Gulf Coast Package Farmin and Capital Raising

Eight Well Gulf Coast Drilling Program

31 July 2018

ASX : OEL

NOT FOR DISTRIBUTION IN THE UNITED STATES

Disclaimer (refer also to slide 34)

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- eligible institutional shareholders of Otto (**Institutional Entitlement Offer**); and
- eligible retail shareholders of Otto (**Retail Entitlement Offer**).

Not an offer

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You acknowledge and agree that:

- determination of eligibility of investors for the purposes of the institutional and retail components of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Otto and the Underwriters; and
- each of Otto, the Underwriter and its respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Otto reserves the right to withdraw or vary the timetable for the Offer without notice.

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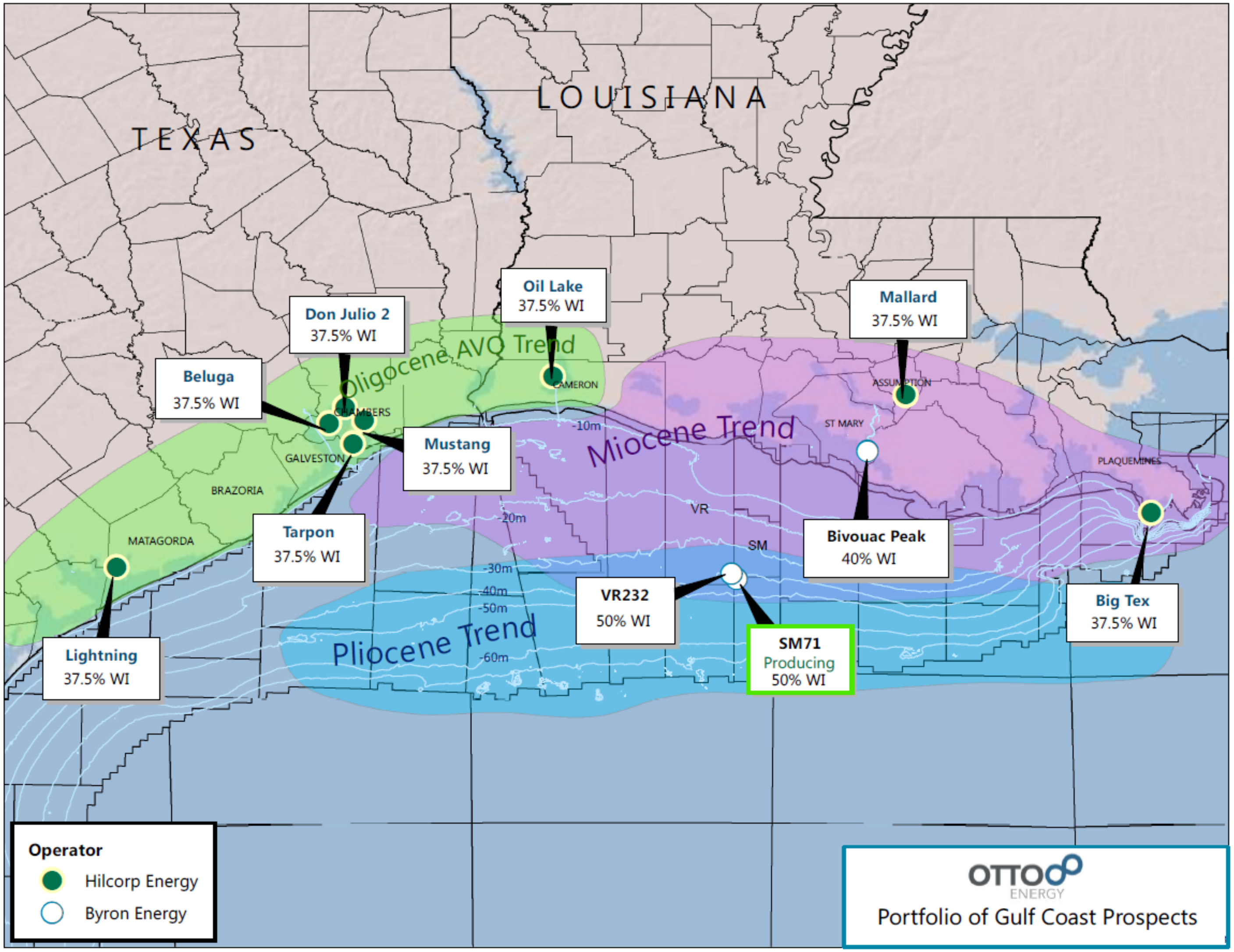
Gulf Coast Package Highlights

Eight well farm-in to Gulf Coast drilling package with Hilcorp Energy

- Large prospective resource provides **material upside to Otto upon success** through production growth
- Portfolio of **eight high probability of success**, technically independent prospects generated off new proprietary 3D seismic
- **Highly experienced** and privately owned **US Gulf Coast operator** Hilcorp Energy to execute drilling and development program
- Near/Onshore locations with identified access to infrastructure with **rapid, low capex pathway from discovery to production** upon success
- **Attractive deal terms** with potential for further drilling opportunities beyond the initial eight wells
- **Significant exploration activity** with the Hilcorp eight well portfolio added to the existing program of Bivouac Peak and Alaska North Slope provides exposure to 10 drilling events over the next 18 months

Portfolio of Gulf Coast prospects

Gulf Coast Drilling package complements Otto's existing position in the Gulf of Mexico



Gulf Coast Package – Drilling Program

Eight independent prospects committed to be drilled

Prospect Name	Planned Spud Date	Target Depth (TVD), ft	Rig Type	Working Interest (WI)	Net Revenue Interest (NRI)	Stratigraphic Interval	County/ Parish	Location
Big Tex	Sep-18	13,500	Barge	37.50%	29.51%	Tex	Plaquemines	Louisiana
Lightning	Oct-18	14,500	Land	37.50%	28.50%	Frio Tex Miss	Matagorda	Texas
Don Julio 2	Dec-18	11,500	Land	37.50%	28.50%	Oligocene	Chambers	Texas
Mustang	Jan-19	17,500	Land	37.50%	30.00%	Oligocene	Chambers	Texas
Beluga	May-19	13,000	Barge	37.50%	28.50%	Oligocene	Galveston Bay	Texas
Oil Lake	Jul-19	14,500	Land	37.50%	29.06%	Frio	Cameron	Louisiana
Tarpon	Jul-19	14,000	Barge	37.50%	29.06%	Oligocene	Galveston Bay	Texas
Mallard	Nov-19	11,000	Barge	37.50%	29.63%	Mid Miocene	Assumption	Louisiana

	US$' million
Total Drilling Costs (Otto's 50%)	33.5
Land Costs (up front) (Otto's 50%)	4.0
Otto share of Exploration Costs (50% to earn 37.5%)	**37.5**

Otto will be assigned a 37.5% working interest by paying 50.0% of the costs of drilling and setting casing or plugging and abandoning at each prospect.

Gulf Coast Package - Prospects

Highly prospective portfolio based on new proprietary 3D seismic

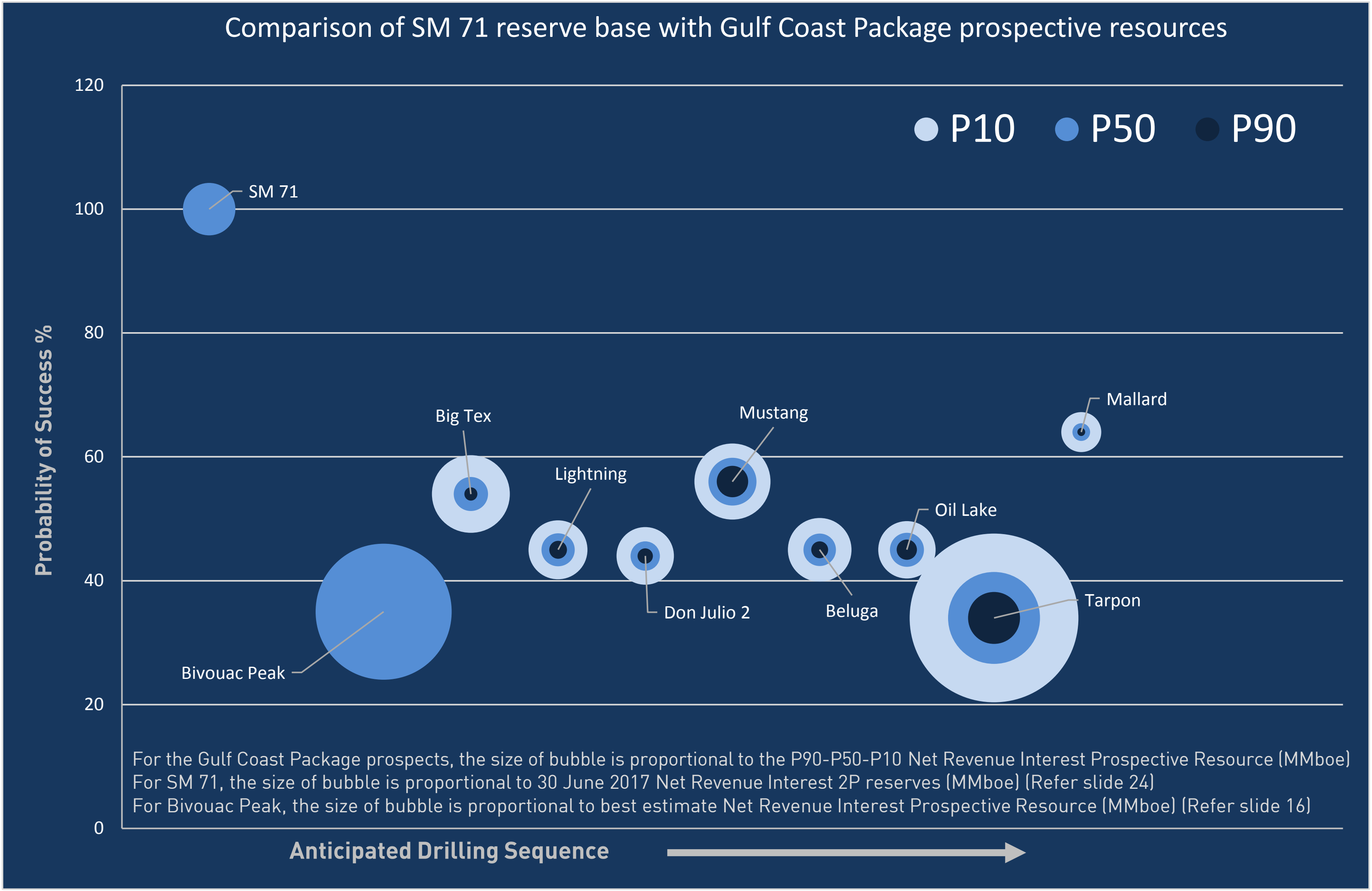
Prospect Name	Working Interest	Net Revenue Interest	Probability of Success	Prospective Resources[1] MMboe							
				100%				Otto Net Revenue Interest			
				P90	P50	Mean	P10	P90	P50	Mean	P10
Big Tex	37.50%	29.51%	54%	0.5	3.3	6.8	16.9	0.1	1.0	2.0	5.0
Lightning	37.50%	28.50%	45%	0.9	3.2	4.4	10.1	0.3	0.9	1.3	2.9
Don Julio 2	37.50%	28.50%	44%	0.7	2.5	4.0	9.6	0.2	0.7	1.1	2.7
Mustang	37.50%	30.00%	56%	2.9	6.7	8.5	16.8	0.8	1.9	2.6	4.8
Beluga	37.50%	28.50%	45%	0.8	2.9	4.7	11.2	0.2	0.9	1.3	3.4
Oil Lake	37.50%	29.06%	45%	1.2	3.3	4.4	9.3	0.3	1.0	1.3	2.7
Tarpon	37.50%	29.06%	34%	7.7	24.0	35.6	81.0	2.2	7.0	10.3	23.5
Mallard	37.50%	29.63%	64%	0.2	0.9	3.3	4.5	0.1	0.3	1.0	1.3

1 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.

Refer slides 32 and 33 and the ASX announcement dated 31 July 2018 for further information on prospective resources disclosure.

Gulf Coast Package - Timing

Potential of the Eight Well Portfolio



Refer slides 32 and 33 and the ASX announcement dated 31 July 2018 for further information on prospective resources disclosure.

Gulf Coast Package Potential

Risked Portfolio Potential to materially increase Otto's US business

Risked Summary data - 8 Well Portfolio, Gross (8/8ths)

Metric	P90	P50	P10
Volumes, MMBOE	4.63	19.86	64.59
Peak Production Rate, BOE/d	3,270	9,990	31,300
% Hydrocarbon Liquids per BOE	13%	28%	56%
Finding cost, US$/BOE	$13.62	$3.18	$0.98
Finding & Development cost, US$/BOE	$16.40	$5.51	$2.56

Refer to slide 33 for notes on the calculation of the risked portfolio information above.

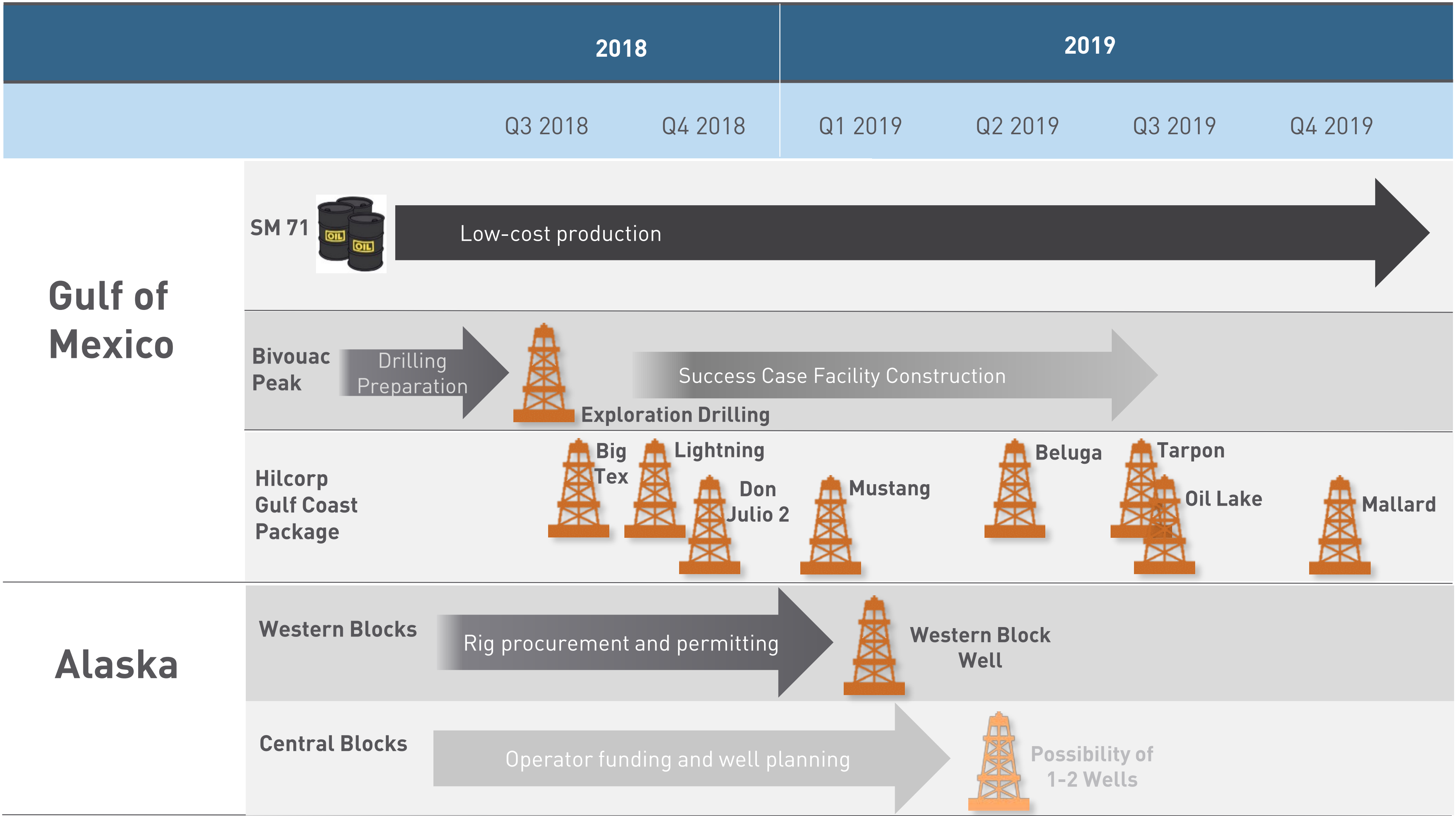
Tier 1 Operator - Hilcorp

Partnering with operator with proven capability to take exploration prospects into production

- Founded in 1989, Hilcorp is one of the largest privately held oil and natural gas companies in North America.
- Hilcorp has nearly 2,000 employees and currently produces approximately 325,000 boepd (Australia's largest oil and gas company, Woodside, produces ~230,000 boepd).
- Hilcorp has been consistently recognized for its strong culture, values and ethics both within the firm and in the communities in which it operates.
- Hilcorp specializes in reinvigorating legacy oil and gas fields across North America; including in the US Gulf Coast, Alaska and the Rockies.

Pipeline of Opportunities

Otto has assembled an exciting pipeline of upcoming activities



Gulf Coast Package - Key Terms

Commitment to eight well drilling program with Hilcorp Energy

- Otto commits to participate in a firm eight well program with a right of first offer to a subsequent program, if Hilcorp elect to offer a program to third parties.
- Should either the Tarpon or Mustang prospects be successful then Otto has ground floor rights to participate in the nearby Damsel and Corsair/Hellcat opportunities in addition to the other eight wells.
- Otto to **earn a 37.5% working interest by paying 50.0%** of the costs of drilling and setting casing or plugging and abandoning at each prospect plus lease acquisition costs. The estimated cost of the commitment to Otto is US$37.5 million.
- **Well Cap** - Otto has the option to discontinue participation in each prospect well if actual costs exceed the approved expenditure budget by 20%. If Otto elects to not continue, it will forfeit rights to that prospect.
- **Program Cap** - Once Otto has incurred a total amount relating to the initial eight wells of US$42.5m, it will have the option to elect (but not the obligation) to participate in the remaining undrilled prospects in the initial eight well program. If Otto elects to not participate in any undrilled prospects, it will forfeit rights in those prospects.

Capital Raising Summary

Otto is undertaking a A$20 million equity raising via a A$10 million placement and a 1 for 9 underwritten entitlement offer

Capital Raising Structure	• Equity raise of up to approximately A$20 million:
	  • A$10 million institutional placement
	  • 1 for 9 underwritten accelerated non-renounceable entitlement offer to existing shareholders to raise up to approximately A$10m
	• Approximately 339.6 million New Shares will be issued under the equity raise.

Pricing	• The offer will be priced at A$0.059 per New Share, which represents:
	  • A 7.8% discount to the close on 30 July 2018
	  • A 6.5% discount to the TERP of $0.063

Use of Proceeds	• The funds raised will complement cash on hand and future cash flows from Otto's 50% owned SM 71 producing oil field in the Gulf of Mexico to fund Otto's full exploration program over the next 18 months, including the Gulf Coast Package, Bivouac Peak and Alaska.
Underwriting	• The entitlement offer is fully underwritten by Morgans Corporate Limited.
Raising Syndicate	• The equity raise will be carried out by Morgans Corporate Limited as Lead Manager to the placement and Underwriter to the rights issue.
New Shares	• New Shares issued under the equity raising will rank equally with existing ordinary shares.
Pre-commitments	• Directors intend to take up their full entitlements and sub-underwrite A$400,000 of the entitlement offer.

Timetable for Capital Raising

Timetable for Non-Renounceable Entitlement Offer	
Announcement of the Equity Raising	31 July 2018
Institutional Entitlement Offer and Bookbuild opens	31 July 2018
Institutional Entitlement Offer and Bookbuild closes	1 August 2018
Results of Institutional offer announced and trading halt lifted	2 August 2018
Shares trade ex-entitlement	2 August 2018
Record date for determining Eligible Shareholders	2 August 2018
Retail Entitlement Offer opens and Booklets despatched	7 August 2018
Settlement of New Shares issued under the Placement and Institutional Offer	9 August 2018
Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	10 August 2018
Retail Entitlement Offer closes	21 August 2018
Allotment of New Shares issued under the Retail Entitlement Offer	29 August 2018
Despatch of holding statements and normal trading of New Shares	30 August 2018

Note: Dates and times in this release are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

Focused growth strategy in the Gulf of Mexico

Otto's core strategic goal is to grow production to 5000 boepd by the end of 2020

- Building a portfolio of US conventional production assets with a Gulf of Mexico focus and the capability to transition to an operator
- Growth strategy underpinned by strong production and cash flow from flagship Gulf of Mexico SM 71 asset
- Exciting pipeline of high impact exploration opportunities taking place over the next 18 months
- An experienced team with a track record of successfully growing, operating and divesting oil and gas assets globally who understand risk and capital management

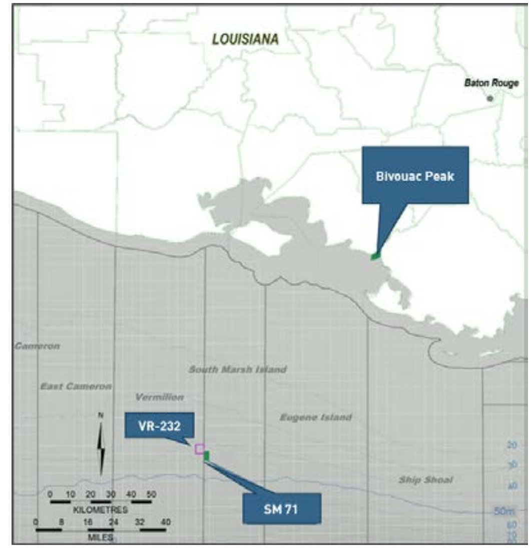
Why Gulf of Mexico?

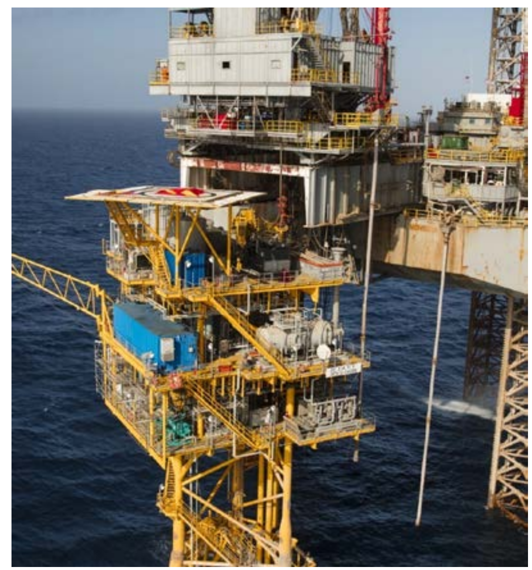
- Proven prolific hydrocarbon province where technologies such as RTM seismic processing continue to create new opportunities
- Low sovereign risk
- High margin oil with breakeven economics around US$20/barrel
- Short cycle time from discovery to development 8-18 months
- Low cost drilling and development
- Relatively low risk exploration
- Deal flow is liquid and a full spectrum of opportunity size is available
- Otto has area expertise and well developed business relationships
- Otto has production in the area

South Marsh Island 71 (SM 71)

Generating over US$3m in free operating cashflow each month

- Production commenced in March 2018, currently producing ~4,000 bopd of high-margin LLS oil into nearby pipeline
- At WTI of US$70/bbl Otto will realise ~US$65.50/bbl net (after transport and before Federal royalties)
- Oil and gas sales for the quarter to 30 June 2018 totalled 165,120 bbls of oil and 121,599 Mcf of gas generating revenue of US$11.2 million before royalties and operating costs
- 50:50 JV with operator Byron Energy (BYE:ASX)
- Operated tripod platform with capacity for up to 6 production wells and 5,000 bopd (currently three wells are installed and the platform is close to handling capacity)
- Further hydrocarbon-bearing sands have been intersected during drilling and should provide follow up production opportunities
- Operator is undertaking a large 3D seismic reprocessing program, including over SM 71, which will be utilised in future exploration and development planning
- Otto has secured rights to participate in the Vermillion 232 (VR 232) lease which is adjacent to SM 71 and provides future incremental opportunities de-risked by the SM 71 drilling successes





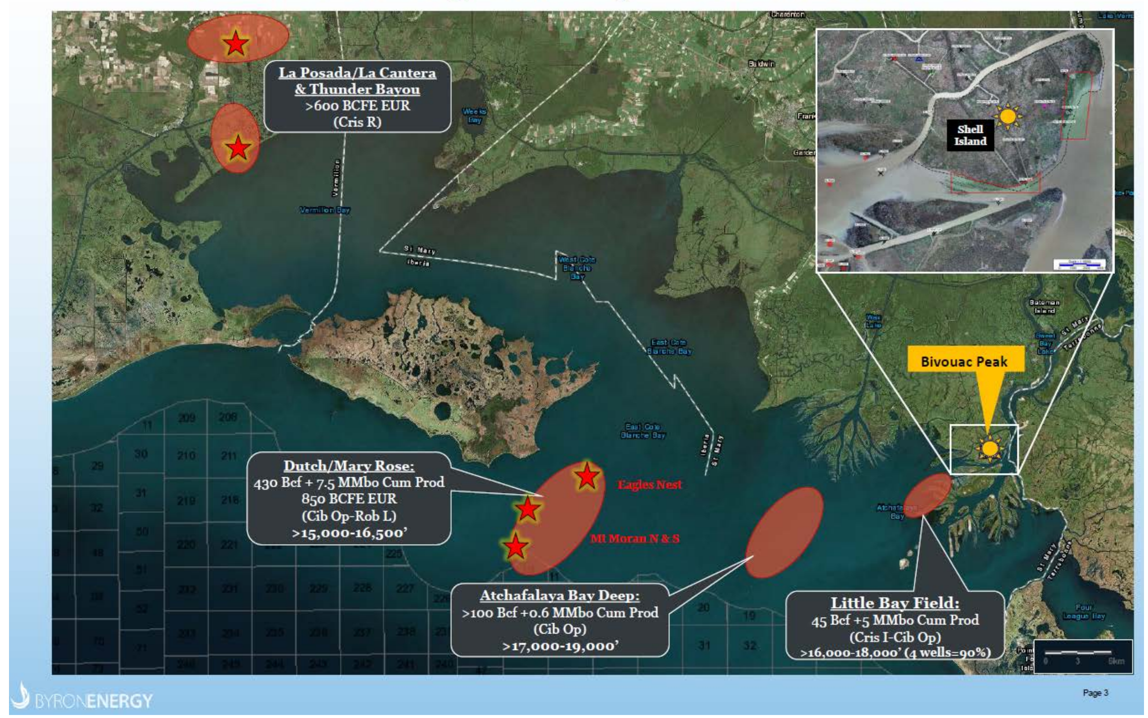
SM 71 F Production Platform (Gulf of Mexico)

Bivouac Peak

32 MMboe[1] conventional gas/condensate prospect to spud late August 2018

- Otto to participate in drilling the high-impact Bivouac Peak gas/condensate prospect at 40% WI
- 32 MMboe[1] high quality, amplitude supported conventional gas/condensate prospect in the highly productive Atchafalaya Bay transition zone of Southern Louisiana
- 18,294 ft MD/18,000 ft TVD well targeting upper and middle Miocene reservoirs in East Prospect will cost US$10.8m (100%)
- Drilling to commence late August 2018 and is expected to take approximately 75 days
- Estimated completion and development costs to bring a discovery into production are US$9-11 million with the well on production within 8-10 months from initial discovery
- Future follow up Bivouac Peak Deep prospect ~20,000 ft (TVD) in a success case - 13.4 MMboe[1]
- Otto to pay 53.33% to earn a 40% WI (up to a cap of US$5.33m then pro-rata)

Bivouac Peak Regional Map - LA Transition Zone



BIVOUAC PEAK BEST ESTIMATE PROSPECTIVE RESOURCES[1]

	GROSS			OTTO 40% WI			OTTO 29.8% NRI		
Prospect	Oil (MMbbl)	Gas (Bscf)	MMBOE (6:1)	Oil (MMbbl)	Gas (Bscf)	MMBOE (6:1)	Oil (MMbbl)	Gas (Bscf)	MMBOE (6:1)
East	11.3	125.6	32.2	4.5	50.2	12.9	3.4	37.4	9.6
Deep	4.7	52.1	13.4	1.9	20.9	5.3	1.4	15.5	4.0
Total	16.0	177.7	45.6	6.4	71.1	18.2	4.8	52.9	13.6

[1] As at 30 June 2017. Refer Otto ASX release of 9 July 2018.

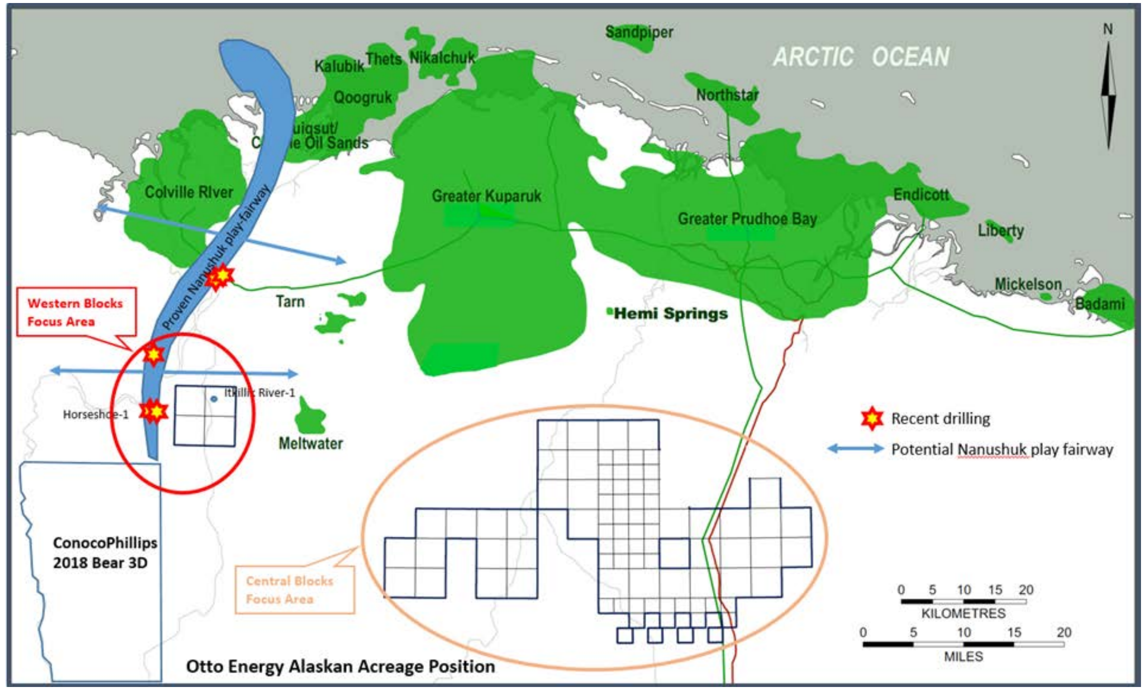
Joint Venture

Otto Energy	40%
Byron Energy (ASX:BYE) (operator)	43%
Metgasco (ASX: MEL)	10%
Private US Entity	7%

Alaska

Otto to Drill Large Nanushuk Oil Prospect on the Alaska North Slope in Early 2019

- 400 MMbbl[2] gross best estimate prospective resource target on the Alaska North Slope. Otto's 18.75% net revenue interest (before Great Bear 10% back in – refer table) would be 75 MMbbls[2].
- Drilling target is a direct analogue to the Horseshoe-1/1A oil well drilled in 2017[1] located less than one mile to the west.
- Horseshoe-1/1A is part of the billion barrel plus Nanushuk oil play-fairway, one of the largest recent conventional oil discoveries on the Alaska North Slope[1].
- Dry hole well cost:
  - US$15m (100%) / US$3.75m (OEL share)
  - US$3 million (US$0.75m OEL share) performance bond
  - Performance bond posted with Alaska DNR by 31 July 2018 and refunded if the well is drilled before 31 May 2019
- Oil Search's (OSH) Pikka discovery to the west and the Conoco-Phillips Meltwater unit facility ~10 miles to the east.
- Nearby infrastructure ensures cost effective route to market in event of a discovery. Project economics will be further enhanced by the shallow nature of the oil pool.



The relevant interests in the Western Blocks under the commercial agreements are as follows (subject to regulatory approval by the State of Alaska):

	Current Working Interest	Post-transaction			
		Working Interest (before back-in)	Paying Interest (before back-in)	Net Revenue Interest* (before back-in)	Working Interest (after back-in)
Otto Energy	10.8%	22.5%	25.0%	18.75%	20.0%
88 Energy (Drilling Management)	-	36.0%	40.0%	30.00%	32.0%
Red Emperor	-	31.5%	35.0%	26.25%	28.0%
Great Bear Petroleum**	89.2%	10.0%	-	8.33%	20.0%
State of Alaska	-	-	-	16.67%	
	100%	100.0%	100%	100%	100%

*Government royalty of 16.67%. **Currently Operator of record on leases.

1. Referenced from the Repsol press release of 9 March 2017.
2. Refer ASX release dated 25 June 2018.

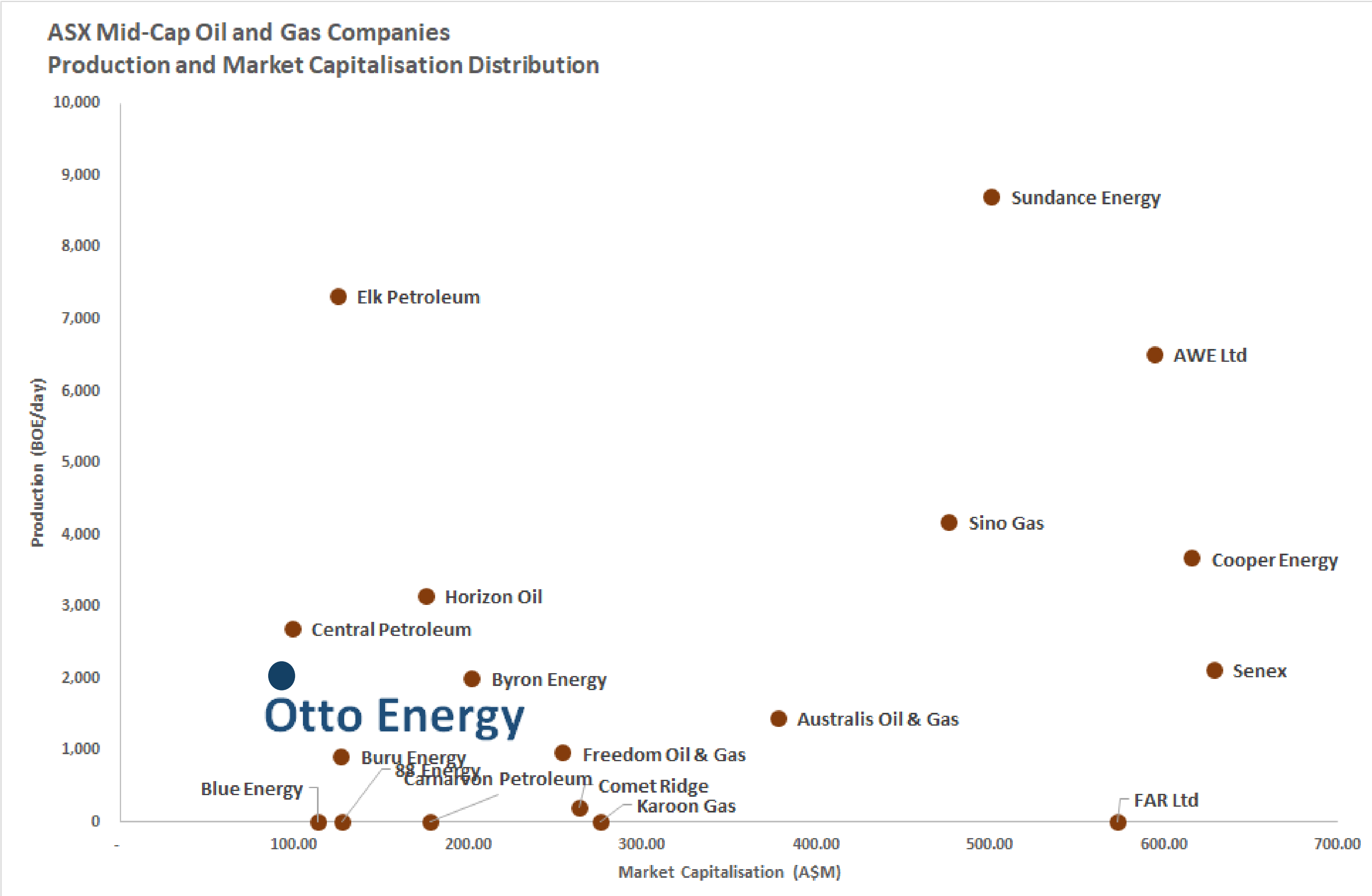
Why Otto Energy?

An emerging mid-tier oil and gas producer underpinned by cashflow to fund growth

- Low cost oil producer generating significant cashflow – **SM 71 free cashflow of US$3m per month at US$70/bbl** WTI
- Significant activity - **extensive drilling campaign with at least 10 wells to be drilled** over the next 18 months
- High Probability of Success (POS) prospects - **multiple opportunities to materially expand reserves, production and cash flow**
- Strong financial position and production base to **capitalise on additional opportunities in line with strict investment criteria**
- **Experienced exploration and commercial team** with a track record of value creation and risk management, complemented by quality project partners

Why invest in Otto?

High margin producer with compelling valuation metrics



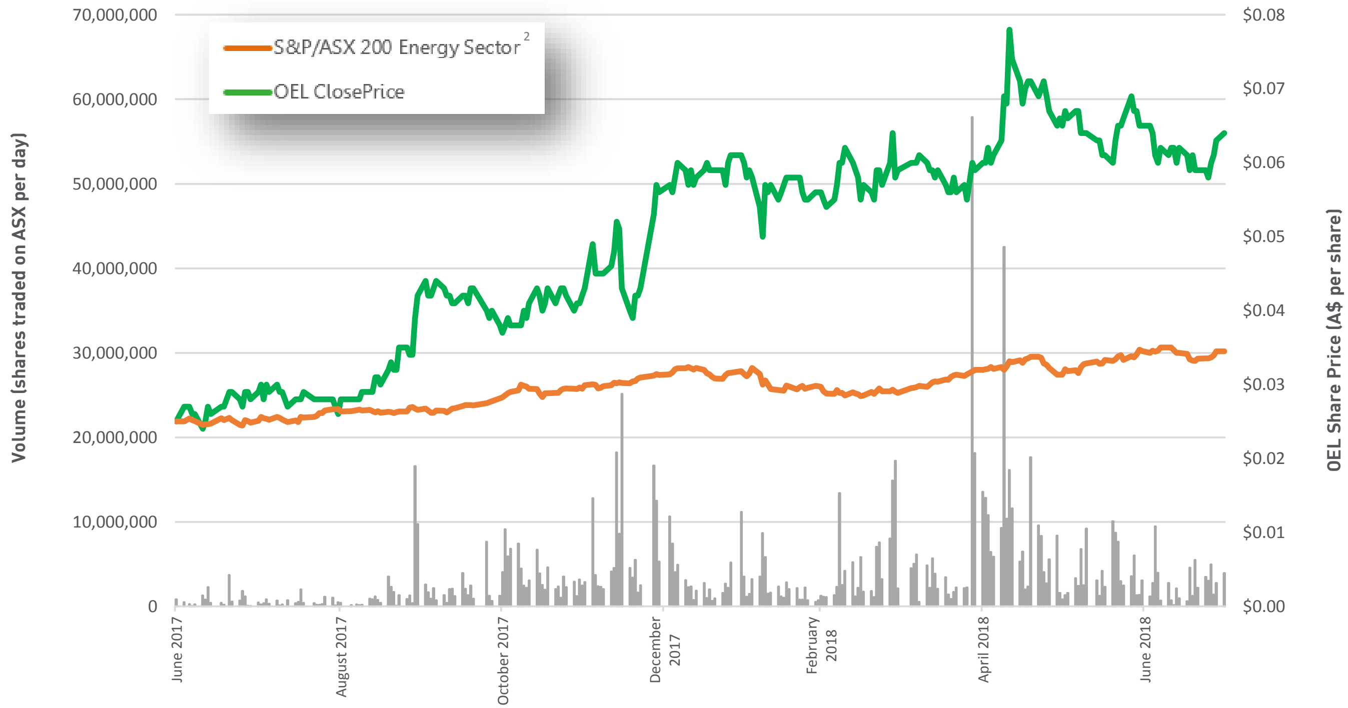
Additional Information

Corporate Snapshot

Capital Structure	
Fully paid ordinary shares	1.531b
Performance Rights	18.8m
Convertible Notes (US$1 per note)[3]	8.2m
Market capitalisation[1]	A$98m

Funding Position[4]	
Cash	US$6m
Convertible Note Liability (repayable 30 June 2019) [3]	US$8.2m
Debt	Nil

Shareholders	
Molton Holdings	20.0%
Perennial Value Management	7.9%
Directors & Management	2.5%



1. *Undiluted at 6.4 cents per share as at 30 July 2018*
2. *ASX 200 Energy Index normalized to 30 June 2017 OEL share price*
3. *Convertible notes issued for US$8.2m on 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 (subject to reduction due to rights issue per LR 6.22.2). Note that the conversion price will reduce to A$0.05484 per share as a result of the rights issue.*
4. *As at 30 June 2018.*

Board and Management

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 Macliver – Non-Executive Director. BComm, FCA, SF Fin, FAICD
Managing Director Grange Consulting. Non-Executive Chairman of Western Areas.

Ian Boserio – Non-Executive Director. BSc (Hons)
Executive Technical Director of Pathfinder Energy Pty Ltd. Former executive positions with Shell & Woodside in international exploration roles.

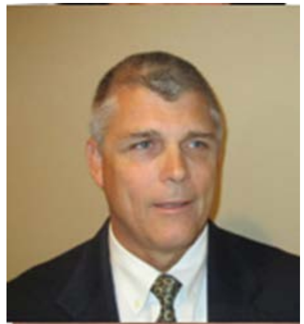
Matthew Allen – Managing Director & CEO.
BBus, FCA, FFin, GAICD
Global exposure to the upstream oil and gas industry with over 18 years experience in Asia, Africa, USA, Australia and Middle East. Previous senior roles with Woodside over an 8 year period.

Paul Senycia – Exec Director, Exploration and New Ventures. BSc (Hons), MAppSc
International oil & gas experience gained over 35 years. Specific focus on Australia, USA, South East Asia & Africa. Previous roles at Beach, Woodside Energy and Shell International.

David Rich – Chief Financial Officer & Company Secretary. BCom. FCA, GAICD, Grad.Dip.CSP AGIA
Experienced public company CFO with the last 16 years as CFO of upstream oil and gas companies with international interests including in Australia, Asia and the USA.

Houston Office Technical Team

110+ years of Gulf Coast and Gulf of Mexico experience



Will Armstrong – Vice President, Exploration and New Ventures

Prior to joining Otto Will worked with Tri-C Resources, a privately owned Houston based oil and gas company, developing Gulf Coast conventional prospects for drilling. Prior to joining Tri-C Resources, Will screened Gulf Coast, Offshore GOM, and Deepwater GOM prospects for Continental Land & Fur between 2007 and 2014. Between 1999 and 2007, Will worked as a geophysical consultant, generating Offshore and Gulf Coast prospects on behalf of Houston Energy, Westport Resources, and Petroquest Energy. Prior to consulting, Will had generated prospects for several Houston-based independent oil & gas companies, including being a founding member of Newfield Exploration. Will began his career at Tenneco Oil Company in 1987 in Lafayette.

Will graduated with a B.S. in Geology, minor in Mathematics, from Grand Valley State College in 1985. He also graduated from Wright State University with a M.S. in Geology, emphasis in Geophysics and Hydrogeology, in 1987.

Philip Trajanovich – Senior Commercial Manager

Philip was engaged by Otto as a commercial manager in July 2016 and has worked in both the Perth and Houston offices since that time. Prior to joining Otto, Philip was Commercial Manager at Aurora Oil and Gas and its subsequent acquirer Baytex Energy for over four years, focused on the Eagleford shale unconventional play. Philip has also worked with ConocoPhillips as an Asset Manager for nearly three years and Woodside Energy as a Commercial Adviser for over seven years. Philip has gained extensive experience in all facets of upstream oil and gas operations and commercial structures internationally and within the USA.

Philip graduated with a B.Com with First Class Honors from the University of Western Australia in 2001.

Mark Sunwall – Senior Exploration Consultant

Mark Sunwall was engaged as a senior exploration consultant by Otto in April 2016. Mark has a successful 40+ year career exploring and developing onshore Gulf Coast and Gulf of Mexico petroleum basins with major and independent oil companies. Mark has been instrumental in the establishment of the Houston business to date and brings a wealth of knowledge and extensive networks to Otto.

Prior to joining Otto, Mark worked for Aurora Oil & Gas for four years as the Geoscience Manager focused on the Eagleford shale unconventional play. In addition, Mark has over five years' experience with a small independent oil and gas company in Houston, has worked with Woodside Energy for over four years and started his career with Texaco (subsequently acquired by Chevron) spending over twenty six years with Texaco.

Mark graduated with a B.S. in geology from Southwest Minnesota State University in 1974. Mark also has a M.S. in geology from Miami University and graduated in 1976.

Kevin Small – Senior Exploration Consultant

Kevin has over forty years' experience in the Gulf of Mexico both onshore and offshore, and has been responsible for the generation, farm-in, drilling and development of numerous Gulf Coast discoveries. Kevin similarly brings extensive networks and relevant experience to Otto's business in Houston.

Prior to joining Otto Kevin worked with Tri-C Resources, a privately owned Houston based oil and gas company, developing Gulf Coast conventional prospects for drilling. Between 2003 and 2012, Kevin worked for Bluestreak Exploration Group developing prospects exclusively for LLOG Exploration, successfully generating discoveries on the Gulf of Mexico Shelf and Deepwater. Kevin was the Exploration Manager and a founding member of the Houston office of Westport Oil and Gas Company between 1996 and 2003, ultimately helping them go public in October, 2000. Kevin also has worked for the Superior Oil Company and McMoran Oil and Gas, starting his career in 1978. During his time with LLOG, Westport, and McMoRan, he has drilled wells with cumulative production of over 692 BCFG and 82 MMBO.

Kevin graduated with a B.S in Geophysical Engineering from the Colorado School of Mines in 1978.

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, Unrisked)	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

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, Unrisked)	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

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

Notes and subsequent events

- The B65 interval, which was discovered in the SM 71 F2 well in December 2017, had a Prospective Resource at 30 June 2017 of 2.869 MMboe (Otto's 50% working interest share).
- The SM 71 F3 well also intersected the B55 and C10 zones which were not included in the above prospective resources at 30 June 2017.
- Otto's Bivouac Peak interest has reduced to 40% WI and 29.8%NRI. Refer ASX release 9 July 2018.
- The Alaska prospective resources do not include the transaction or the 75 MMbbl prospect (Otto's 18.75% net revenue interest) as set out on slide 17 and as released to ASX on 25 June 2018.
- Not included in the above is Otto's the right to participate for a 50% working interest (43.75% net revenue interest) in VR 232 in the Gulf of Mexico adjacent to SM 71. The Operator, Byron, has mapped a gas and gas condensate prospect on the block with in-house calculated gross prospective resource potential of 11 Bcf and 170,000 barrels (4.8 Bcf and 74,000 barrels NRI). Refer to the ASX release of 19 June 2018 for further information.
- The Gulf Coast Package prospective resources set out on slide 6 are not included in the above table.
- 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. Please also refer to the cautionary statements on slide 33 regarding reserves and prospective resources.

Pro Forma Consolidated Statement of Financial Position

	31-Dec-17 US$'000	Gulf Coast Package US$'000	Placement and Entitlement Issue US$'000	Proforma 31-Dec-17 US$'000
Current assets				
Cash and cash equivalents	15,024	(4,000)	15,608	26,632
Trade and other receivables	95	-	-	95
Other assets	423	-	-	423
Total current assets	**15,542**	**(4,000)**	**15,608**	**27,150**
Non-current assets				
Oil and gas properties	16,061	-	-	16,061
Property, plant and equipment	11	-	-	11
Other assets	325	-	-	325
Total non-current assets	**16,397**	**-**	**-**	**16,397**
Total assets	**31,939**	**(4,000)**	**15,608**	**43,547**
Current liabilities				
Trade and other payables	2,952	-	-	2,952
Income tax payable	1	-	-	1
Provisions	195	-	-	195
Total current liabilities	**3,148**	**-**	**-**	**3,148**
Non-current liabilities				
Interest bearing loans and borrowings	10,057	-	-	10,057
Provisions	938	-	-	938
Total non-current liabilities	**10,995**	**-**	**-**	**10,995**
Total liabilities	**14,143**	**-**	**-**	**14,143**
Net assets	**17,796**	**(4,000)**	**15,608**	**29,404**
Equity				
Contributed equity	90,704	-	15,608	106,312
Reserves	13,758	-	-	13,758
Accumulated losses	(86,666)	(4,000)	-	(90,666)
Total equity	**17,796**	**(4,000)**	**15,608**	**29,404**

Notes

1. Derived from the 31 December 2017 financial statements of Otto Energy Limited which were reviewed by the Company's independent auditor, BDO. These can be obtained from the Company's web site at www.ottoenergy.com.
2. Under Otto's accounting policy, exploration is expensed as incurred, hence the initial land and other costs paid for the Gulf Coast Package would have been expensed at 31 December 2017.
3. The notes to the financial statements would have recorded the commitment amount of US$33.5 million for the eight well program.
4. The placement and entitlement issue amount is calculated as A$20 million at the 31 December 2017 USD:AUD exchange rate of 0.7804. Costs of the raising have not been included.
5. The Pro Forma Historical Combined Statement of Financial Position has been prepared solely for inclusion in this investor presentation to provide shareholders with an illustration of the combined consolidated financial position of the Company as if the proposed farmin to the Gulf Coast Package and the associated Placement and Entitlement Offer had occurred at 31 December 2017.
6. Due to its nature, the Pro Forma Consolidated Statement of Financial Position does not represent the Company's actual or prospective financial position.
7. The Historical Financial Information is presented in an abbreviated form and does not include all of the presentation, disclosures, statements or comparatives required by Australian Accounting Standards ("AAS") applicable to general purpose financial reports prepared in accordance with the Corporations Act.
8. The Pro Forma Consolidated Statement of Financial Position has been prepared on a consistent basis with the Company's accounting policies as disclosed in its financial statements for the year ended 30 June 2017.
9. The Pro Forma Historical Combined Statement of Financial Position does not include the impact of normal trading of the consolidated entity, including revenue and capital expenditure, which has occurred since 31 December 2017;

Key Risks

Impairment of carrying value of properties

Otto may be required to write-down the carrying value of its oil and gas properties when oil and gas prices are low. Under International Financial Reporting Standards, which Otto is required to comply with, the net capitalised costs of its oil and gas properties may not exceed the fair value of the properties. If net capitalised costs of its oil and gas properties exceed the fair value, Otto must charge the amount of the excess as an impairment to earnings. This type of charge will not affect Otto's cash flows, but will reduce the book value of its Shareholders' equity. Because the oil price Otto uses to estimate future net cash flows is a forecast, actual cash flows and carrying value may materially differ. Otto reviews the carrying value of its properties whenever impairment indicators exist and once incurred, a write-down of oil and gas properties may be reversible at a later date if prices increase.

Information risk

Otto's analysis of the Gulf Coast Package, including estimates of the associated prospective resources, is based in part on information provided by Hilcorp. Independent engineers have not provided a report regarding the estimates of prospective resources with respect to the Gulf Coast Package. As a result, the assumptions on which Otto's internal estimates of prospective resources included in or incorporated by reference in this Presentation have been based may prove to be incorrect in a number of material ways, resulting in Otto not realising expected benefits of the Gulf Coast Package. In addition, the representations, warranties and indemnities of Hilcorp in the transaction document are limited, and Otto may not have recourse against Hilcorp in the event that the acreage does not perform as expected.

Risk that expense estimates differ materially from actual amounts

The prospective resources and future potential cash flow estimates with respect to the Gulf Coast Package are based on Otto's analysis of geological and geophysical data, assumptions regarding drilling and other capital and operating expenditures (including transport and pipelines) and anticipated production rates.

These estimates are based on estimates of Otto technical staff and contractors without review by an independent petroleum engineering firm. Data used to make these estimates was furnished by Hilcorp or obtained from publicly available sources. Otto cannot assure shareholders that these estimates of prospective resources, capital expenditure and production rates are accurate. After such data is reviewed by an independent petroleum engineering firm, or further by Otto, the prospective resources and production related to the Gulf Coast Package may differ materially from the amounts indicated.

Underwriting risk

Otto has entered into an underwriting agreement under which the Lead Manager, Bookrunner and Underwriter Morgans Securities Limited (Morgans) has agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the underwriting agreement between Otto and Morgans (Underwriting Agreement). The Underwriter's obligation to underwrite the Entitlement Offer is conditional on certain customary matters, including Otto delivering certain certificates, sign-offs and opinions. If certain events occur, the Underwriter may terminate the Underwriting Agreement.

Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Entitlement Offer. If the Underwriting Agreement is terminated, Otto would not be able to terminate the Hilcorp transaction. In these circumstances, Otto would need to utilise alternative funding to meet its obligations under the Hilcorp transaction, which could adversely affect Otto's business and financial condition.

Investment risk

There are general risks associated with investments in equity capital. The trading price of Otto shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the offer price. The New Shares to be issued pursuant to this offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Shares.

Importantly, Otto has never declared or paid cash dividends on Shares apart from the dividend (and capital return) in 2015 after the sale of the Galoc field. The Company currently intends to retain future earnings and other cash resources, if any, for the operation and development of its business and does not anticipate paying any cash dividends on Shares in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including financial condition, operating results, current and anticipated cash needs and plans for expansion.

In addition, the terms of the Company's outstanding convertible notes restrict it from paying cash dividends on Shares. Any future dividends may also be restricted by any debt financing arrangements entered into from time to time.

Key Risks

Future issuances or sale of significant amounts of Shares
The future issuance of a substantial number of Shares (including under the Capital Raising), or the perception that such issuance could occur, could adversely affect the prevailing Share price. Sales of a substantial number of Shares in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of Shares intend to sell Shares, could reduce the Share price.
A decline in Share price could make it more difficult to raise funds through future offerings of Shares or securities convertible into Shares.

Funding risk
The Company may require capital in addition to the Capital Raising (following completion of the budgeted work program through 2018/19), in order to fund development activities or for additional acquisitions. Failure to obtain such finance in a timely manner could impact its ability to execute its work program or secure acquisition opportunities. There is no assurance that the capital or debt markets will provide additional funding on reasonable terms or at all. Uncertainty in domestic and international credit markets could materially affect the Company's ability to access sufficient capital for its capital expenditures and acquisitions and, as a result, may have material adverse effect on the Company's ability to execute its business strategy and on its business, financial condition, results of operations and prospects. The possibility of material dilution for Shareholders also exists especially if equity raisings are completed during a period of general market or Company share price weakness.

Failure to achieve production targets
The funding of the future drilling of the Gulf Coast Prospects has been estimated based on the achievement of production targets at SM 71. There is a risk that SM 71 does not meet these targets.

Reserves risk
Reserves assessment is a subjective process that provides an estimate of the volume of recoverable reserves. Oil and gas estimates are not precise and are based on knowledge, experience, interpretation and industry practice. Petroleum engineering is a subjective process of estimating accumulations of oil and/or natural gas that cannot be measured in an exact manner and which involves the use of assumptions which may ultimately not prove to be accurate. Different variables can impact whether these reserves are economically recoverable, including changes with respect to governmental regulations, commodity prices, and taxes. The Company's actual revenues, expenses, and production will likely vary from such estimates and such differences could be substantial.

The rate of production from oil and gas properties generally declines as reserves are depleted. Except to the extent that Otto acquires further properties containing additional reserves, conducts successful exploration and development activities or, through engineering studies (including geoscientific and exploration studies), identifies additional reserves on its existing properties, its reserves will decline as its production continues. Otto's future oil and gas production is, therefore, dependent upon its level of success in acquiring, finding and/or developing additional reserves. Because Otto's revenues and profits are derived from its oil and gas operations, its results of operations and financial condition are directly related to the success of its exploration, acquisition and development efforts and its ability to replace existing reserves. A failure to acquire or discover new reserves or enhance existing reserves in sufficient quantities to maintain or grow the current level of its reserves could have a material adverse effect on its business and financial performance.

This presentation also contains production data for other oil and gas companies in Australia and the US. This information was sourced from publicly available information. Otto has not verified the accuracy of this information and does not warrant that the information is accurate or complete.

Key Risks

Commodity price risk and volatility of oil and gas prices
The Company's main business activities are currently highly exposed to movements in global oil prices and to a lesser extent, changes in gas prices. The prices of oil, natural gas and other hydrocarbon products remain outside the control of the Company. A significant change in commodity prices would impact the company's profitability and in meeting its forecasts.

The prices of oil and natural gas have fluctuated greatly in response to changes in many factors. Currently Otto is in a situation where oil (and to some extent also natural gas) prices have recovered compared to levels seen over the last few years, although oil prices are still much lower than the highs of early 2014. There are several reasons for this but fundamental market forces beyond Otto's control or the control of other market participants have impacted and will continue to impact oil and natural gas prices in the future.

Generally, Otto does not and will not have control over the factors that affect the prices of oil and natural gas. These factors include:

- economic and political developments in resource-producing regions;
- global and regional supply and demand;
- the ability of the Organisation of the Petroleum Exporting Countries and other producing nations to influence global production levels and prices;
- government regulations and actions;
- global economic conditions;
- war or other international conflicts;
- changes in population growth and consumer preferences;
- the price and availability of new technology; and
- weather conditions

It is impossible to predict future price movements for oil and natural gas with certainty. A prolonged period of low oil and natural gas prices will adversely affect Otto's business, the results of operations, financial condition, liquidity and its ability to finance planned capital expenditure, including possible reductions in capital expenditures which could offset replacement reserves. Rapid material and/or sustained reductions in oil, gas or product prices can have an impact on the validity of the assumptions on which strategic decisions are based and can have an impact on the economic viability of projects that are planned or in development.

Currently Otto has no hedging in place for future oil sales. Hedging of future oil production is considered on an ongoing basis and Otto may hedge in the future.

Exploration and development risk
Oil and gas exploration and production activities are inherently subject to numerous risks, including the risk that drilling will not result in commercially viable oil and gas production. The identification of drilling locations relies on technical interpretation and is therefore subjective in nature and subject to numerous geological risks. Further, the successful drilling of a productive well is also subject to numerous technical drilling and completion risks.

Reliance on key personnel
The Company's primary intellectual asset is the skill and experience of its staff. It is essential that appropriately skilled staff be available in sufficient numbers to support the Company's operations. While the Company has initiatives to mitigate this risk, including implementing special training programs, loss of key staff or failure to attract new staff may have a negative impact on the financial performance or otherwise of the Company and in particular its ability to expand its business. The loss of key staff to a competitor may magnify this impact. There can be no assurance that Otto will be able to continue to attract and retain all personnel necessary for the development and operation of the business.

Key Risks

Environmental risks
Potentially hazardous activities arise in connection with Otto's business. A significant safety or environmental incident or the failure of safety processes or of occupational health plans, as well as a breach of regulatory or contractual obligations, could materially adversely affect results of operations and reputation. Otto is also subject to laws and regulations governing health and safety matters to protect the public, employees and contractors, who could potentially be harmed by these activities, as well as laws and regulations relating to pollution, the protection of the environment, and the use and disposal of hazardous substances and waste materials.

The cost of future environmental remediation obligations is often inherently difficult to estimate and uncertainties can include the extent of contamination, the appropriate corrective actions and share of the liability. If more onerous requirements are imposed or the Company's ability to recover costs under regulatory frameworks changes, this could have a material adverse impact on the business, reputation, results of operations and financial position of Otto.

Otto may be exposed to a number of potential impacts of climate change over time, which could lead to demographic changes, changes in consumption patterns and physical risks to Otto's operations and facilities. As a result, the potential impact from climate change, both physical and as a result of new related policies and regulations, may have an adverse impact on Otto's operations or financial performance.

Operating hazards and natural disasters
Otto is subject to operating hazards normally associated with the exploration for, and production of oil and gas. Operating hazards may be due to technical integrity failure, loss of well control, vessel collision, loading or unloading operations, an aviation incident, a pipeline incident or cyber-attack. Operating hazards along with natural disasters (eg hurricanes), inclement weather, acts of terrorism, operator error or other occurrences can result in adverse events, including, without limitation, diminished production, additional costs, major unplanned outages, labour disruptions, fires, equipment failure, loss of well control, blowouts, cratering, pollution and oil spills.

The occurrence of any such operating hazard or risk could result in substantial losses to Otto due to injury or loss of life and damage to or destruction of oil and gas wells, formations, production facilities or other properties and the environment, as well as regulatory action, legal liability and damage to Otto's reputation. The effect could be particularly significant were an event of this nature to occur at Otto's SM 71 field, which constitutes all of Otto's production, and therefore a sustained interruption in its production could have an adverse effect on Otto's financial performance. Additionally, Otto's operations are often conducted in difficult or environmentally sensitive locations, in which the consequences of a spill, explosion, fire or other incident could be greater than in other locations. Accordingly, the risk of Otto's failure to abide by environmental and safety and protection standards is inherent in Otto's operations. Such failure could lead to damage to the environment, and result in regulatory action, legal liability, material costs and damage to its reputation. It could also impact Otto's licence to operate. In certain circumstances, liability could be imposed irrespective of fault.

Regulatory risk
Changes in law or regulation or regulatory policy and precedent could result in a materially adverse effect. Decisions or rulings concerning, for example, whether licences, approvals or agreements to operate or supply are subject to new, more onerous regulatory requirements impacting timely recovery of incurred expenditure or obligations, the ability to pass through commodity costs and other decisions relating to the impact of general economic conditions on Otto, its markets and customers and in relation to proposed business development activities, could have a material adverse impact on results of operations, cash flows, the financial condition of the business and the ability to develop the business in the future.

Occupational health and safety risk
The conduct of exploration for, and production of, hydrocarbons may expose Otto's staff to potentially dangerous working environments. Occupational health and safety legislation and regulations differ in each jurisdiction. If any of Otto's employees suffered injury or death, compensation payments or fines may have to be paid, and such circumstances could result in the loss of a license or permit required to carry on the business, or other regulatory sanction, all of which have the potential to impact Otto's cash flow, operations and ability to make future distributions (should Otto decide to do so).

Key Risks

Industry competition and energy demand

The availability of a market for oil and gas in the future will depend in part on cost and availability of alternate fuels, the level of consumer demand, the extent of domestic production of oil and gas, the extent of important foreign oil and gas, the cost of and proximity of Otto projects to pipelines and other transportation facilities, regulations by state and federal authorities and the cost of complying with applicable environmental regulations. There is a risk that increased industry competition could impact on oil and gas supply and demand that could negatively impact on prices and therefore on Otto's business.

Insurance risk

Otto maintains insurance against losses and liabilities in accordance with customary industry practices and in amounts that management of Otto believes to be prudent. However, insurance against all operational risks is not available to Otto. Otto does not carry business interruption/loss of profits insurance. Otto may elect not to carry insurance with regard to specific risks if management of Otto believes that the cost of available insurance is excessive relative to the risks presented.

In addition, losses could occur for uninsured risks or in amounts in excess of existing insurance coverage. Otto cannot insure fully against pollution and environmental risks. Otto cannot assure Shareholders that it will be able to maintain adequate insurance in the future at rates they consider reasonable or that any particular types of coverage will be available.

In the event that there are insufficient insurance arrangements in place, Otto may be exposed to material capital losses, or losses that may impact revenue generation and the financial performance of the Company.

Inability to achieve future growth

Otto may experience difficulty in achieving and managing future growth.

Otto has experienced growth in the past primarily through expansion of its drilling program. Future growth may place strains on financial, technical, operational and administrative resources and cause Otto to rely more on project partners and independent contractors, possibly negatively affecting its financial position and results of operations. Otto's ability to grow will depend on a number of factors, including the results of its drilling program, hydrocarbon prices and access to capital along with its ability to:

- obtain leases or options on properties, including those for which Otto has 3-D seismic data;
- acquire additional 3-D seismic data;
- identify and acquire new exploratory prospects;
- develop existing prospects;
- continue to retain and attract skilled personnel; and
- maintain or enter into new relationships with project partners and independent contractors

Otto may not be successful in upgrading technical, operations and administrative resources or in increasing its ability to internally provide certain of the services currently provided by outside sources, and Otto may not be able to maintain or enter into new relationships with project partners and independent contractors. Otto's inability to achieve or manage growth may adversely affect its financial position and results of operations.

Exchange rate risk

The revenues, expenses, earnings, assets and liabilities of the Company, as well as the listed price of the Company Shares and, accordingly, your investment in the Company, may be exposed adversely to exchange rate fluctuations. All Otto's revenues are derived from USD sales and the majority of the Company's expected expenditure will be in USD. Otto's functional and presentation currency of its financial statements is also USD. Any appreciation of the AUD against the USD effectively reduces the AUD value of the revenue net of the USD costs and reduces the AUD value of net assets. Further, any appreciation of USD against the AUD will have a detrimental impact on the use of AUD funds raised for the purposes of USA expenditure. The Company does not presently engage in currency hedging to offset any risk of currency fluctuations however the current policy is to hold the majority of its cash balances to United States dollars.

Key Risks

Joint venture relationships

A significant share of Otto's capital is invested in joint venture assets and activities. Joint venture participants may have economic or business interests or objectives that are inconsistent or misaligned with or opposed to Otto's interests and objectives, and there may be circumstances in which a joint venture participant may exercise veto rights to block certain key decisions or actions that Otto believes are in its or the joint venture's best interests, or may approve key decisions or actions that are not supported by Otto. In addition, in some instances, joint venture participants, including instances where Otto is not the operator, or contractual counterparties, may be primarily responsible for the adequacy of the human or technical competencies and capabilities which they bring to bear on the joint project which is out of Otto's control. Additionally, Otto's fellow joint venture participants may not be able to meet their financial or other obligations to the projects, which may threaten the viability of a given project or cause Otto to incur additional costs associated with a given project.

Economic conditions

The operating and financial performance of Otto is influenced by a variety of general economic and business conditions, including interest rates and exchange rates, access to debt and capital markets and government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including higher than expected inflation rates, could be expected to have an adverse impact on Otto's operating and financial performance and financial position.

Risk of litigation or arbitration

From time to time, Otto may be subject to litigation, arbitration, regulatory investigations and inquiries, claims and disputes arising out of its operations. Damages claimed under such proceedings or claims may be material or may be indeterminate, and the outcome of such litigation, arbitration, investigation, inquiry, claim or dispute could materially and adversely affect its business, results of operations or financial condition. While Otto assesses the merits of each claim and defends accordingly, it may be required to incur significant expenses in defending against such claims and there can be no guarantee that a court or tribunal finds in Otto's favour. In addition, proceedings to which Otto is not directly subject may have a material adverse effect on its business, reputation and financial performance.

Taxation

Changes in the interpretation or application of existing taxation laws by the courts or taxation authorities in Australia, or changes to the laws themselves, may affect the taxation treatment of an investment in Otto shares or the holding or disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Otto operates, may impact Otto's future tax liabilities.

Convertible Note

Otto has issued convertible notes worth US$8.0M to major shareholder Molton Holdings and worth US$0.2 million to Otto's Chairman, Mr John Jetter. Convertible notes carry risks including the risk of insolvency, uncertainty, dilution of shareholdings, enforcement of security, and the restraining of future valuation potential.

Under the terms of the convertible notes, 50% of net proceeds from Otto Energy (Louisiana) LLC's interest in the SM 71 Project (after all costs) are only to be used for SM 71 purposes or repayment of amounts outstanding under the convertible note until the total equals the value of the convertible notes and interest outstanding. As at 30 June 2018 the accumulated amount usable only for SM 71 purposes or repayment of amounts in relation to the convertible notes was US$2.7 million of the US$5.9 million cash on hand.

Other risks

The above risks should not be taken as a complete list of the risks associated with an investment in Otto. The risks outlined above and other risks not specifically referred to may in the future materially adversely affect the Company, or the value of the Shares and their performance. Accordingly, no assurance or guarantee of future performance or profitability is given by Otto in respect of the Company or the Shares.

Competent Persons and Cautionary Statements

Competent Persons Statement

The information in this report that relates to oil and gas resources in relation to the Gulf Coast Package in the Gulf of Mexico was compiled by technical employees of Hilcorp Energy Company, the Operator of the Gulf Coast Package, 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 the Alaska Western Blocks was 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.

The information in this report that relates to oil and gas resources in relation to VR 232 in the Gulf of Mexico was compiled by technical employees of Byron Energy Inc, the Operator of VR 232, 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 SM 71 and Bivouac Peak are prepared as at 30 June 2017. Refer to the ASX release of 28 September 2017. Prospective resource estimates in this report for the Alaska Western Blocks is prepared as at 30 April 2018. The Gulf Coast Package prospective resource estimates in this report are estimated as at 30 June 2018. The prospective resources information in this document for VR 232 is effective as at 19 June 2018.

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 prospective resource estimates have been prepared using the deterministic method except for the Gulf Coast Package which has used the probabalistic method. The prospective resources information in this document is reported according to the Company's economic interest in each of the resources and net of royalties. The prospective resources information in this document has been estimated using a 6:1 BOE conversion ratio for gas to oil; 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency. Except as noted on slide 33, 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.

Competent Persons and Cautionary Statements (cont.)

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.

Notes on the calculation of the risked summary data for the Gulf Coast Package on slide 8

Hilcorp has accumulated a massive proprietary regional Gulf Coast database comprising well drilling and production information from private and public sources. This database is used by Hilcorp in generating probabilistic estimates for future wells and programs where the data can be tailored to the specific parameters required for analysis such as depth, play type, etc.

Indicative finding and developments costs, indicative peak production rates and indicative gas versus oil percentages were calculated utilising the abovementioned regional database. From the regional database Hilcorp developed a series of expectation curves from which the P90-P50-P10 outcomes shown have been extracted. Otto has undertaken its own due diligence on these data and is satisfied that they represent a good estimate for the portfolio of opportunities to be drilled.

For each of the eight independent prospects, a probabilistic prospective resource was calculated using analogue offset well information and high-quality 3D seismic data. Each of the resultant prospective resource distributions were then merged probabilistically to provide a probabilistic estimate for the entire portfolio (eight prospects).

Probabilistic estimates for finding and development costs were also calculated for each individual prospect using analogue offset field information and taking into account the particular geometry and thickness of each prospect as estimated from high-quality 3D seismic data. As with the prospect volumes, these individual estimates were then probabilistically merged to provide a portfolio view.

The probabilistic additions above have been undertaken using a monte carlo approach to each prospect's expectation curve.

The percentage liquids content for each prospect is based on analogue offset well and field information.

Disclaimer (continued from slide 2)

Summary information
This Presentation contains summary information about Otto, its subsidiaries and their activities which is current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Otto or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act.

The historical information in this Presentation is, or is based upon, information that has been lodged with ASIC acting in place of the Australian Securities Exchange (ASX) in its role as operator of a securities exchange and released on ASX's Market Announcements Platform. This Presentation should be read in conjunction with Otto's other periodic and continuous disclosure announcements which are available at www.ottoenergy.com.

Not investment advice
This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation by Otto or its advisers to acquire New Shares and does not and will not form any part of any contract for the acquisition of New Shares. Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Otto and the impact that different future outcomes may have on Otto.

This Presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. Otto is not licensed to provide financial product advice in respect of Otto shares.

Cooling off rights do not apply to the acquisition of New Shares

Investment risk
An investment in Otto shares is subject to known and unknown risks, some of which are beyond the control of Otto and its directors. Although there is financial information in this Presentation, that information (as noted in the 'Financial data' section of this important notice and disclaimer below) is for illustrative purposes only and Otto does not guarantee any particular rate of return or the performance of Otto or its shares. Otto does not guarantee any particular tax treatment (including in relation to the Offer) and the information regarding tax in this Presentation and the Retail Information Booklet is not advice. Investors should have regard to the risk factors outlined in the 'Key risks' section of this Presentation when making their investment decision.

Financial data
All dollar values are in Australian dollars (A$ or AUD) unless otherwise stated.

Investors should note that this Presentation contains pro forma financial information. The pro forma financial information and past information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Otto's views on its future financial condition and/or performance. The pro forma financial information has been prepared by Otto in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory reporting requirements in Australia.

Investors should also note that the pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Investors should be aware that certain financial data included in this presentation are 'non-GAAP financial measures' under Regulation G of the U.S. Securities Exchange Act of 1934, as amended. These measures include EBITDA and underlying NPAT. The disclosure of such non-GAAP financial measures in the manner included in the Presentation may not be permissible in a registration statement under the U.S. Securities Act. These non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although Otto believes these non-GAAP financial measures provide useful information to users in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-GAAP financial measures included in this Presentation.

This Presentation contains forecast financial information which has been prepared and presented in accordance with the measurement and recognition principles prescribed in Australia which differs in certain respects from U.S. GAAP. The forecast financial information was not prepared with a view toward complying with the published guidelines of the U.S. Securities and Exchange Commission or guidelines established by the American Institute of Certified Public Accountants (AICPA) with respect to the preparation and presentation of prospective financial information. The forecast financial information does not include presentation and disclosure of all information required by the AICPA guidelines on prospective or pro forma financial information. The forecast financial information may be materially different if it was prepared in accordance with U.S. GAAP. The forecast financial information is highly subjective and should not be relied upon as being necessarily indicative of future results. It has also not been audited.

Disclaimer (cont.)

Future performance and forward-looking statements
This Presentation may contain certain 'forward-looking statements' with respect to the financial condition, results of operations and business of the Company and certain plans and objectives of the management of the Company. Forward looking statements can generally be identified by words such as 'may', 'could', 'believes', 'plan', 'will', 'likely', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties, which may include, but are not limited to, the outcome and effects of the subject matter of this Presentation. Indications of, and guidance on, future exchange rates, capital expenditure, earnings and financial position and performance are also forward-looking statements.

You are cautioned not to place undue reliance on forward looking statements as actual outcomes may differ materially from forward looking statements. Any forward-looking statements, opinions and estimates provided in this Presentation necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise, many of which are outside the control of the Company. Such statements may cause the actual results or performance of the Company to be materially different from any future results or performance expressed or implied by such forward looking statements. Forward-looking statements including, without limitation, guidance on future plans, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward looking statements speak only as of the date of this Presentation.

Past performance
Investors should note that past performance, including past share price performance of Otto is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Otto performance including future share price performance.

Effect of rounding
A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation

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

International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

International Offer Restrictions (cont.)

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

International Offer Restrictions (cont.)

Cambodia

This document has not been, and will not be, registered as a disclosure document under the Public Offering Rules and Listing Rules of the Securities and Exchange Commission of Cambodia (the "SECC"). No action has been taken in Cambodia to authorise or register this document with the SECC or to permit the distribution of this document or any documents issued in connection with it in Cambodia. Accordingly, the New Shares may not be offered or sold in Cambodia other than as permitted under Cambodian law.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not, please return this document immediately. You may not forward or circulate this document to any other person in Cambodia.

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Cambodia or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Cambodia (except if required to do so by the securities laws and regulations of Cambodia) other than with respect to the New Shares that are or are intended to be disposed of only to persons outside Cambodia.

The Offer is made to you on the condition that you will not sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Cambodia.

You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Glossary

Terms	Definitions
A$	Australian dollars or cents.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange.
ASX Listing Rules	Rules governing the admission of entities to the official list, quotation of securities, suspension of securities from quotation and removal of entitles from the official list. They also govern disclosure and some aspects of a listed entities conduct.
Australian Accounting Standards	The accounting standards developed and maintained by the Australian Accounting Standards Board.
BBL	Barrel.
BBLS	Barrels.
BCFE	Billion cubic feet equivalent with an Mcfe determined using a ratio of 6,000 cubic feet of natural gas to one barrel of oil.
Board	The Otto board of directors.
BOE	Barrels of oil equivalent with a BOE determined using a ratio of 6,000 cubic feet of natural gas to one barrel of oil conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency
BOEPD	BOE per day.
BOPD	Barrels of oil per day
Capital Raising	The raising by Otto of A$20m in capital through the Offer.
Company	Otto Energy Limited (ACN 107 555 046)
Corporations Act	Corporations Act 2001 (Cth).
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization.
Eligible Retail Shareholder	A retail shareholder with a registered address in Australia, New Zealand, United Kingdom, Singapore, Hong Kong or Cambodia.
Entitlement and Acceptance Form	Form accompanying the Retail Information Booklet.
Entitlement Offer	Institutional Entitlement Offer and the Retail Entitlement Offer.
Finding Cost	The cost of finding a BOE including land and exploration costs.
Finding and Development Cost	The cost of finding and developing a BOE includes the Finding Cost and development costs such as well completion and facilities.
FMC Act	The Financial Markets Conduct Act 2013 (NZ).
FPO	The Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (UK).
FSMA	The Financial Services and Markets Act 2000 (UK).
Gulf Coast Package	The eight well drilling program that Otto is farming in to with Hilcorp.
Institutional Entitlement Offer	Pro-rata accelerated non-renounceable entitlement offer to eligible institutional shareholders.
International Financial Reporting Standards	The standards issued by the IFRS Foundation and the International Accounting Standards Board.
Investor Presentation	This investor presentation.
Lead Manager	Morgans Corporate Limited (ABN 32 010 539 607).

Glossary

Terms	Definitions
LLS	Louisiana Light Sweet crude.
MBBL	One thousand barrels.
MBOE	One thousand BOE
MMBOE	One million BOE
MMBTU	One million British Thermal Units.
MCF	One thousand cubic feet.
New Shares	Shares to be allocated and issued under the Entitlement Offer.
NGLs	Natural Gas Liquids.
NPAT	Net Profit After Tax.
Offer	Otto's fully underwritten pro-rata accelerated non-renounceable entitlement offer of new ordinary fully paid shares in Otto.
Offer Price	A$0.059 per New Share.
Otto	Otto Energy Limited (ACN 107 555 046)
Peak Production Rate	The maximum steady state rate at which a well is expected to produce.
Petroleum Resources Management System	The Petroleum Resources Management System developed by the Society of Petroleum Engineers.
POS	Probability of success.
Presentation	This Investor Presentation.
Prospective Resource	Those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations. Further information is available at www.spe.org.
Record Date	7pm (Sydney time) on Thursday 2 August 2018.
Retail Entitlement Offer	Pro-rata accelerated non-renounceable entitlement offer to Eligible Retail Shareholders to subscribe for 1 New Share for every 9 Shares held on the Record Date.
Retail Information Booklet	Booklet containing important information about the Retail Entitlement Offer and Otto's business.
SECC	The Securities and Exchange Commission of Cambodia.
SFA	The Securities and Futures Act of Singapore.
SFO	The Securities and Futures Ordinance (Cap. 571) (Hong Kong).
Shares	A fully paid ordinary share in the capital of Otto.
Shareholders	A holder of Shares in Otto.
SM71	South Marsh Island 71.
Statement	The Competent Persons and Cautionary Statements.
TERP	Theoretical Ex-Rights Price.
Underwriter	Morgans Corporate Limited (ABN 32 010 539 607).
US Securities Act	US Securities Act of 1933.
US$ or USD	United States dollars
WTI	West Texas Intermediate.

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