

ASX ANNOUNCEMENT

15 December 2017

ST 224 #1 WELL RESULT

Otto Energy Limited (ASX: OEL) ('Otto' or the 'Company') provides the following update on the drilling of the ST 224 #1 exploration well, offshore Gulf of Mexico which has been drilled to a total measured depth of 10,900 feet (3,322 metres). The targeted BN sand interval was intersected close to prognosis at 10,330 feet (3,149 metres) measured depth, however based on log observations the sand is considered to be water bearing.

ST 224 #1 will now be plugged and abandoned. This is expected to be the final announcement for the ST 224 #1 well.

Otto's Managing Director, Matthew Allen, commented: *"The outcome of the ST224 #1 exploration well is a disappointing start to the drilling program that Otto is currently involved in. Otto would like to thank the operator, W&T Offshore, and our partner, Houston Energy, for a well planned and executed drilling program. We look forward to continuing our relationship with future opportunities.*

"Otto looks forward to the outcome of the SM 71 F2 well in the coming weeks."

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