

ASX ANNOUNCEMENT

16 November 2016

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

By E-Lodgement

2016 ANNUAL GENERAL MEETING MANAGING DIRECTOR PRESENTATION

Please find attached 2016 Annual General Meeting Managing Director Presentation.

Yours faithfully

A handwritten signature in blue ink, appearing to read "Neil Hackett".

Neil Hackett
Company Secretary

Annual General Meeting

SHAREHOLDER UPDATE

Matthew Allen, Managing Director and CEO

16 November 2016

Otto Energy

Delivering growth against challenging sector conditions

- ◆ **Drilling success sees return to production in 2017**

SM71#1 well yields gross 5 MMbbls and 3.6 Bcf discovery. Production platform acquired. First production 2H 2017. 5 MMbbls upside to be tested during development drilling.

- ◆ **Focus on proven oil basins**

Gulf of Mexico onshore/shallow water Miocene focus. Typically 12-18 months from discovery to production. Alaska North Slope - Largest oil reservoirs in North America. Opportunities leverage using new 3D seismic Portfolio economically robust at low oil price.

- ◆ **Focus on route to market**

Gulf of Mexico infrastructure and pipeline network options. In Alaska, Trans-Alaska Pipeline System bisects acreage.

- ◆ **Fully funded drilling campaign**

2017 multi-well drilling campaign across portfolio.

- ◆ **Demonstrated commitment to shareholder value**

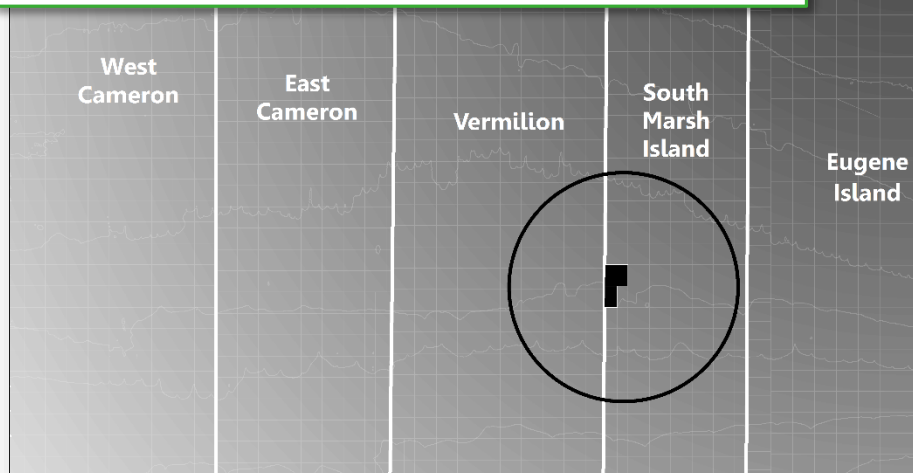
2015 delivered 6.4 cps in dividend/capital return. Prudent investment of capital to grow portfolio. Timing of asset acquisitions and divestments sets Otto apart.

Gulf of Mexico

Building a Production Base – Opportunity to repeat SMI-71 success

South Marsh Island 71

- ◆ Otto secured a multi-well farm-in transaction in December 2015
- ◆ Otto delivered maiden discovery in Gulf of Mexico in April 2016 – 2.2 MMboe 2P reserves booked
- ◆ Development underway for first oil in 2H 2017
- ◆ Opportunity to increase scale of project by testing B65 sand interval during development drilling – 2.3 MMboe Net Prospective Resource*



Business Growth

- ◆ Drilling option at Bivouac Peak in 2017 to test a 15.3 MMboe Gross Prospective Resource** target in a similar setting to SMI-71 discovery
- ◆ Otto is actively screening new business opportunities with similar characteristics to the SMI-71 discovery
- ◆ Gulf of Mexico shallow water needs capital – Otto uniquely positioned to secure new opportunities in current business cycle

*OEL ASX Release 7-Jul-2016
**OEL ASX Release 25-July-2016

Alaska North Slope

New seismic and adjacent drilling activity de-risks portfolio

Progress towards drilling continues

Otto's 2015 entry into the Alaska North Slope provides exposure to a high impact drilling program testing conventional plays adjacent to the largest oil fields in continental North America.

2016 Event Outline

1. Acquisition of 1,165 km² (450 mi²) of new 3D seismic complete with processing underway
2. Conventional prospect inventory developed – 7 drill ready prospects identified with further leads soon to reach prospect status
3. Interpretation of newly acquired 3D seismic to add to drilling portfolio
4. 5 locations already permitted for drilling within acreage
5. Well designs confirmed and rig options analysed
6. Alaskan Governor vetoed a number of appropriations in the 2016 State budget, including funding in 2016 for exploration tax credits. State has not denied the credits, merely deferred payment
7. Firm plans for winter drilling by adjacent operators (Armstrong Oil & Gas and 88 Energy) and recent success in Brookian plays (Caelus, Repsol/Armstrong)

Outcome

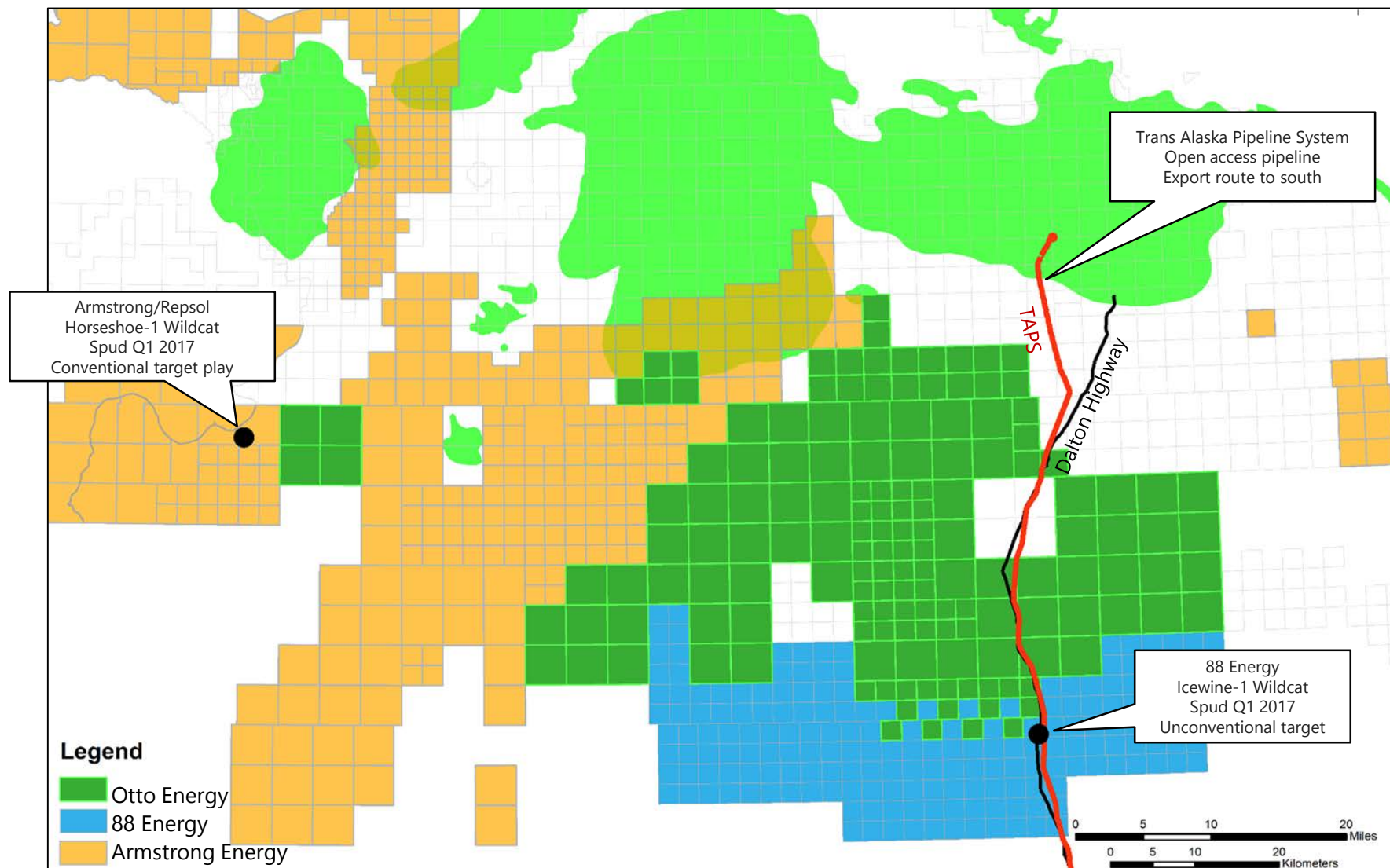
In consideration of the above, Otto advises that the earliest opportunity for the joint venture to spud a well will be during the summer months (July to September 2017). This would test a conventional opportunity (Raptor prospect, see following slides) adjacent to Dalton Highway on an already permitted drilling location.

Otto and JV Partner Great Bear Petroleum see this deferral of program as positive as it provides :

1. Additional time for the recently acquired 3D to be full interpreted and new prospects to be added to the current portfolio resulting in the best opportunities being drilled
2. Time for the Alaskan tax credit situation to be resolved
3. Time for results from adjacent operator drilling to be reviewed which will de-risk the Otto portfolio and focus future exploration efforts

Alaska North Slope

Early 2017 will see drilling of key plays in close proximity prior to Otto's first well



Raptor Prospect

Conventional toe-thrust anticline to be tested from all-weather drilling pad

High-graded for drilling

Delineated and matured as part of the 2015 merged 3D seismic interpretation

All-season rig access

The Raptor prospect is accessible year-round from a proposed drill location along the Dalton Highway.

STOIIP, mmstb

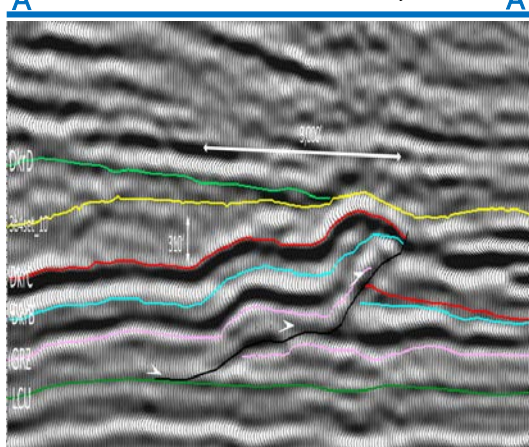
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Net Prospective Resource (*), MMbbl

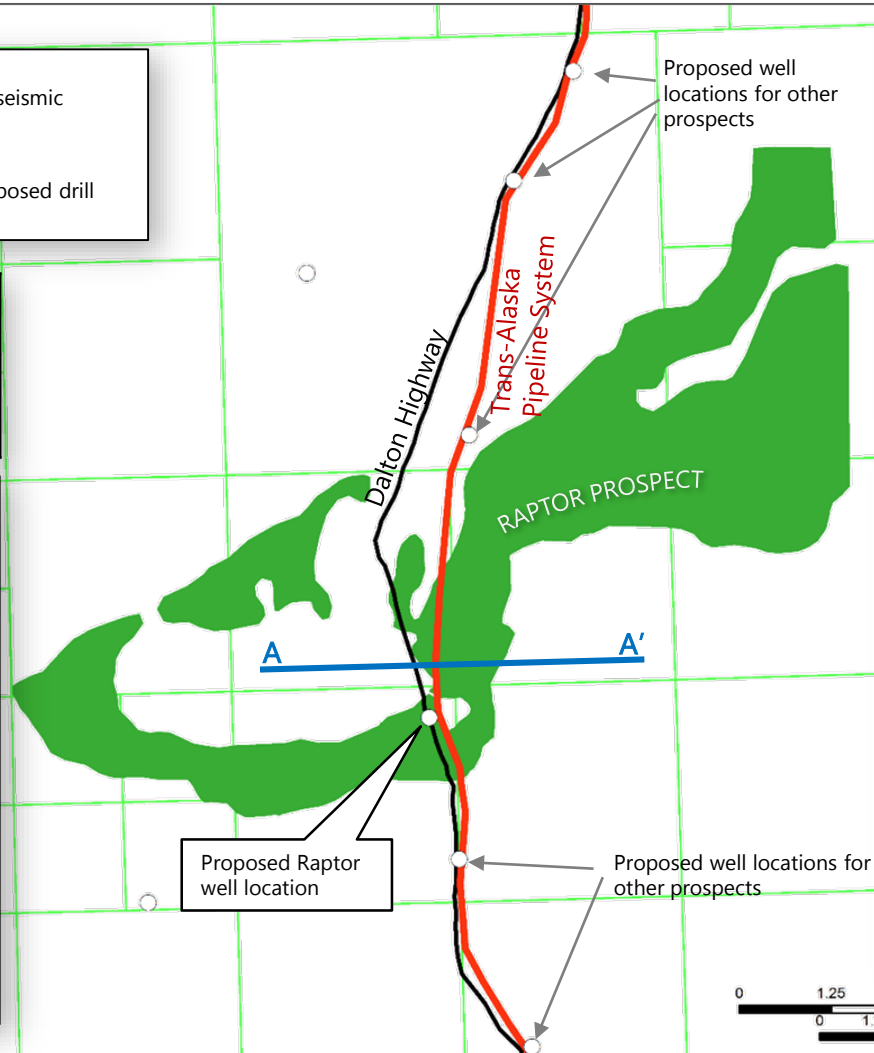
3-9-25
(Low-Best-High)
Representing Otto 10.8% WI

Ramp-flat thrusting

Inline section: Seismic reflectivity



Clearly imaged 4-way dip closed anticline, clear drill target



Trap

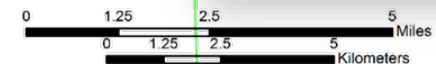
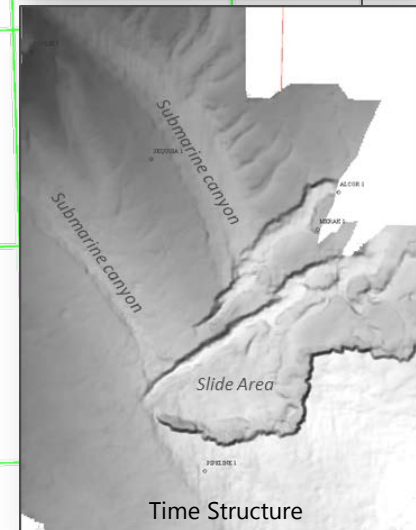
Compressional toe thrust anticlines at the head a deepwater toe-of-slope slide. Significant 4-way closures.

Reservoir

Two possible deepwater reservoirs deposited before the slide. Key uncertainty is sand distribution along thrust.

Charge

On migration route from mature oil kitchen. No prior well penetrations have been made in this play to confirm charge.



Tanzania

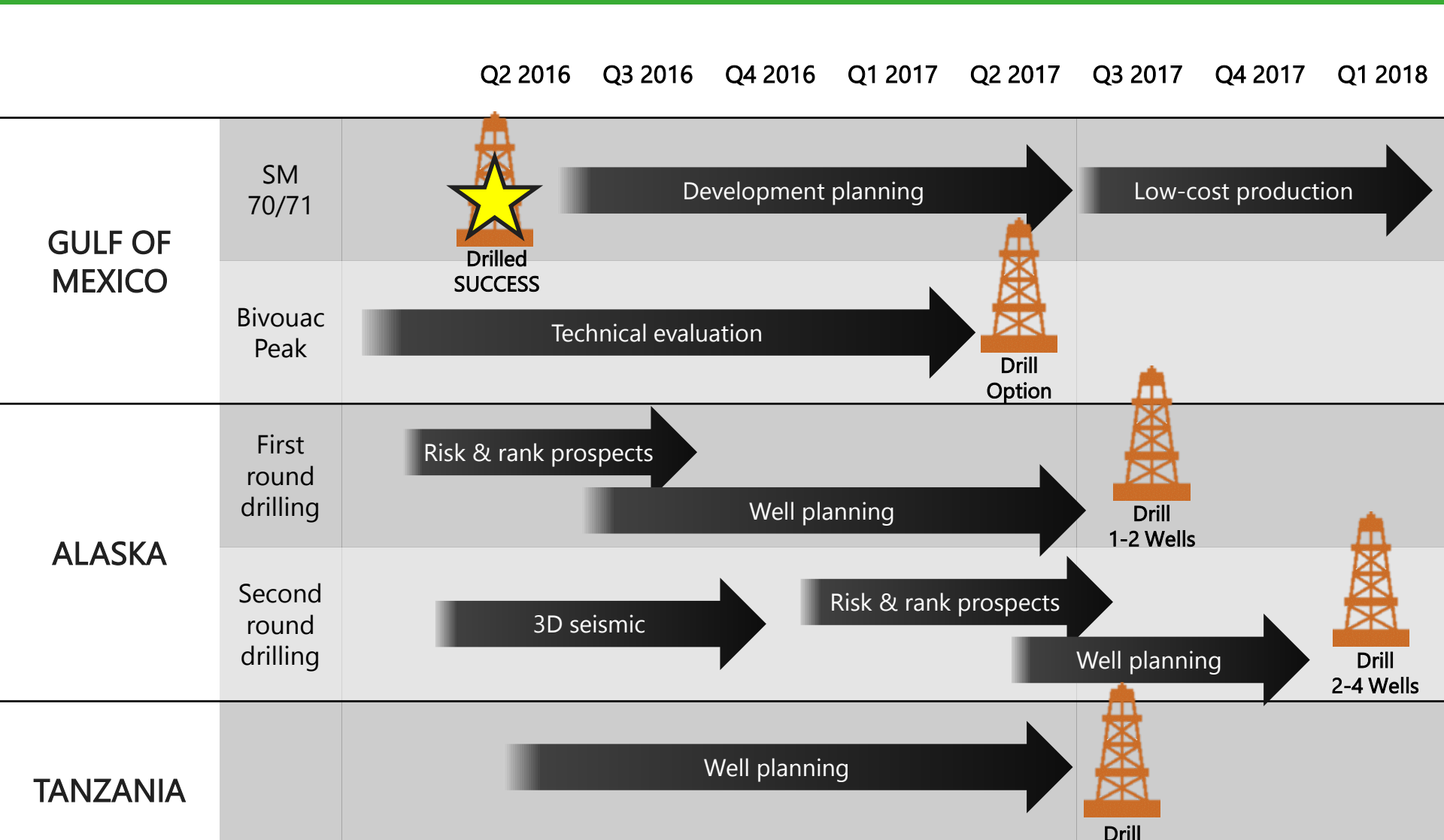
East African Rift System conventional oil – Kito #1 drilling update

- Kito #1 well planned to be drilled in the Kilombero Basin to test a Neogene aged frontier exploration prospect
- Drilling now deferred from 2016 due to delay in receipt of key permits to allow access to drilling site
- Currently awaiting approval from Tanzanian Petroleum Development Corporation (TPDC) and Ministry of Energy and Minerals (MEM) to extend work program from current February 2017 deadline
- In July 2016, Otto issued various default notices to Operator including failure to satisfy the joint venture of its solvency
- Operator has issued a default notice to Otto and Tata Petrodyne for failure to pay July 2016 cash calls of US\$240,000 (OEL share 50%) – Otto notes this may be defective
- Otto has executed a farm-down to MV Upstream of its interest in the Kilosa-Kilombero licence that is pending due to delay in drilling and subject to resolution of the joint venture issues outlined above
- Otto commenced legal action against Swala Energy Ltd (and associates) for breach of an agreement to jointly farm-down the Pangani licence in 2015. The matter is proceeding in the Federal Court of Australia.

Outcome

JV issues need to be resolved before drilling planning can re-commence.

Activity Timeline



Additional Information

Otto Energy Ltd

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West Perth

Western Australia 6005

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Corporate Snapshot



Capital Structure

Fully paid ordinary shares	1.181b
Unlisted options ¹	8.0m
Performance Rights	14.7m
Market capitalisation ²	A\$47m
Cash (Sept 2016)	US\$18.8m
Debt (Sept 2016)	US\$0m

Shareholders

Molton Holdings	20.5%
Santo Holdings	20.5%
Directors & Management	2.2%
Shareholders	4,785

12 Month Turnover = 55.16% of issued capital
Average daily volume last 12 months = 2,566 million shares/day

¹. Exercisable at 5.49 cents per share.

². Undiluted at 4.0 cents per share as at 11 November 2016

Experienced Board & Management Team

Board of Directors



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

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



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

Executive Technical Director of Pathfinder
Energy Pty Ltd. Former executive positions
with Shell & Woodside in exploration
roles.



Ian MacIver – Non-Executive Director.
BComm, FCA, SF Fin, FAICD

Managing Director Grange Consulting.
Non-Executive Chairman of Western
Areas.

Senior Management



Matthew Allen – Managing Director & CEO.
BBus, FCA, FFin, GAICD

Global exposure to the upstream oil and gas industry with
over 15 years experience in Asia, Africa, Australia and Middle
East. Previous senior roles with Woodside over 9 year period.



**Paul Senycia – 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.



Matthew Worner – Commercial Manager. BBus LLB

Commercial lawyer with experience in international oil and
gas venture acquisitions, government and JV liaison and
commercial transaction across Africa, Australia and Asia.
Previous roles at Pura Vida, Rialto, Tap Oil, Steinepreis
Paganin and Phillips Fox.

Disclaimer

This presentation does not constitute an offer to sell securities and is not a solicitation of an offer to buy securities. It is not to be distributed to third parties without the consent of Otto Energy Limited (the “Company”).

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.

Competent Persons Statement

The information in this report that relates to oil and gas resources in relation to Alaska was compiled by technical employees of Great Bear Petroleum, the Operator of the Alaskan acreage, and subsequently reviewed by Mr Paul Senycia BSc (Hons) (Mining Engineering), MAppSc (Exploration Geophysics), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Senycia is a full time employee of the Company, with more than 30 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE). The resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Senycia. Mr Senycia is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The reserve and contingent resource information in this report in relation to Tanzania is based on information compiled by Mr Paul Senycia BSc (Hons) (Mining Engineering), MAppSc (Exploration Geophysics), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Senycia is a full time employee of the Company, with more than 30 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE).

The reserve and contingent resource information in this report in relation to SMI70/71 is based on information compiled by technical employees of independent consultants Collarini and Associates, under the supervision of Mr Mitch Reece BSc PE. Mr Reece is the President of Collarini and Associates and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Evaluation Engineers (SPEE), Society of Petroleum Engineers (SPE), and American Petroleum Institute (API). The reserves and resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves and resources information reported in this Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Reece. Mr Reece is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The reserve and contingent resource information in this report in relation to Bivouac Peak is based on information compiled by Mr William Sack (BSc. Earth Sci./Physics, MSc. Geology, MBA), an Executive Director of Byron Energy Limited. Mr William Sack is a member of American Association of Petroleum Geologists. The reserves and resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves and resources information reported in this release are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Sack. Mr Sack is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Prospective Resources

Prospective resource estimates in this presentation are prepared as at June 2016. The resource estimates have been prepared using the internationally recognised Petroleum Resources Management System to define resource classification and volumes. The resource estimates are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at www.spe.org. The estimates are un-risked and have not been adjusted for both an associated chance of discovery and a chance of development.

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.

Reserves cautionary statement

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward looking estimates.