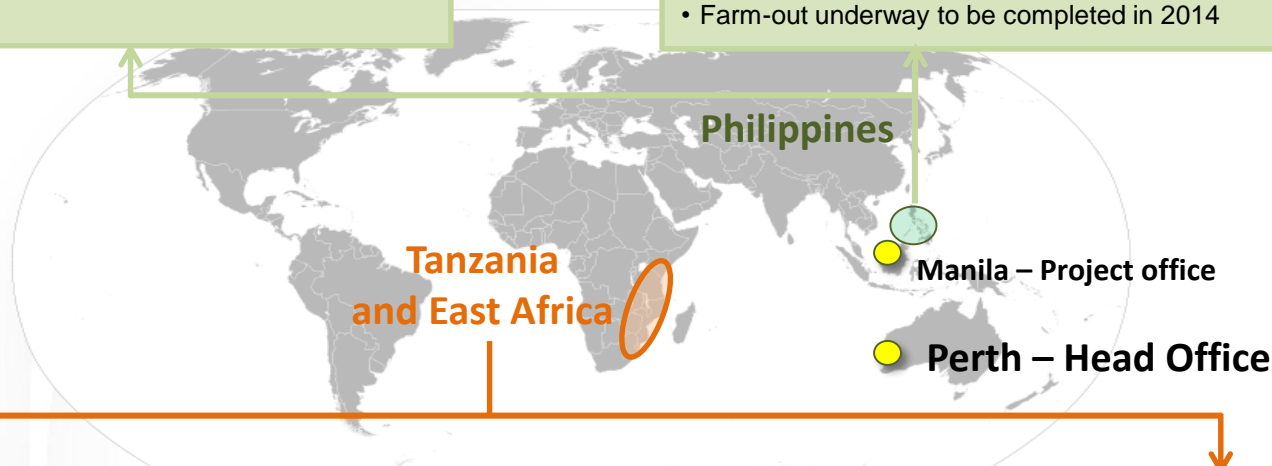
Stable Production and Reserves **SC14C (Galoc Field)**

- 33% WI and operator
- Conventional, producing offshore oil field
- >2,800 bopd production net Otto

2

Philippines Exploration **SC55 (Hawkeye/Cinco)**

- 93.18% WI and operator
- Deep water exploration
- 2 drill ready prospects with Cinco & Hawkeye
- US\$27.5m funding by BHPB
- Farm-out underway to be completed in 2014



3

Tanzania Exploration **Kilosa-Kilombero and Pangani**

- Focus on evaluating East Africa Rift System (emerging hydrocarbon province)
- 50% WI in 17,675 km² Kilosa-Kilombero Block and 17,156 km² Pangani Blocks
- Similar geological characteristics (basin age and structure) identified in 2013 2D seismic program to Lokichar Basin and Lake Albert
- Early 2D seismic identified the significant Kito prospect in Kilombero Basin

4

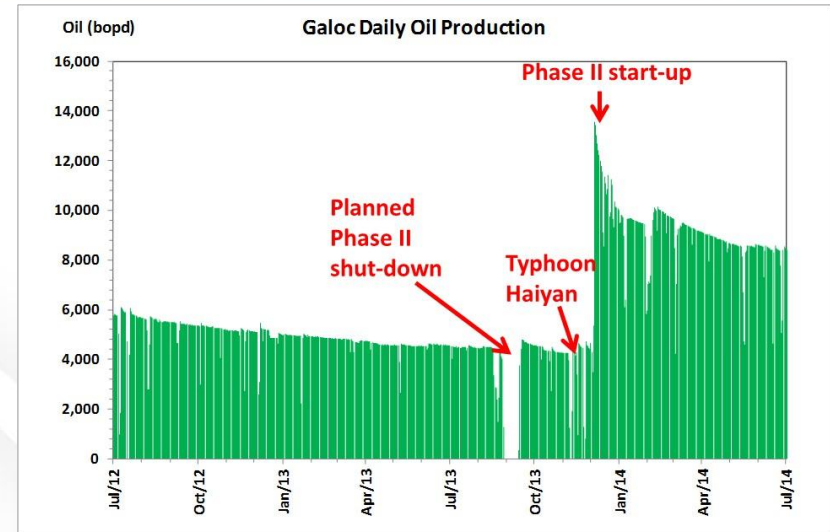
EARS Exploration **Further Growth**

- Otto is seeking to complement and diversify by acquiring new acreage in EARS

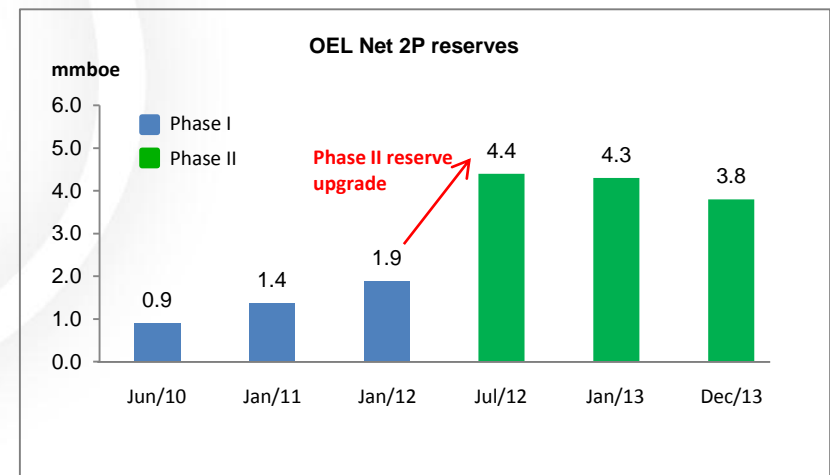
SC14C Galoc Field (Otto 33% Operator): Reliable Production and Reserves



- Successful delivery of major upgrade in 2013 underpins strong production performance in 2014 – six cargoes delivered in six months to June 2014
- Currently evaluating options for further exploration, appraisal and incremental development at the Galoc field
- Underpins cashflow generation and exploration expenditure
- Field life extended out to ~2020
- Marketable product: 35° API oil, low sulphur crude easily placed into Asian market priced against Dubai benchmark plus premium



Note: Otto has a 33% working interest in gross field production



Note: Reserves net to Otto at time of reserve report.

SC55 (Otto 93.18% Operator): High Impact and Drill Ready Prospects



SC55 Permit Status

- Otto is operator with 93.18% interest
- Sub-Phase 4 contains a commitment to drill 1 exploration well by 23 December 2014

Exploration and Drill Targets

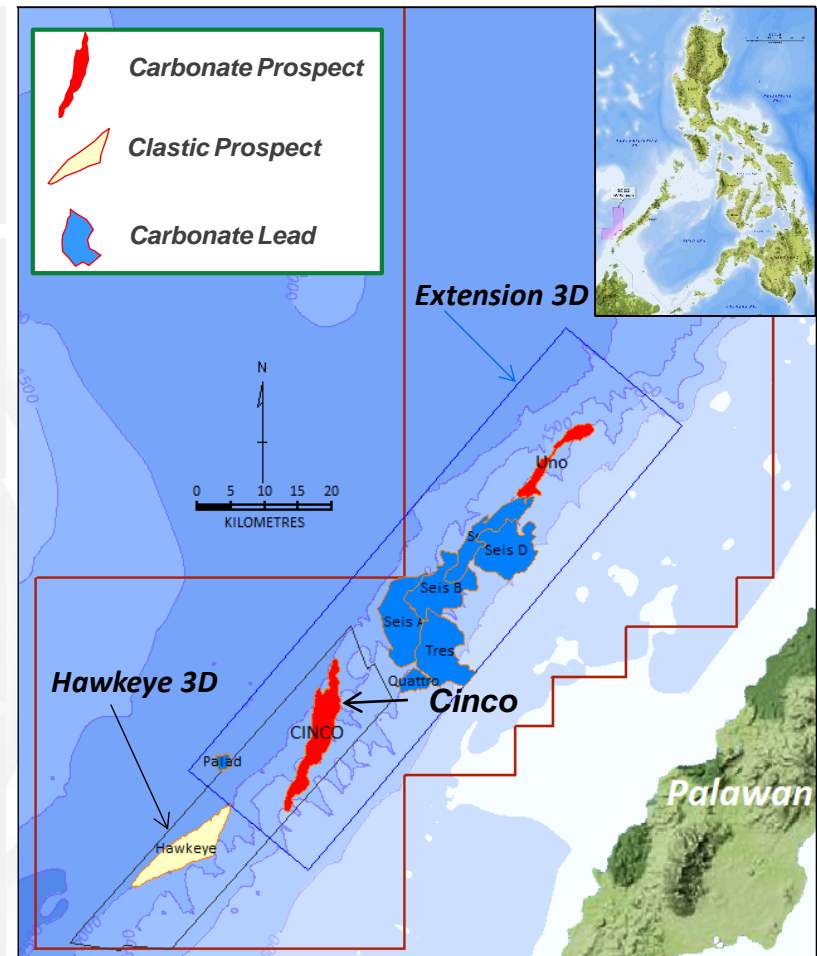
- No wells have yet been drilled
- Drill ready, high impact prospects have been defined by 3D seismic. Net prospective resources are:
 - Hawkeye (15-318 mmboe oil target)¹
 - Cinco (0.5-3.4 TCF gas target)¹

Funding of Exploration Drilling

- US\$27.5m secured from BHPB for exploration drilling
- Farm-out process underway to manage portfolio and financial risk exposure

Next Steps

- Secure farm-in partner
- Execute drilling program



Note:

¹ Represent Otto 93.18% net working interest in prospective resources (see additional information)

Tanzania (Otto 50% WI):

Otto's Tanzania Position is a Material First Step



History

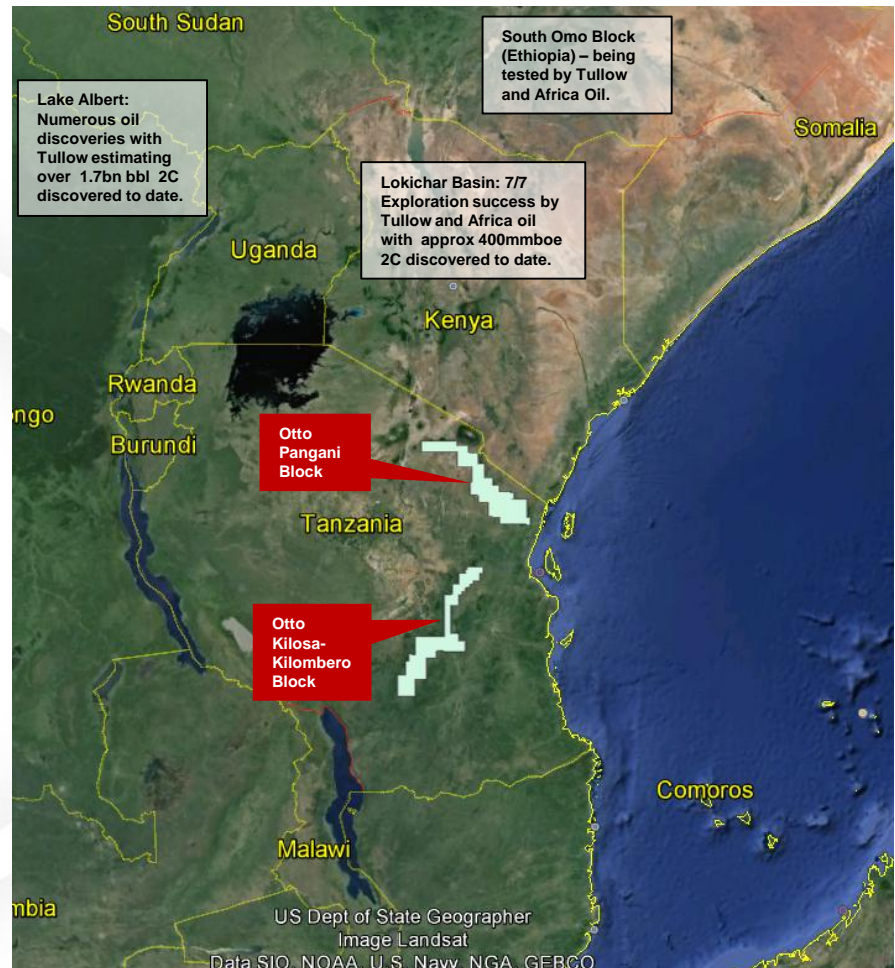
- Pre 2006 - No material exploration success
- 2006 - First discovery in Uganda
- 2008 - 09 - Further discoveries result in >1.5 Bn boe prospective resources in Uganda
- 2012 - First two modern wells in Kenya successful
- 2013 - Three further discoveries in Kenya
- Exploration expands into Ethiopia
- 2014 - 2 further discoveries in Kenya

Results to date:

- Uganda - 66/79 successful wells
- 11 Fields
- > 1.5 Bn boe discovered by Tullow and other participants
- Kenya - 7/8 successful wells by Africa Oil and Tullow Joint Venture
- Approx 400mmboe 2C discovered

Source:
Tullow Uganda Country Report (2013); Africa Oil Presentation (January 2014)

Exploration success and Otto acreage



Tanzania (Otto 50% WI):

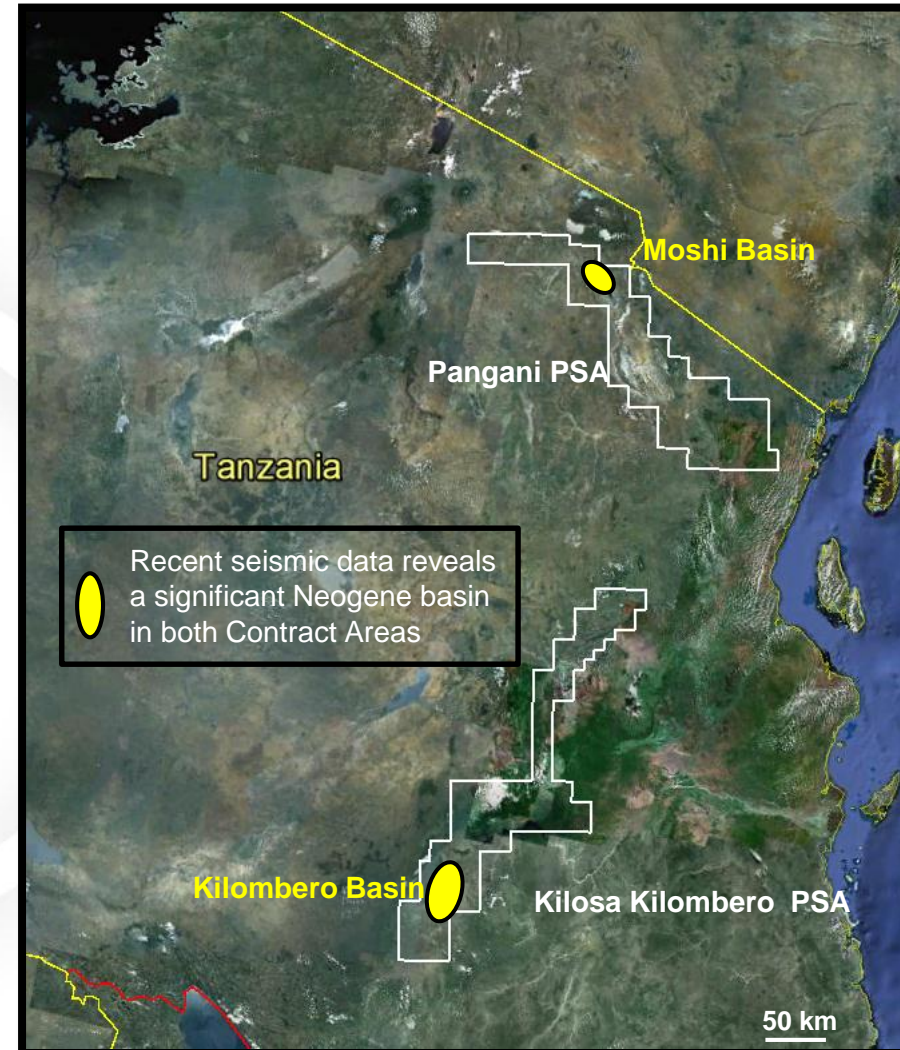
High WI in permits covering prospective basins



Work completed to date has provided encouraging results

- 2012: Completed airborne gravity, magnetic surveying and sampling over Kilosa-Kilombero and Pangani – **five potential basin areas identified**
- 2013: Completed seismic over the three Kilosa-Kilombero basins and two Pangani basins
 - **Kilosa-Kilombero:** Neogene basin defined, Kito prospect identified, potential for further targets indicated.
 - **Pangani:** Moshi area has been identified as being location of significant Neogene-aged basin. No drillable prospect identified yet
- 2014: Completing 2D seismic acquisition over Kilombero and Pangani and identifying a drillable prospect in Pangani

Block	Otto (WI %)	JVP	Size (km ²)
Kilosa-Kilombero	50%	Swala Oil and Gas (Tanzania) Limited: (operator) 50%	17,675
Pangani	50%		17,156



Tanzania (Otto 50% WI):

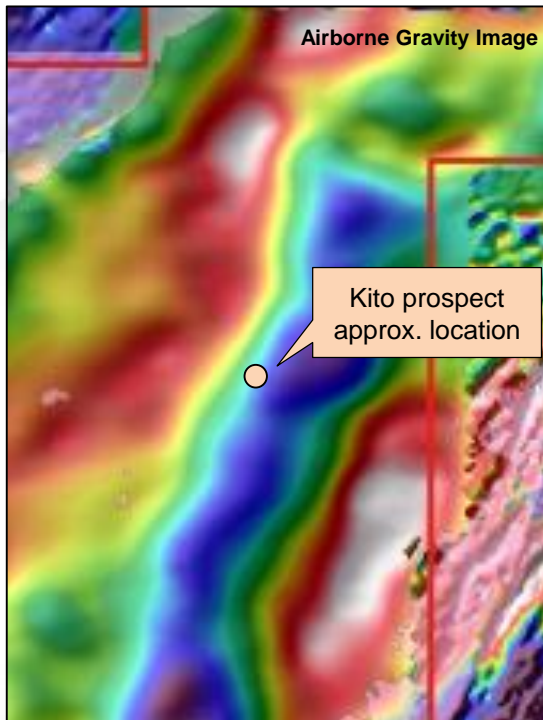
Seismic indicates Kilombero Basin is analogous to the Lokichar Basin in Kenya



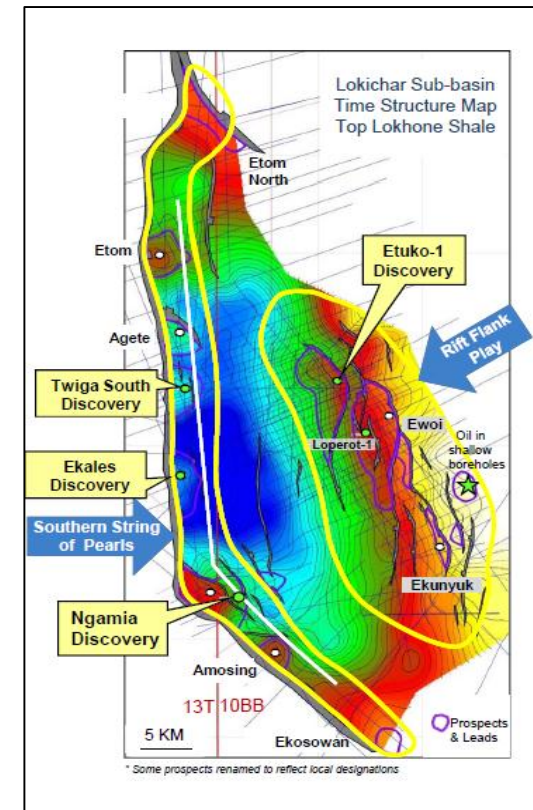
Kilombero Basin appears analogous to the Lokichar Basin in Kenya

- Kilombero interpreted as Neogene-age basin with a depth to basement in excess of 3,000m
- Comparison with Lokichar Basin identifies similar:
 1. Depositional geometries within the basins
 2. Potential trapping geometries, basin size and depth
 3. Interpreted sediment age

Tanzania: Kilombero Basin



Kenya: Lokichar Basin and exploration status



Source: Africa Oil

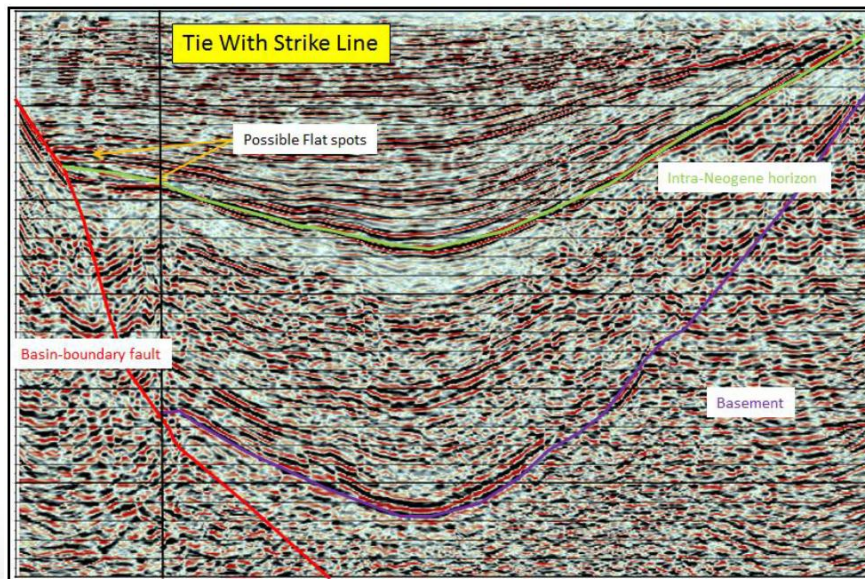
Basin Comparison at approximately the same scale

Tanzania (Otto 50% WI):

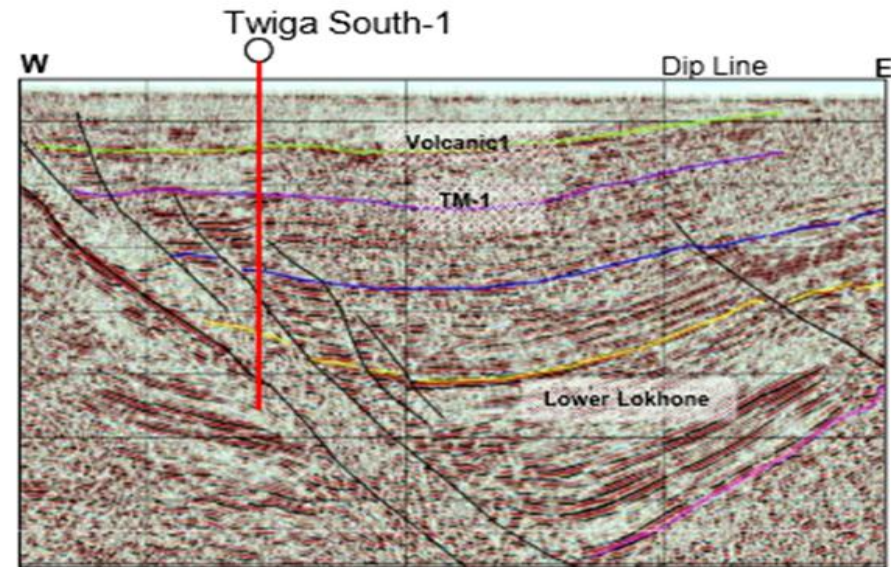
Kilombero Basin exhibits structural and depositional geometries similar to those in the Lokichar Basin



Tanzania: Kilombero Basin



Kenya: Lokichar Basin



Source: Africa Oil

The proven play trend in the Lokichar Basin, Kenya, demonstrates large structural highs with multiple stacked pay zones adjacent to the basin bounding fault. Initial 2D seismic in the Kilombero Basin indicates that the Kito prospect is analogous to these style of discoveries.

This is demonstrated in the above seismic lines shown through the Kilombero Basin and Lokichar Basin

Strong Capital Structure: Value underpinned by Reserves



Capital Structure

Fully paid ordinary shares	1.15b
Unlisted options ¹	9.75m
Performance Rights	12.50m
Market capitalisation ²	A\$121m
Cash (June 2014)	US\$7.8m
Debt (June 2014)	US\$0m

Shareholders

Molton Holdings	21.1%
Santo Holdings	21.1%
Acorn Capital	7.6%
Directors & Management	4.3%
Shareholders	2,968

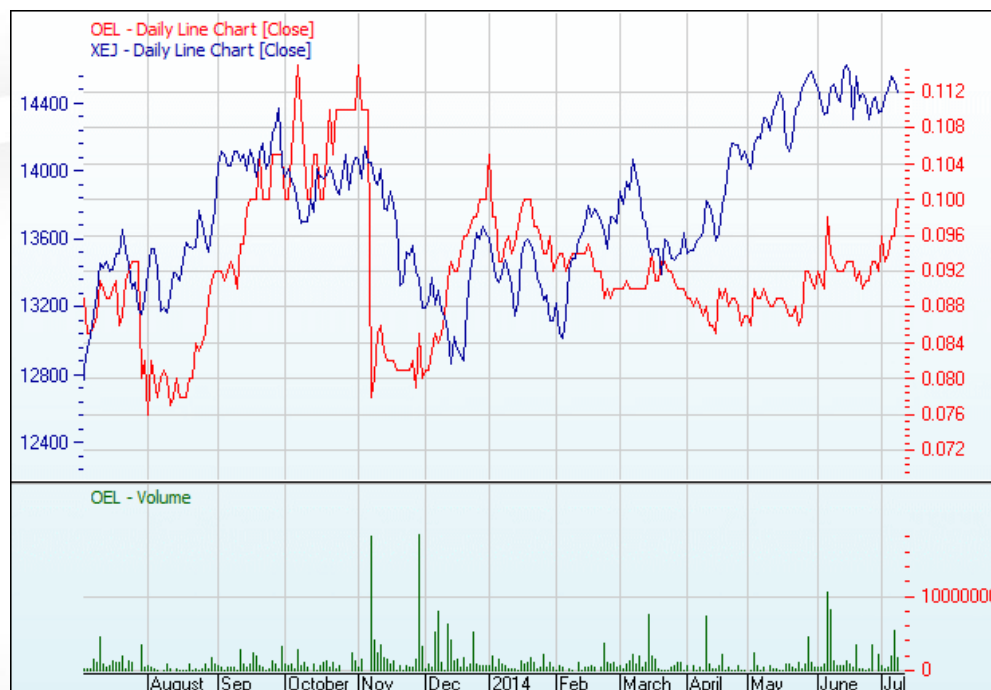
Net Reserves

Summary (31 December 2013)	mmboe
Galoc 2P	3.8

1. Exercisable at prices between 11.1 and 12 cents per share.

2. Undiluted at 10.5 cents per share as at 8 July 2014

- Stable cash flow from Galoc and financial discipline are key differentiators to competitors
- Cashflow can be reinvested into high impact exploration



12 Month Turnover = 30.33% of issued capital

Average daily volume last 12 months = 1.369 million shares/day

Company Overview: Investment Rationale



1

Strategy: Focus on conventional hydrocarbon exploration and production within South East Asia and the East Africa Rift System (“EARS”).

2

Production: Galoc Phase II production of >2,800 bopd July 2014 (net to Otto). Expect delivery of 10 cargos in 2014 (100,000 bbl per cargo net Otto) – six already delivered.

3

Philippines Exploration: 93.18% WI in high impact deep water exploration in SC55. 2 drillable targets identified with farm-in process underway. US\$27.5m of committed funding from BHP Billiton.

4

East Africa Rift System: 50% WI in two onshore blocks in Tanzania in emerging hydrocarbon province. First prospect identified from 2D seismic. Further leads being assessed. Focus of new business growth.

5

Strong capital structure: Cashflow from Galoc and demonstrated financial discipline.

6

Proven management delivery: Demonstrated track record in operations and commercial deal capture.

THANK YOU

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Experienced Board & Management Team



Board of Directors



Rick Crabb – Chairman.
BJuris (Hons), LLB, MBA

Former energy, resources and corporate lawyer with over 25 years Australian and international experience. Chairman of Paladin Energy.



John Jetter – Non-Executive Director. LLB, BEc INSEAD

Former MD/CEO J.P. Morgan Germany. Non-Executive Director of Venture Minerals.



Ian Boserio – Non-Executive Director.
BSc (Hons)

Former executive positions with Shell & Woodside in exploration roles.



Ian Macliver – Non-Executive Director.
BComm, CA, FFin, MAICD

Managing Director Grange Consulting. Non-Executive Director of Western Areas and Select Exploration.



Rufino Bomasang – Non-Executive Director.
BSc, MBE

Former President/CEO and current Non-Executive Director of PNOC-EC. Former Undersecretary of Energy for Philippines DOE.

Senior Management



Matthew Allen – Chief Executive Officer. BBus, FCA, FFin, GAICD

Global exposure to the upstream oil and gas industry with 14 years experience in Asia, Africa, Australia and Middle East. Previous senior roles with Woodside over 9 year period. Previously held the role of CFO of Otto Energy.



Paul Senyica – Vice President, Exploration and New Ventures. BSc (Hons), MAppSc

International oil & gas experience gained over 30 years. Specific focus on Australia, South East Asia & Africa. Previous roles at Oilex (Exploration Manager), Woodside Energy (Head of Evaluation) and Shell International.



Craig Hasson – Chief Financial Officer. BCom, CA, AGIA
Chartered Accountant with over 12 years experience in resources in Australia, Europe and Africa. Previous roles at Cairn Energy, Dragon Mining, Resolute Mining and Ernst & Young.

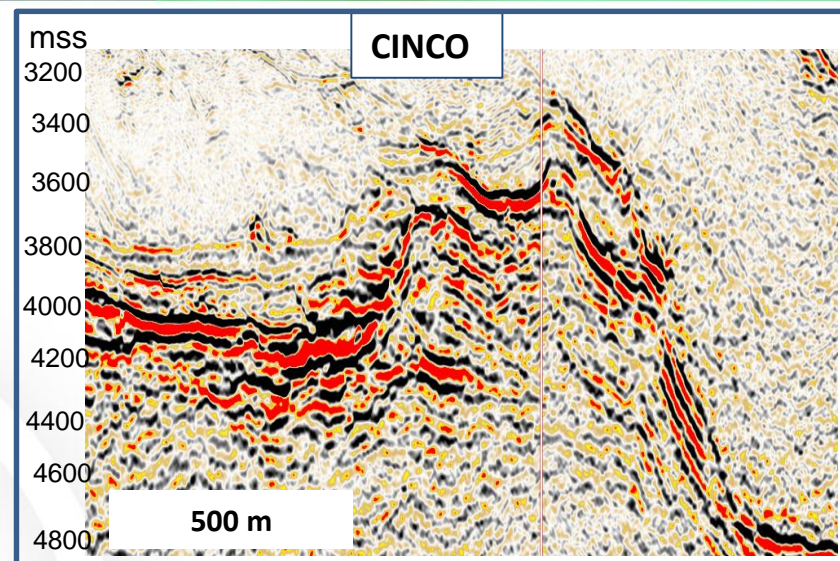
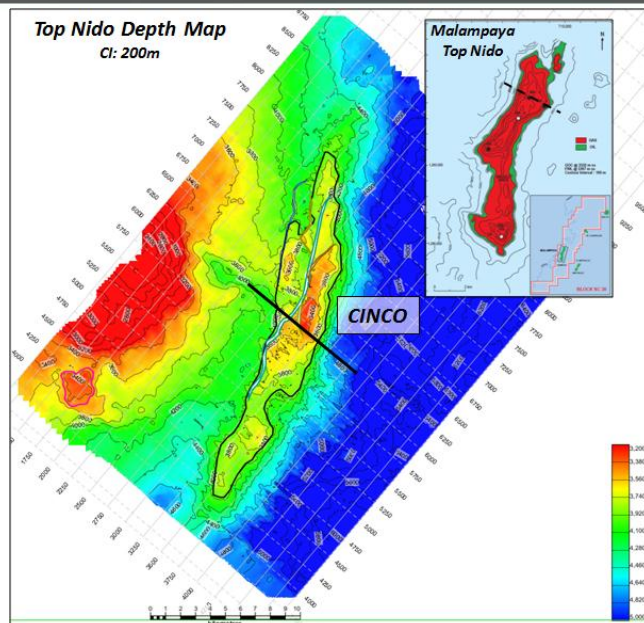


Scott Blenkinsop – Chief Legal Counsel and Company Secretary. LLB

20 years experience as a resources lawyer specialising in oil and gas with significant experience in Australasia, Africa, Asia, Americas and Europe. Previous roles at Woodside, INPEX, Chevron, Cooper Energy and Tap Oil.

Philippines Exploration:

SC55 – Cinco Prospect

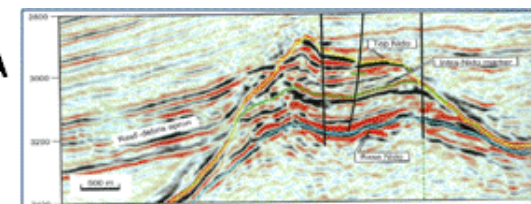


Cinco Prospect

Area of Closure	53 km ² Up to 500m column height
Water Depth	1,430 metres
Objective Depth	3,120 – 4,500 metres
GIIP	0.9 – 2.4 – 6.3 Tscf ((Low – Best- High)
Net Prospective Resource (*)	0.5 - 1.3 - 3.4 Tscf gas, plus (Low – Best- High) 16 - 45 - 132 MMbbls condensate (Low – Best- High) *Represent OTTO 93.18% WI

MALAMPAYA

Same scale



MALAMPAYA (Northern Palawan)

- Proven Reserves 2.5 TCFG and 81 MMBC

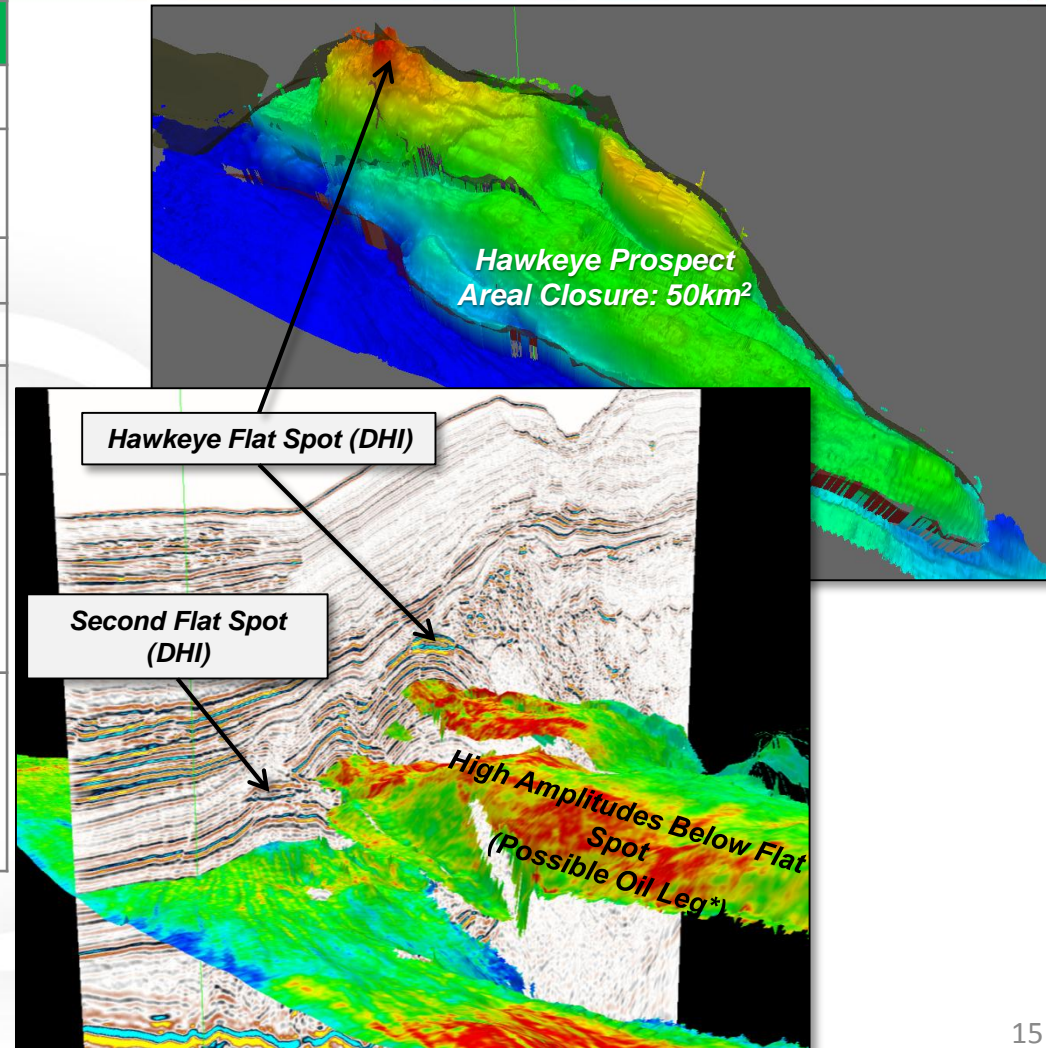
Philippines Exploration:

SC55 – Hawkeye Prospect



Hawkeye Prospect

Location	Offshore, SW Palawan
Area of Closure	50 km ² Up to 500m column height
Water Depth	1,690 metres
Objective Depth	2,750 metres
STOIIP, mmstb	87 - 484 - 1,539 (Low – Best- High)
Net Prospective Resource (*), MMbbl	15 - 89 – 318 (Low – Best- High) *Represent Otto 93.18% WI
Development	FPSO & Tanker Offtake. “Probable” Chance of development given Mid Case Discovery



Philippines Exploration:

SC55 – Additional Leads Post Hawkeye/Cinco

An **impressive gas and condensate portfolio**, developed on an emerging major regional trend, parallel to the island of Palawan Arithmetically Aggregated '**Best Estimate**'

- GIIP 17 Tscf
- Net Prospective Resource Gas 9 Tscf
- Net Prospective Resources Condensate 320 MMbbls

