

ASX ANNOUNCEMENT
22 November 2017

SM 71 PLATFORM INSTALLATION COMPLETE

- Installation of the SM 71 F platform completed without safety or operational issues
- Ensco 68 drilling rig scheduled to arrive on SM 71 location on 25 November 2017
- Drilling of the SM 71 F2 development well will also test the highly prospective B65 sand
- First production on schedule for late January 2018

Otto Energy Ltd (ASX: OEL) ("Otto" or the "Company") is pleased to advise that the operator of the South Marsh Island 71 (SM 71) oil and gas development (Byron Energy Limited, ASX:BYE) has confirmed that installation of the jacket and decks comprising the SM 71 F Platform is now complete. The Tetra Hedron derrick barge has de-mobilised off location after successfully placing the jacket and decks over the SM 71 F1 well (drilled in 2016) and securing the structure with pilings.



SM 71 F Platform in the Gulf of Mexico

Assuming current weather forecasts hold, the Ensco 68 drilling rig is scheduled to arrive at SM 71 on Saturday, 25 November. Once on location, crews will prepare for drilling operations on the SM 71 F2 well. The SM 72 F2 well has two targets: the B65 Sand and the D5 Sand. The B65 Sand has the potential to double the current field size of SM 71.

Otto's Managing Director, Matthew Allen, commented: *"Completing the installation of the platform is a major achievement and we congratulate Byron and their contractors on achieving this in a safe and efficient manner."*

"We now look forward to drilling in the coming weeks and in particular testing the B65 sand ahead of production in early 2018."

First production from the SM 71 F platform is currently expected by late January 2018 after completion operations on the SM 71 F1 and F2 wells.

Otto holds a 50% working interest (40.625% net revenue interest) in South Marsh Island Block 71. The operator, Byron, holds the remaining 50% working interest.



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Lifting the SM 71 F Platform decks on to the jacket

ENDS

<p>Contact:</p> <p>Matthew Allen Managing Director & CEO +61 8 6467 8800 info@ottoenergy.com</p>	<p>Media:</p> <p>John Gardner Citadel-MAGNUS +61 8 6160 4901 jgardner@citadelmagnus.com</p>
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