ASX : OEL

121 OIL AND GAS CONFERENCE

Gulf of Mexico Shelf oil and gas explorer/producer

Matthew Allen, Managing Director and CEO

30-31 October 2017

OTTO ENERGY

STOP PRESS – LATEST NEWS

- ❑ ST 224 exploration well drilling now – at target interval mid-December
- ❑ ST 224 surface casing set, BOP's installed and at 1,637 feet MD
- ❑ SM 71 drilling will test 5.7MMboe (gross) prospective resource in December
- ❑ SM 71 development on schedule for first production by January 2018
- ❑ A$8.5m heavily oversubscribed placement completed in October 2017
- ❑ Secured ST 235 acreage adjacent to ST 224 exploration lease

OTTO ENERGY

A$8.5m Placement Completed in October 2017

Heavily oversubscribed placement to institutional and sophisticated investors

Offer Structure:
Priced at A$0.035 per share

	No.	A$
Tranche 1 (Institutional and Sophisticated Investors)	236,857,143	$8.3m
Tranche 2 (Directors)	6,142,857	$0.2m
Total Placement	243,000,000	$8.5m
Ordinary Shares on Issue (pre-raise)	1,186,298,324	
Ordinary Shares on Issue (post-raise)	1,429,298,324	

Note: Tranche 2 requires shareholder approval at the AGM scheduled for 29 November 2017.

- First equity raise by Otto since 2009.
- Placement was well supported by directors, existing shareholders and new institutional/ sophisticated investors and was heavily oversubscribed.
- Share Purchase Plan to be available to existing shareholders until 17 November 2017.
- Placement to be used to fund:
  - SM71 two well development
  - Drilling of the ST224 exploration well
  - Additional growth opportunities which may include
    - Third well at SM71
    - Fast-track development at ST224
    - Drilling Bivouac peak prospect
    - New GoM prospects
    - Exploration drilling in Alaska

OTTO ENERGY

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 Macliver – 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, USA, 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, USA, South East Asia & Africa. Previous roles at Oilex (Exploration Manager), Woodside Energy (Head of Evaluation) and Shell International.

David Rich – Chief Financial Officer & Company Secretary.
BCom. FCA, GAICD, Grad.Dip.CSP AGIA
Experienced public company CFO with the last 15 years as CFO of upstream oil and gas companies with international interests including in Australia, Asia and the USA.

Extensive oil and gas industry and ASX listed company backgrounds with small company experience and approach.

OTTO ENERGY

Pathway into North America portfolio

Gulf of Mexico delivers high margin projects at low oil prices

Executed sale of interest in Galoc, Philippines

Sold working interest for US$108 million valuing interest at US$32.70 per bbl in the ground.

Delivered AUD 6.4 cents cash per share to shareholders

Returned A$74.5 million to shareholders via capital return and dividend.

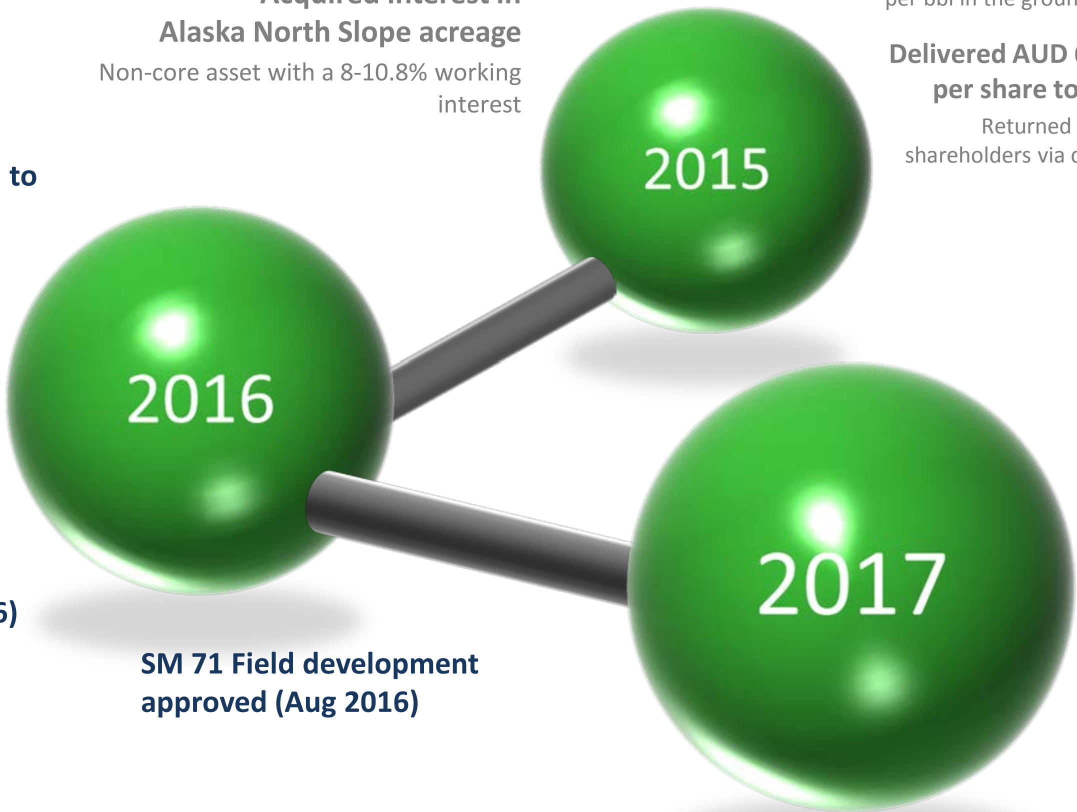
Acquired interest in Alaska North Slope acreage

Non-core asset with a 8-10.8% working interest

Secured multi-well farm in to Gulf of Mexico (Dec 2015)

First discovery in SM 71 #1 (May 2016)

Bivouac Peak farm-in option secured (July 2016)



SM 71 Field development approved (Aug 2016)

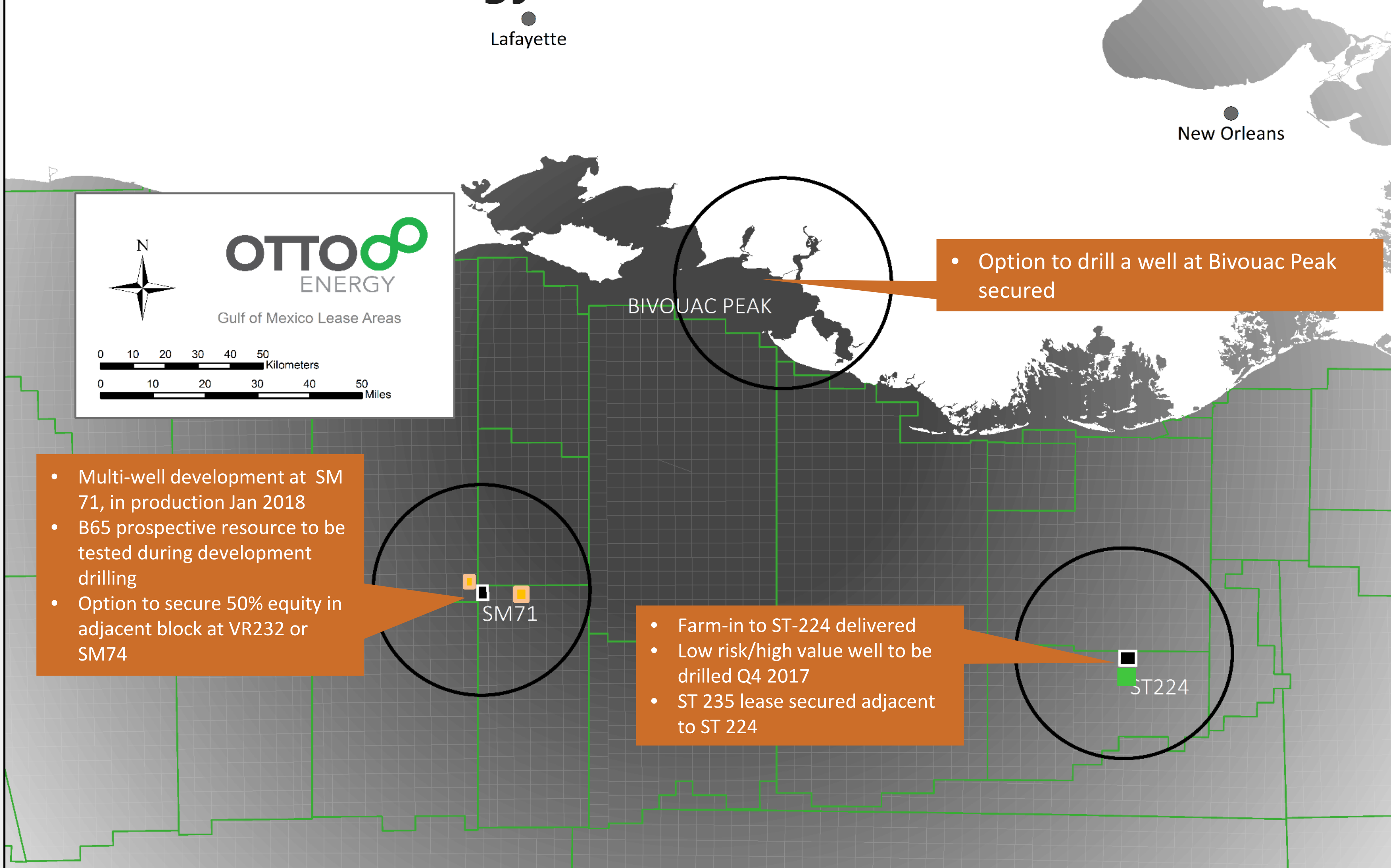
ST 224

Secured farm-in to drill amplitude supported gas/condensate prospect in Q4 2017 (July 2017)

SM 71 field facilities installation, commissioning and drilling in Q4 2017 for first oil in Jan 2018

Test potential upside in B65 sand during drilling

Otto Energy's Gulf of Mexico Portfolio



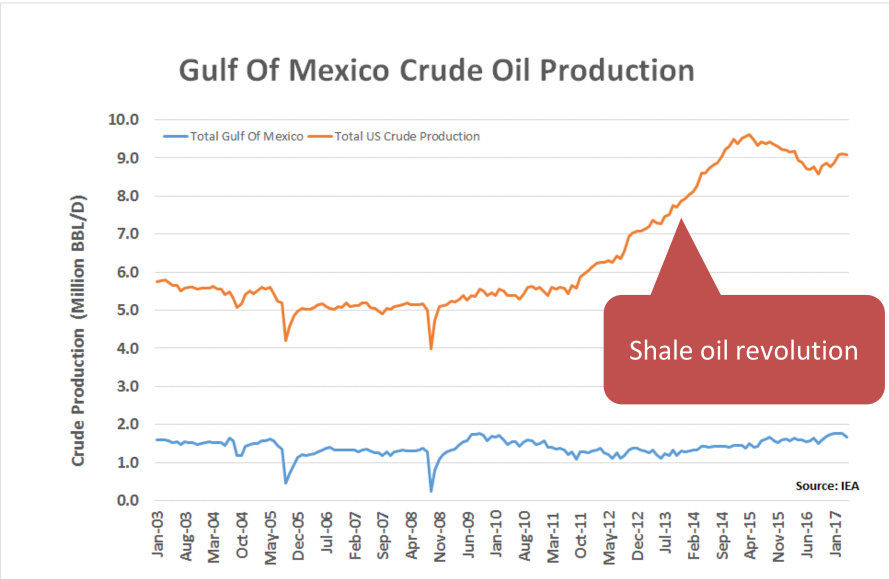
- Option to drill a well at Bivouac Peak secured

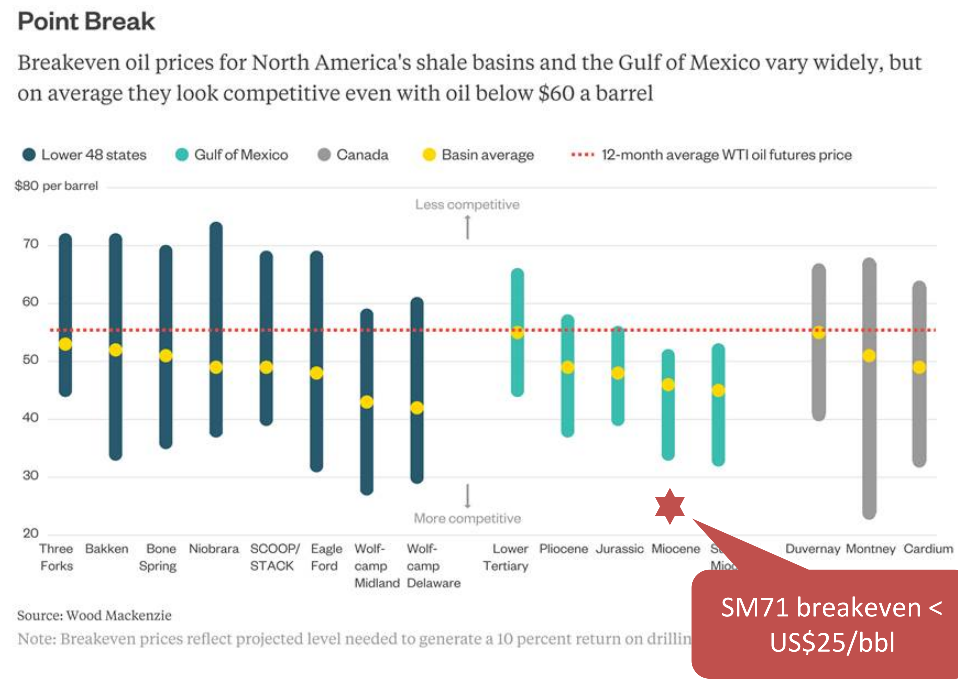
- Multi-well development at SM 71, in production Jan 2018
- B65 prospective resource to be tested during development drilling
- Option to secure 50% equity in adjacent block at VR232 or SM74

- Farm-in to ST-224 delivered
- Low risk/high value well to be drilled Q4 2017
- ST 235 lease secured adjacent to ST 224

Gulf of Mexico Shelf counter-cyclical play

Limited investment in US conventional exploration – mature province yielding new discoveries

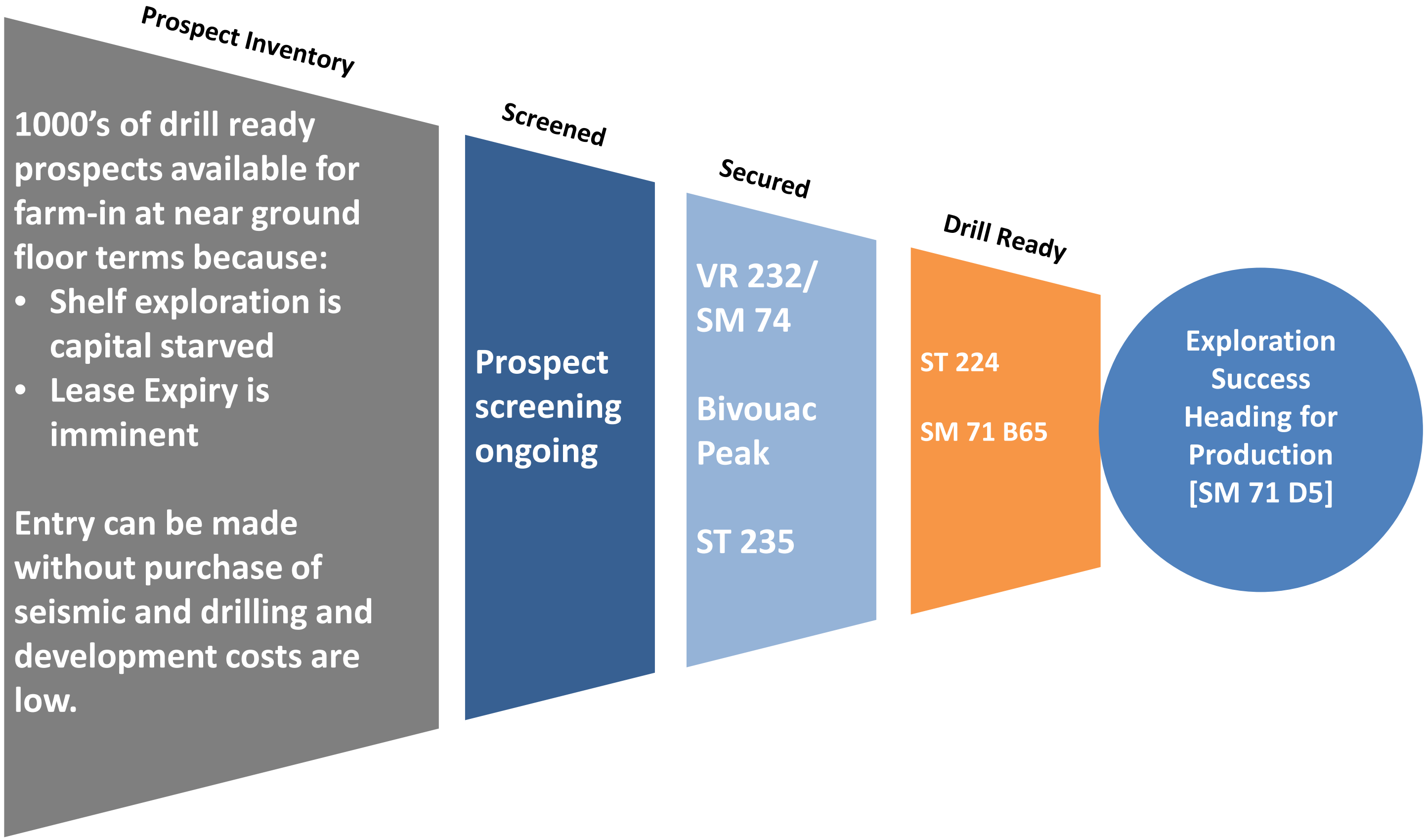




- Gulf of Mexico is a mature oil and gas province – producing since 1950's
- Currently produces ~ 2 MM bbl/day
- Shift from shelf to deepwater investment in the past 10 years
- Majors have exited the shelf chasing scale – room for small players
- Technology has improved ability to discover and develop overlooked opportunities in particular RTM seismic data processing.

- Over US$21.4 billion in Permian shale M&A transactions in Q1 2017
- Entry price for Permian prohibitive for junior oil and gas companies
- Conventional GoM shelf oil and gas is still economically attractive compared to shale
- Permian is now the marginal barrel in setting global oil prices

Our Growth Strategy



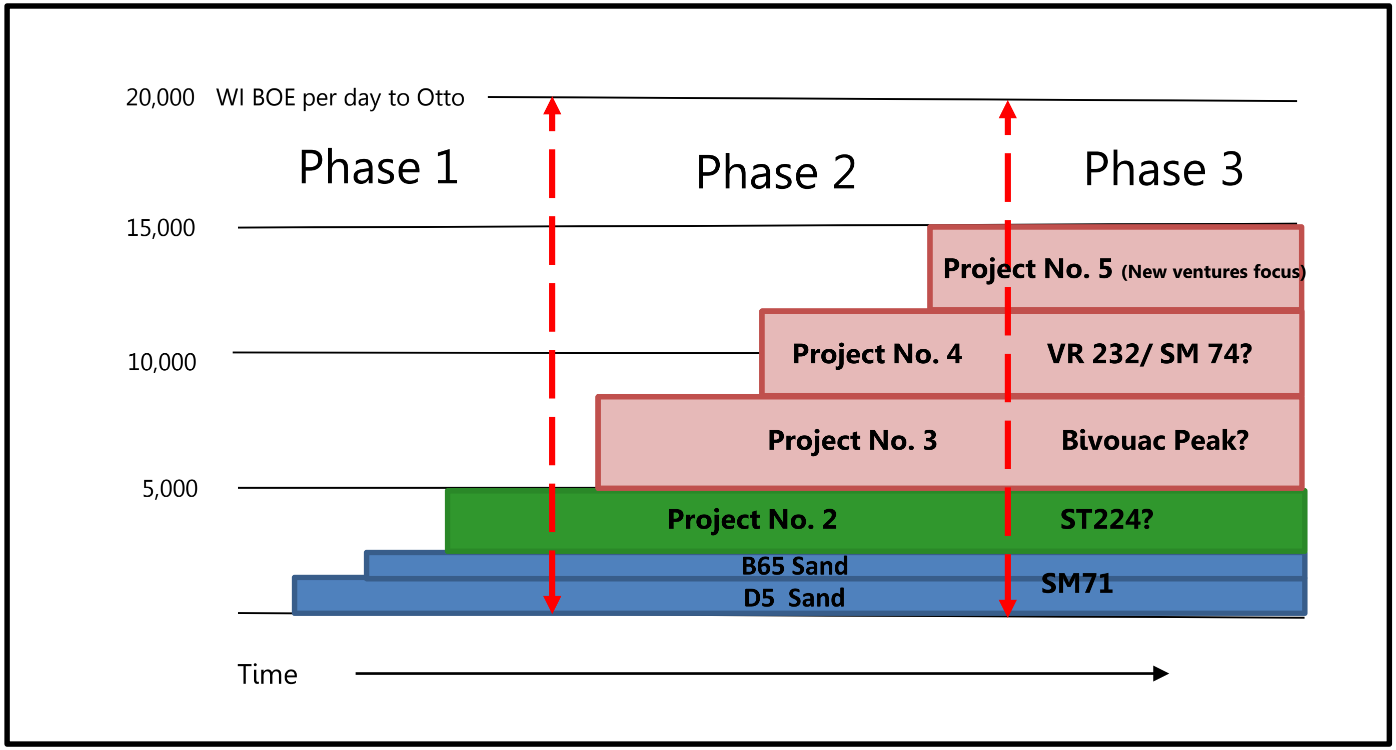
- Non-Operatorship reduces our exposure to financial and operational risk
- Organisation is kept lean – no money or time spent on acquiring acreage and seismic
- Successfully partner with competent and proven prospect generators and operators
- Go straight to drilling the highest quality drilling opportunities

Otto’s Gulf of Mexico Strategy

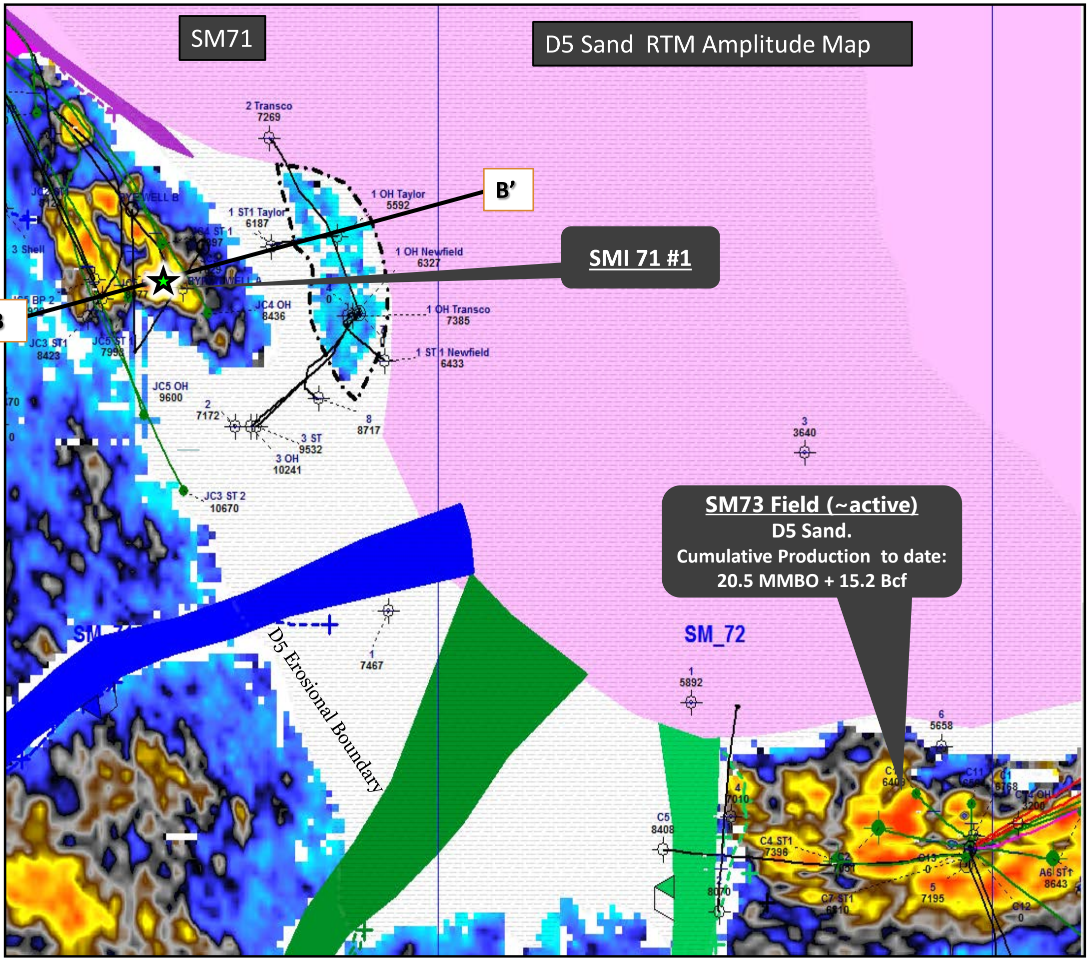
Targeting a portfolio of high margin, high chance of success and near term production assets

Focus on prospects with the following characteristics:

- Miocene/Pliocene geology which are amplitude supported
- Investing capital into drilling, not seismic
- Seeking early cashflow/ROI - ~12-18 months from exploration to production
- Shallow water (<300 feet, jack-up drilling rig) – keeping capex manageable
- High liquids yields to increase margins



South Marsh Island 71(SM 71) – D5 Sand Discovery



- Production expected to commence in **Jan 2018**
- Initial projected flow rates over **1,500 bbls/day per well (2 well initial dev)**
- SM 71 #1 well logged **151' TVT** oil pay in the I3, J, D5 and D6 sands
- SM 71 discovery made possible through use **of RTM seismic technology**

- **Otto Energy** 50% WI
- Byron Energy 50% WI (operator)

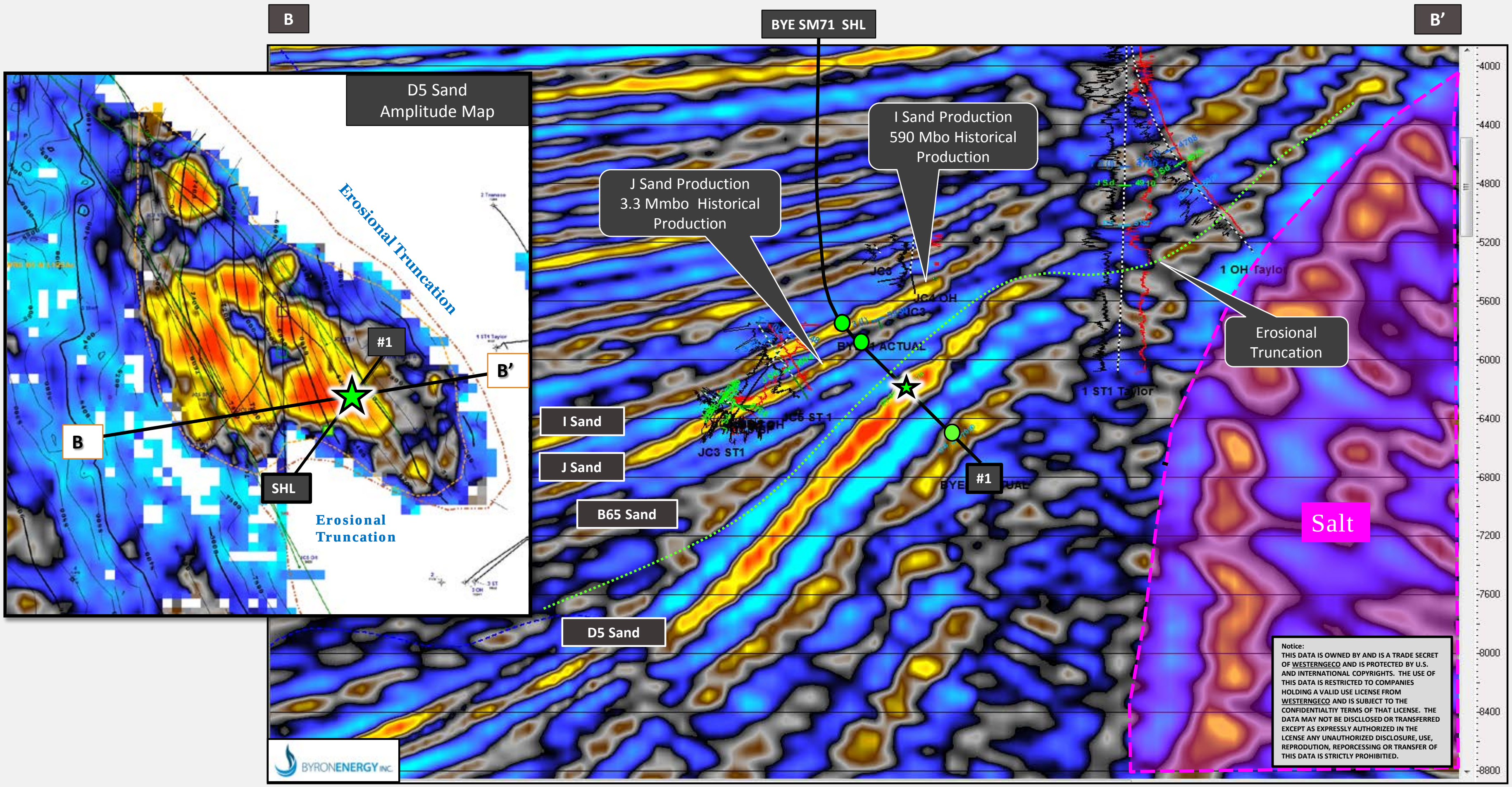
SM71 Gross Reserves*	Oil (Mbbl)	Gas (MMcf)
1P	1,432	994
2P	4,990	3,599
3P	6,318	4,516
Prospective Resources	5,029	4,899

** As at 30/06/2016; Collarini and Associates report dated 20th July 2016; refer ASX releases dated 20/07/2016*

BYRONENERGY

Note this slide sourced from Byron Energy presentation dated 14 August 2017. Refer to Slide 22 for updated Reserve and Resource information.

SM71 Byron #1 Well I, J, D5 & D6 Hydrocarbon Sand Intersections



BYRONENERGY 12

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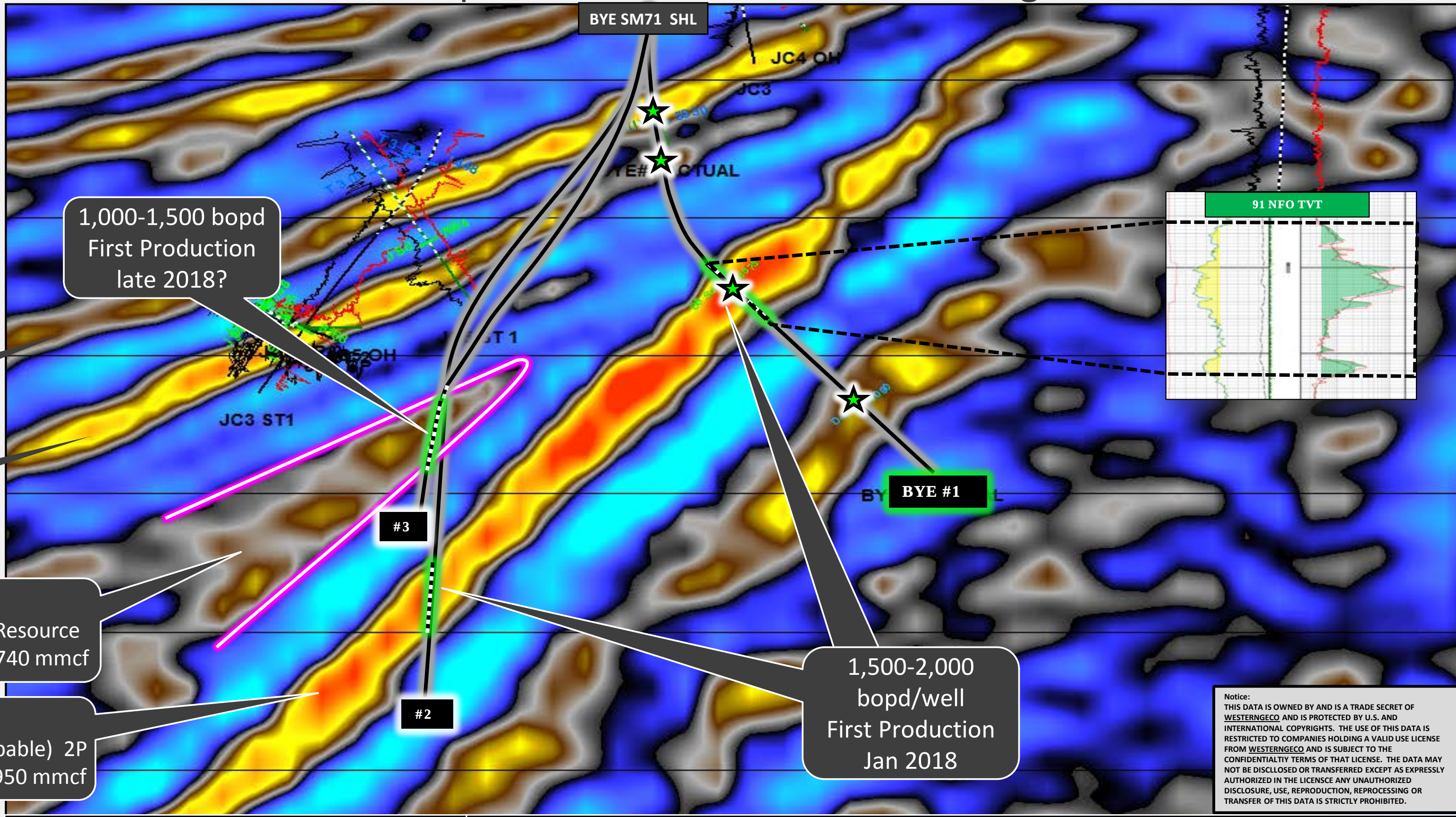
SM71 Development: 3 Well Scenario
Conceptual Well Placement and Timing



2017						2018								
July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Platform Completion				Complete #1 D5 Drill #2 D5 Acceleration		First Production D5 (2Wells)	First Cash Flow #1 & #2 D5		Preparations for further development drilling B65?					

BYRONENERGY

** As at 30/06/2016; Collarini and Associates report dated 20th July 2016; refer ASX releases dated 25/07/2016 and 28/09/2016*

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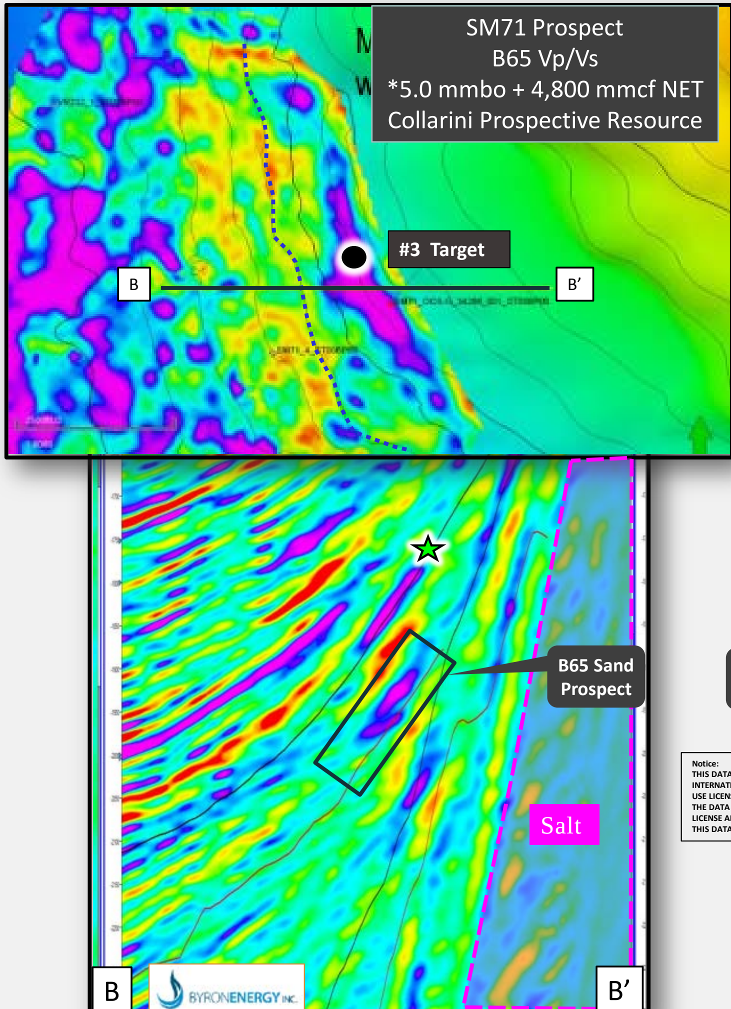
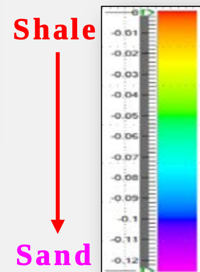
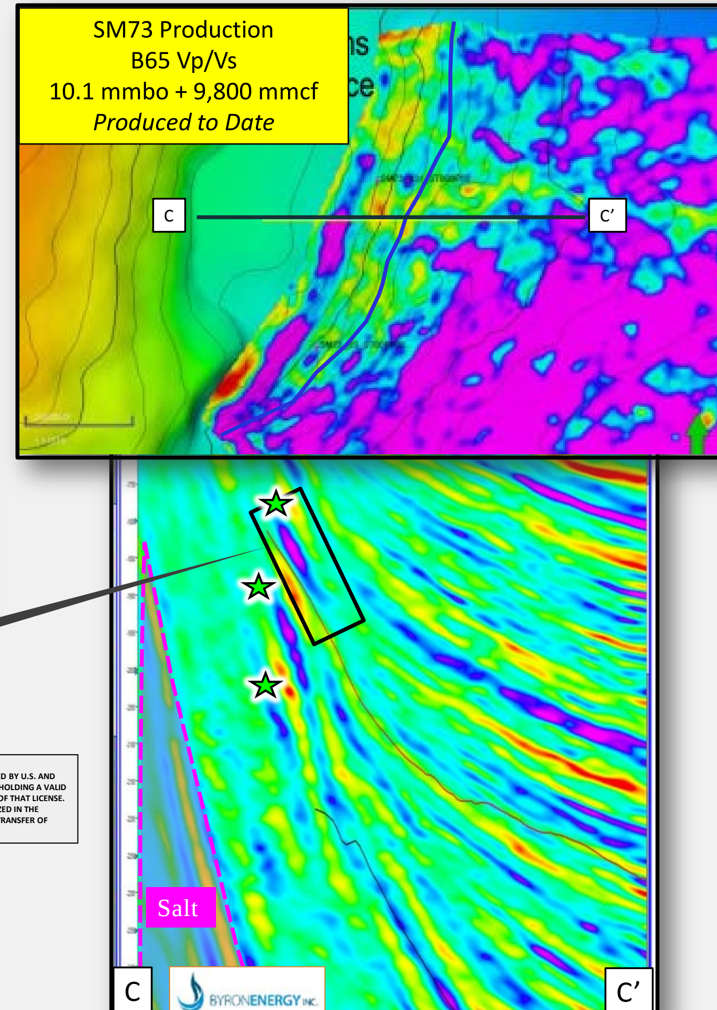
SM71 – B65 Sand – Comparison of Prospect to Production



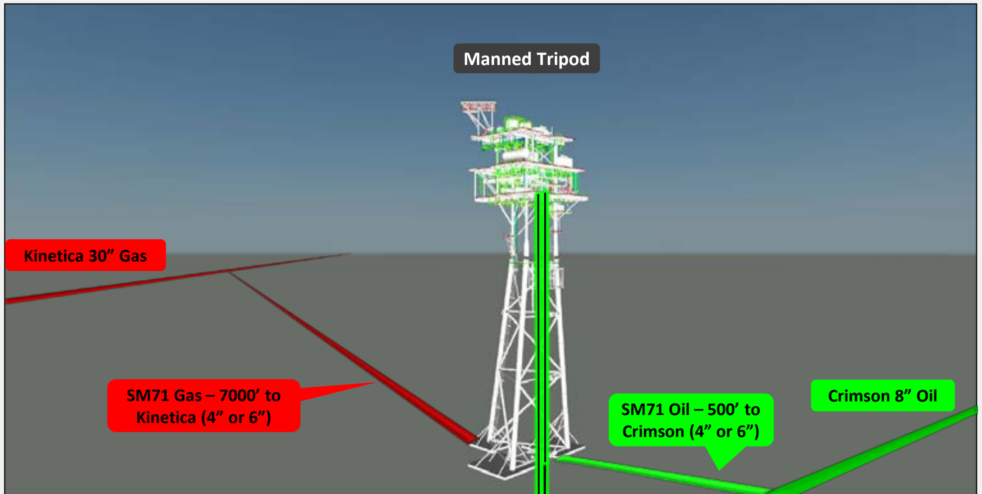


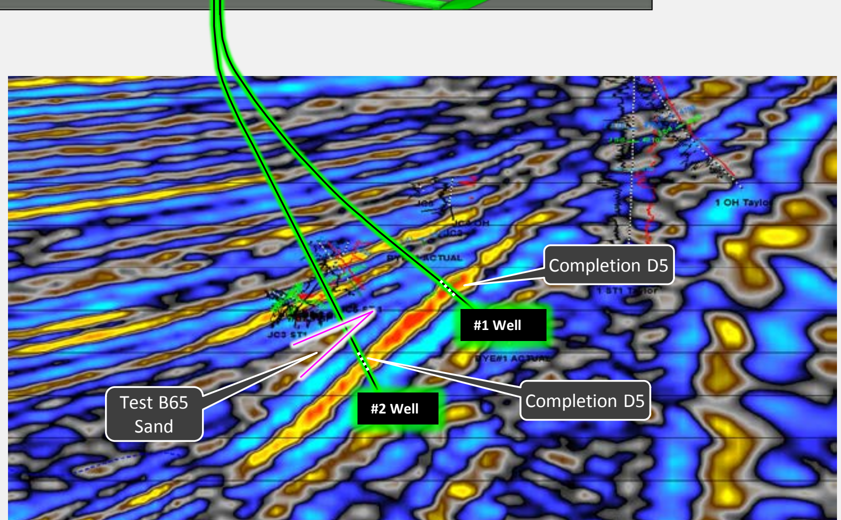


BYRONENERGY

** As at 30/06/2016; Collarini and Associates report dated 20th July 2016; refer ASX releases dated 25/07/2016 and 28/09/2016*

South Marsh 71
Development plan





Manned Tripod
Robust oil and gas throughput to handle future exploration success
6 x well capacity

Oil
4,500 Bopd from wells on SM71
15,000 Bopd throughput

Gas
20,000 Mcfpd from wells on SM71
75,000 Mcfpd throughput

Water
5,000 Bwpd

Complete Manned Tripod
Expected completion Sep 2017
Lift boat delivery to SM71 location Oct 2017

Drilling rig arrives Nov 2017 Departs Jan 2018
Complete the **#1 Well** in D5 Sand
Drill the **#2 Well** to test the **B65 Sand** and complete in D5 Sand

Pipeline work to be completed by Nov 2017
Build and connect (4"or 6") 500' oil pipeline to Crimson 8" oil line
Build and connect (4"or 6") 7,000' gas pipeline to Kinetica 30" gas line

First production Jan 2018
Oil and gas production expected to commence Jan 2018 from the #1 & #2 wells at a combined rate between **3,000 – 4,000 barrels** of oil per day
Fixed low cost **contract operations**

BYRONENERGY

South Marsh Island 71 (SM 71)

Otto's first GoM shelf discovery – production to start Jan 2018

Construction progress on tripod platform and production equipment

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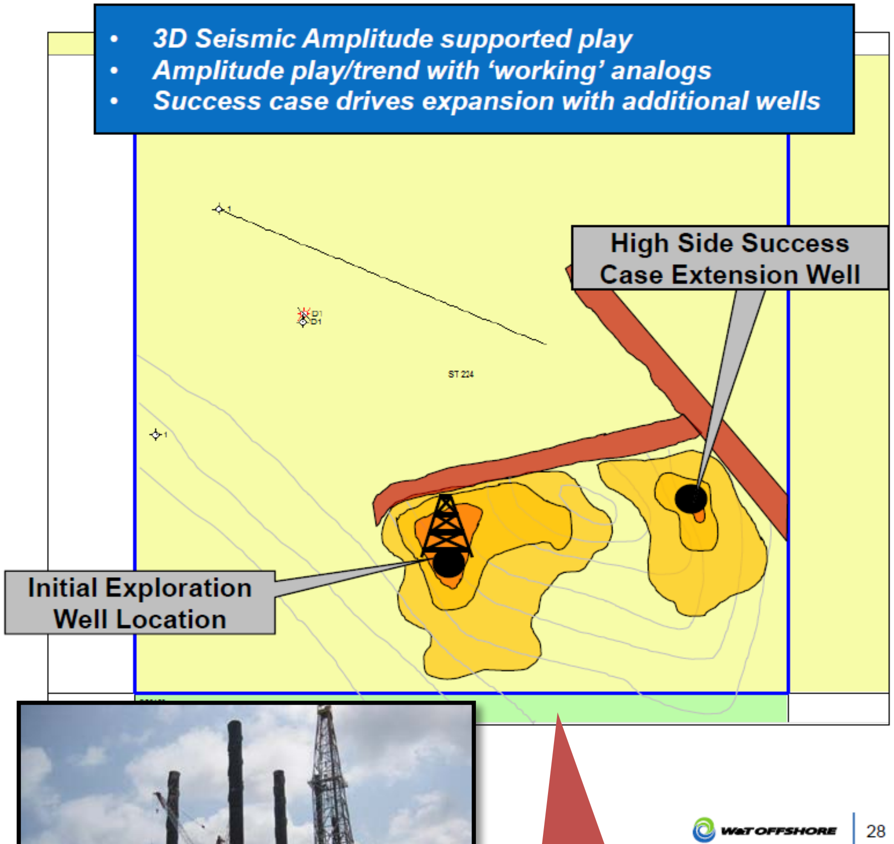
South Timbalier 224 (ST 224)

Amplitude supported, gas/condensate prospect currently drilling – at target mid-December



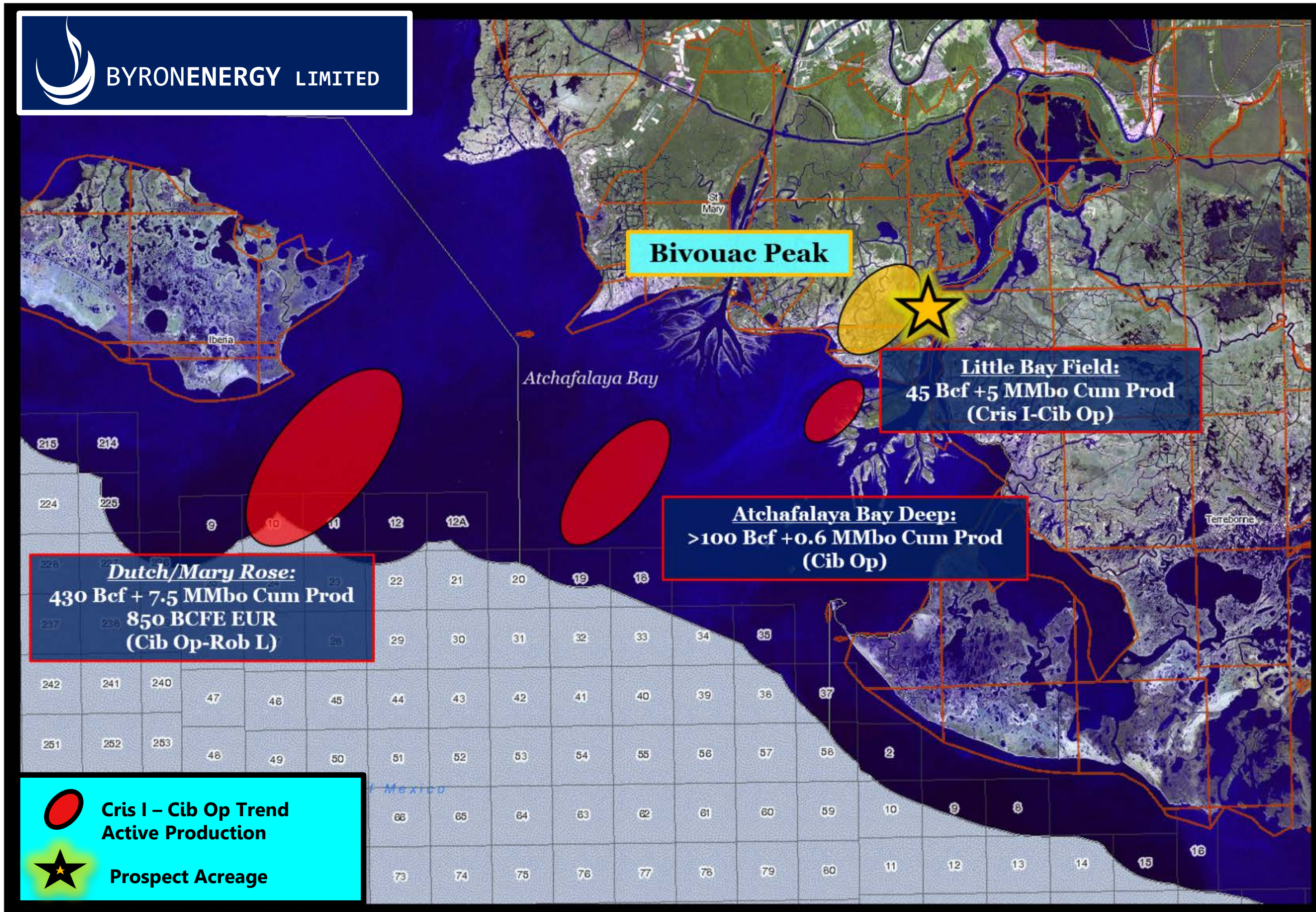
ST 235 secured in October 2017

Enterprise 264 jack-up drilling rig

ST224 Prospect	
JV Partners	W&T Offshore (operator) 39% Otto Energy 25% Houston Energy 11% Other private US company 25%
Reservoir type/target	• Upper Pliocene – Bul 1 trend amplitude supported gas/condensate prospect • Modern 3D seismic coverage • Nearby analogues contain high CGR – high liquids projects deliver higher margins
Objective Depth	10,800 feet (TVD)/11,439 feet (MD) At 1,637 feet TVD/MD, BOP installed, ready to drill ahead (as at 25 October 2017)
Water depth	170 feet
Prospective Resource	Gross: 14.3 – 18.2 – 22.7 MMboe Net: 3.6 – 4.5 – 5.6 MMboe (Low – Mid – High)
Drilling program	• Enterprise 264 contracted and currently mobilising to drilling location. • Expect 55 days of drilling and evaluation. • Otto exposure US$2.7m to drilling costs.
Development options	• ST224 #1 in success case will be suspended for production. ST 235 secured adjacent with additional drilling potential. • Multiple production platforms in tie-back range. • JV is planning for first production by 2H 2018.

Bivouac Peak

Onshore Louisiana gas/condensate prospect to be drilled in 2018 – 20.5MMboe WI Prospective Resource



Note: Otto will earn interests in the above resources volumes by participating in wells. The estimated quantities of petroleum that may potentially be recoverable by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

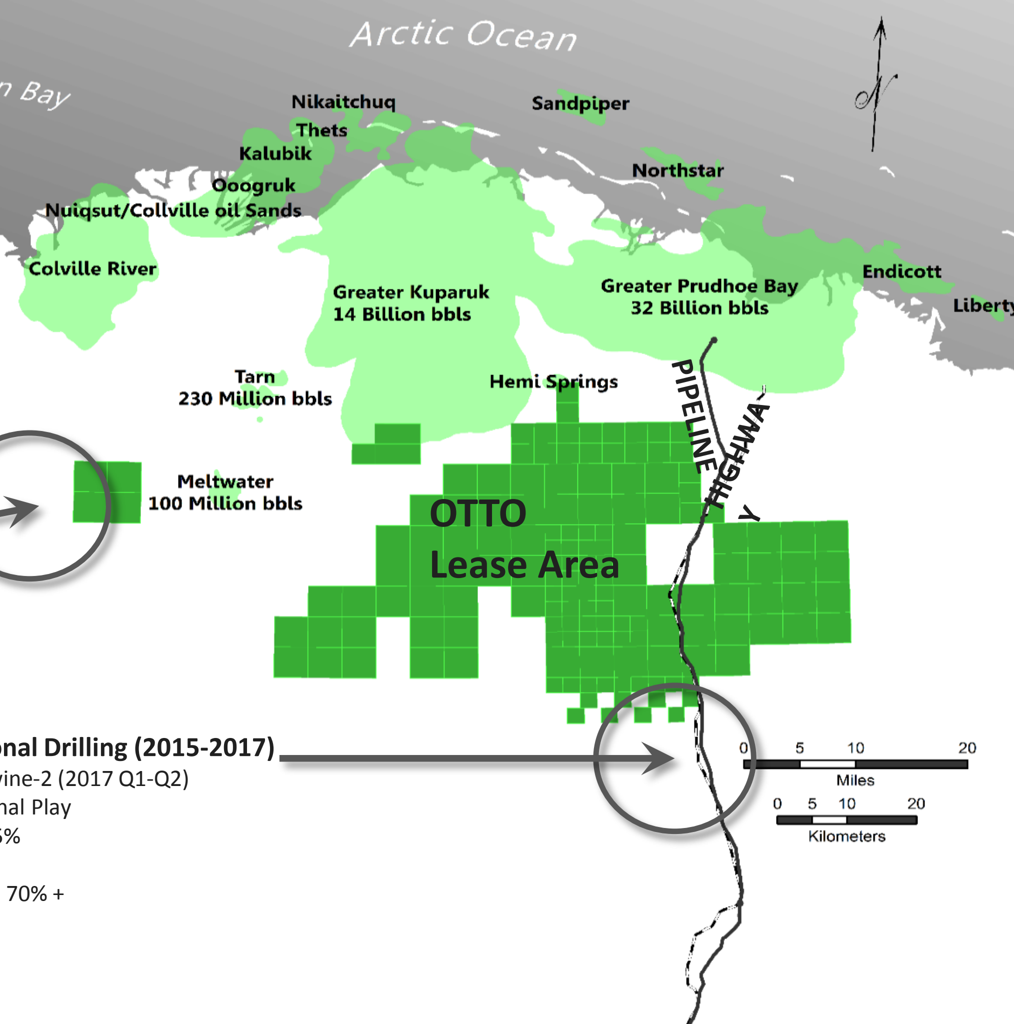
Alaska North Slope

New conventional discoveries add to prospectivity of this prolific region

Caelus Smith Bay Conventional Discovery (Oct 2016)
- Caelus-Tulimaniq #1 & step-out Caelus-Tulimaniq #2
- Brookian submarine fan play
- 183ft & 223ft net oil pay
- Estimated 1.8 to 2.4 billion barrels recoverable light oil
- Potential rate estimated at 200,000 barrels of oil per day

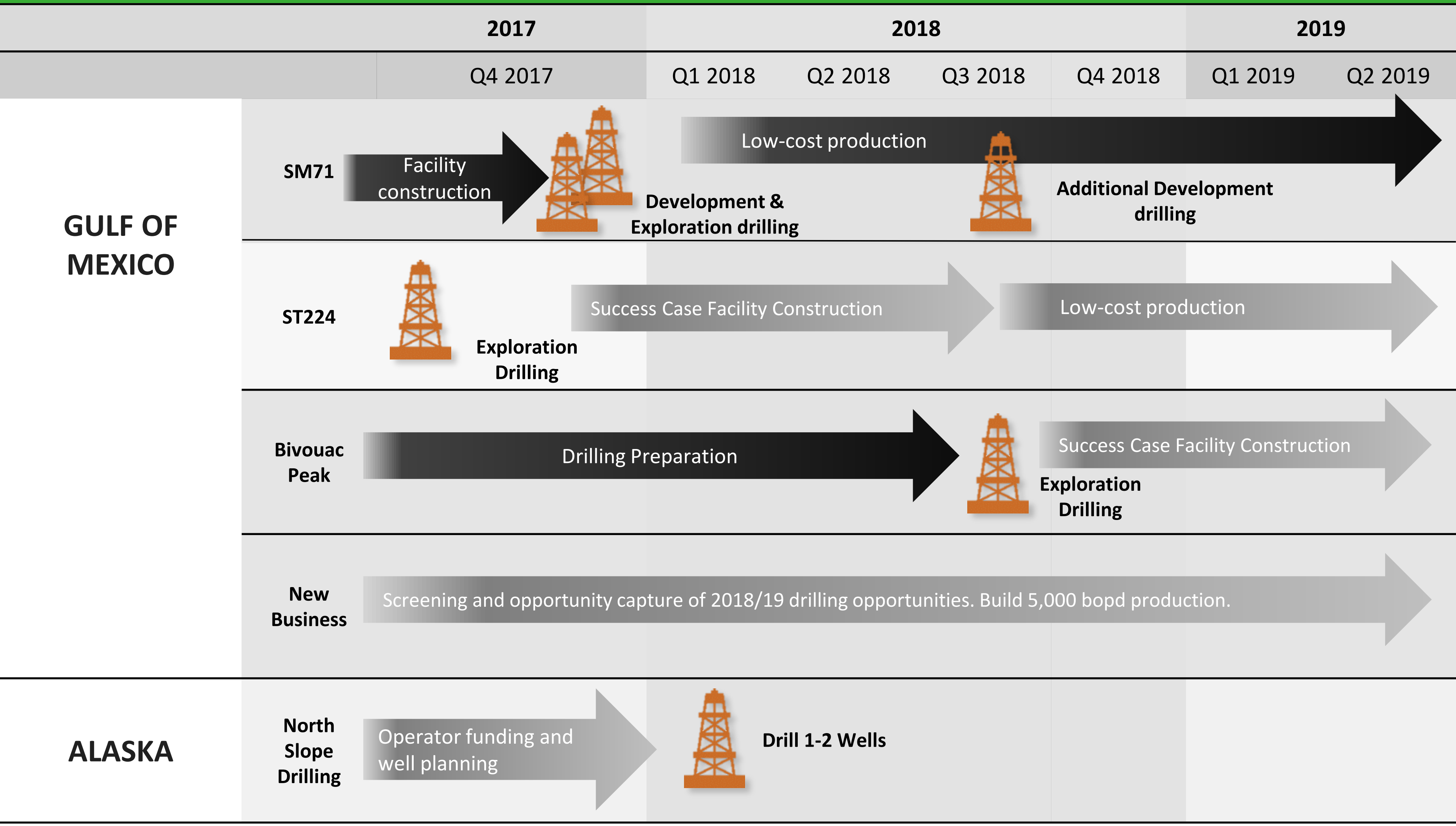
ConocoPhillips Willow Conventional Discovery (Jan 2017)
- Tiŋmiaq-2 & Tiŋmiaq-6
- Nanushuk formation (Brookian topset play)
- 72ft & 42ft of net oil pay
- Approximately 300 million barrels recoverable light oil
- Potential rate up to 100,000 barrels of oil per day

Repsol/Armstrong Conventional Discovery (Mar 2017)
- Horseshoe-1 & Horseshoe-1A
- Nanushuk formation (Brookian topset play)
- 150ft & 100ft net oil pay
- Approximately 1.2 billion barrels recoverable light oil
- Potential rate approaching 120,000 barrels of oil per day

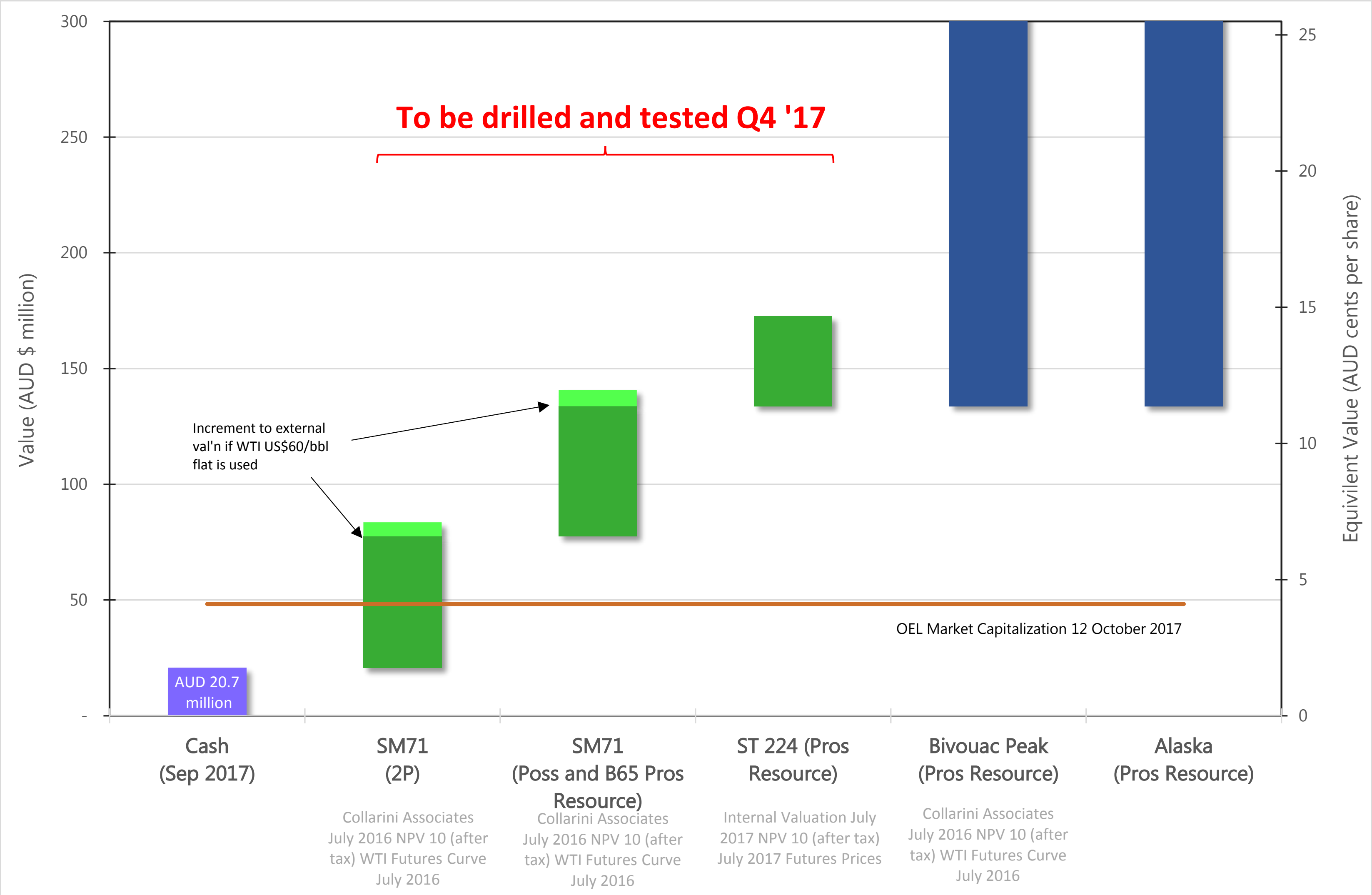


88 Energy Unconventional Drilling (2015-2017)
- Icewine-1 (2015) & Icewine-2 (2017 Q1-Q2)
- HRZ Shale Unconventional Play
- 180’ net pay, TOC av 3.5%
- Effective Porosity 11%
- Hydrocarbon saturation 70% +

Activity Driving Value Growth



Significant Value Upside in Coming Three Months



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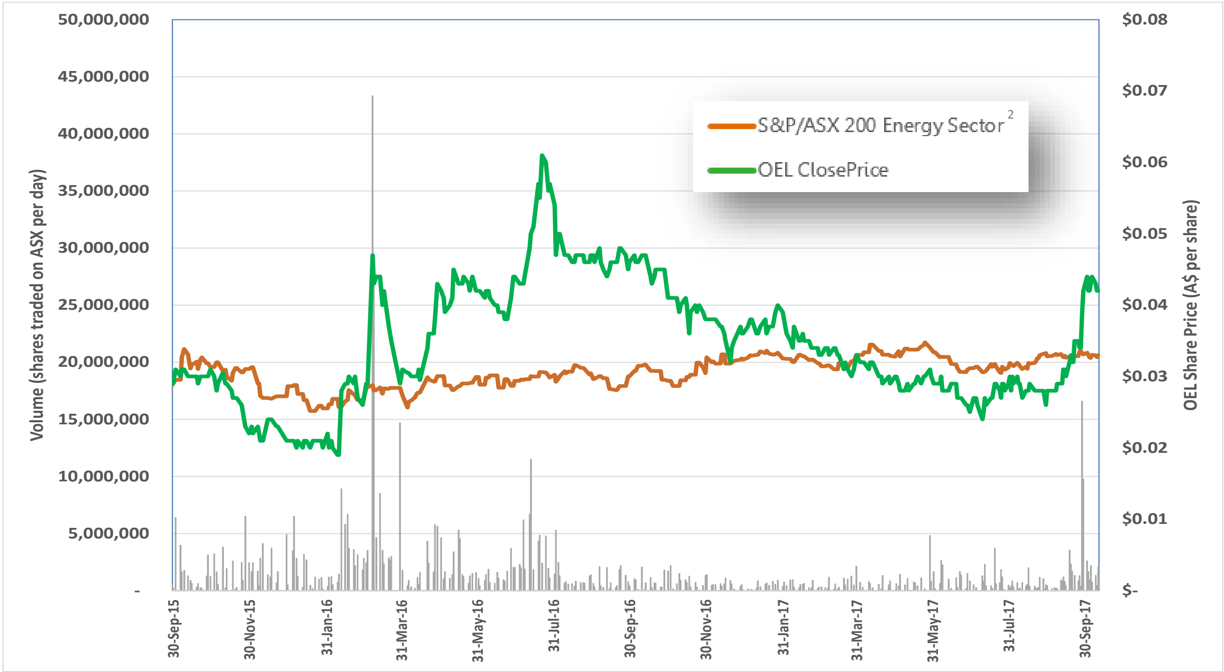
Corporate Snapshot – pre-placement



Capital Structure	
Fully paid ordinary shares	1.186b
Unlisted options	Nil
Performance Rights	7.7m
Convertible Notes (US$1 per note)[3]	8.2m
Market capitalisation[1]	A$50m

Funding Position	
Cash (30 Sep 2017)	US$16.2m
Convertible Note Liability (repayable 30 June 2019) [3]	US8.2m
Debt (30 Sep 2017)	Nil

Shareholders	
Molton Holdings	20.4%
Santo Holdings	20.4%
Directors & Management	2.4%

Annualised Turnover = 55.32% of issued capital
Average daily volume last month = 2.380 million shares/day

1. *Undiluted at 4.2 cents per share as at 11 October 2017*
2. *ASX 200 Energy Index normalized to 30 September 2015 OEL share price*
3. *Convertible note issue for US$8.2m announced 29 May 2017, issued 2 August 2017. Conversion price of 5.5 cps, maturity 30 June 2019. The notes have a face value of US$1.00 and may be converted at A$0.055. At the 31 August 2017 AUD:USD rate of 0.79 the 8.2 million notes would have converted to 188.7 million shares.*

Reserves & Prospective Resources

RESERVES AND PROSPECTIVE RESOURCES AS AT 30 JUNE 2017

OTTO ENERGY WORKING INTEREST (WI) %

Reserves	Oil (Mbbls)	Gas (MMscf)	Mboe (6:1)
SM-71 (undeveloped), WI (50%)			
Proved (1P)	715	496	798
Probable Reserves	1,778	1,302	1,995
Proved and Probable (2P)	2,494	1,798	2,793
Possible Reserves	660	455	736
Proved, Probable and Possible (3P)	3,153	2,254	3,529

Prospective Resource (Undeveloped, Best Estimate,	Oil (Mbbls)	Gas (MMscf)	Mboe (6:1)
SM-71, WI (50%)	2,956	26,455	7,366
Alaska WI (10.8%)	70,000	0	70,000
Bivouac Peak WI (45%)	7,196	79,950	20,520
ST 224 - Mid Case (25% before payout)	800	22,500	4,550

RESERVES AND PROSPECTIVE RESOURCES AS AT 30 JUNE 2017

OTTO ENERGY NET REVENUE INTEREST (NRI) %

Reserves	Oil (Mbbls)	Gas (MMscf)	Mboe (6:1)
SM-71 (undeveloped), NRI (40.625%)			
Proved (1P)	581	403	648
Probable Reserves	1,445	1,058	1,621
Proved and Probable (2P)	2,026	1,461	2,269
Possible Reserves	536	370	598
Proved, Probable and Possible (3P)	2,562	1,831	2,867

Prospective Resource (Undeveloped, Best Estimate,	Oil (Mbbls)	Gas (MMscf)	Mboe (6:1)
SM-71, NRI (40.625%)	2,402	21,495	5,985
Alaska NRI (9 - 9.45%) *	58333 - 61250	0	58333 - 61250
Bivouac Peak NRI (33.525%)	5,361	59,562	15,288
ST 224 - Mid Case (19.5625% before payout)	626	17,606	3,560

* Precise weighted average royalty split unknown, volumetric range provided based on 12.5 to 16.67% royalty range.

Refer to Otto Energy's announcement to ASX on 28 September 2017 for full information on the SM 71 independent Reserves Report prepared by Collarini and Associates as at 30 June 2017.

Otto farmed in the ST 224 prospect on 1 July 2017.

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 Alaska 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. The information in this report that relates to oil and gas resources in relation to ST 224 was compiled by technical employees of Otto, 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 an 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 SM 71 and Bivouac Peak is based on information compiled by technical employees of independent consultants Collarini Associates, under the supervision of Mr Mitch Reece BSc PE. Mr Reece is the President of Collarini 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 is 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.

Prospective Resources

Prospective resource estimates in this report for Alaska and Bivouac Peak are prepared as at 30 June 2017. The prospective resource estimates included in this report for ST 224 are prepared as at 5 October 2017. 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.

Prospective Resources Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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.

Thank You

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