

**ASX ANNOUNCEMENT**

4 March 2019

**WINX-1 DRILLING UPDATE**

- **Primary Nanushuk targets (topsets) intersected between 4,667’ and 4,901’**
- **Elevated mud gas (C1-C5) associated with oil shows and increase in LWD (Logging While Drilling) resistivity recorded within interval**
- **Initial interpretation encouraging based on comparison to data from nearby successful Nanushuk well**
- **The Torok Topset Sequence 4 (secondary target) was intersected at 6,052’ with elevated mud gas readings (C1-C5), oil shows and an increase in LWD resistivity recorded**
- **On reaching Total Depth a comprehensive wireline logging program will be implemented to further evaluate all the Nanushuk / Torok zones of interest and determine whether to proceed with production testing**

Otto Energy Limited (ASX:OEL) (“Otto” or the “Company”) is pleased to provide the following update on the drilling of the Winx-1 well in its Alaska Western Blocks.

The Winx-1 exploration well intersected the primary Nanushuk topset targets between 4,667’ and 4,901’. Elevated mud gas readings, oil shows and an increase in LWD resistivity were observed in multiple topset features within this primary target interval of the well.

Data obtained by the Joint Venture from a nearby successful Nanushuk well has proven comparable to that observed in Winx-1 over the same topset features, providing early encouragement. These initial interpretations, whilst encouraging, should be treated with some caution as more data and analysis are required for validation.

The interval (4,460’-4,530’) in the Nanushuk Formation above the primary target zone remains the subject of further analysis to determine prospectivity.

The well successfully intersected the top of the Torok Formation at 4913’. The Topset Sequence 4 sandstones (secondary target) were encountered at approximately 6052’. Elevated mud log gas readings (C1 – C5) associated with oil shows and an elevated LWD resistivity response were recorded during the drilling of this sequence.

On reaching Total Depth, the forward plan is to run a comprehensive wireline logging program over the zones of interest. Subject to the results of this program the Joint Venture will decide whether to proceed to stimulate and test the most prospective of the Nanushuk primary targets.

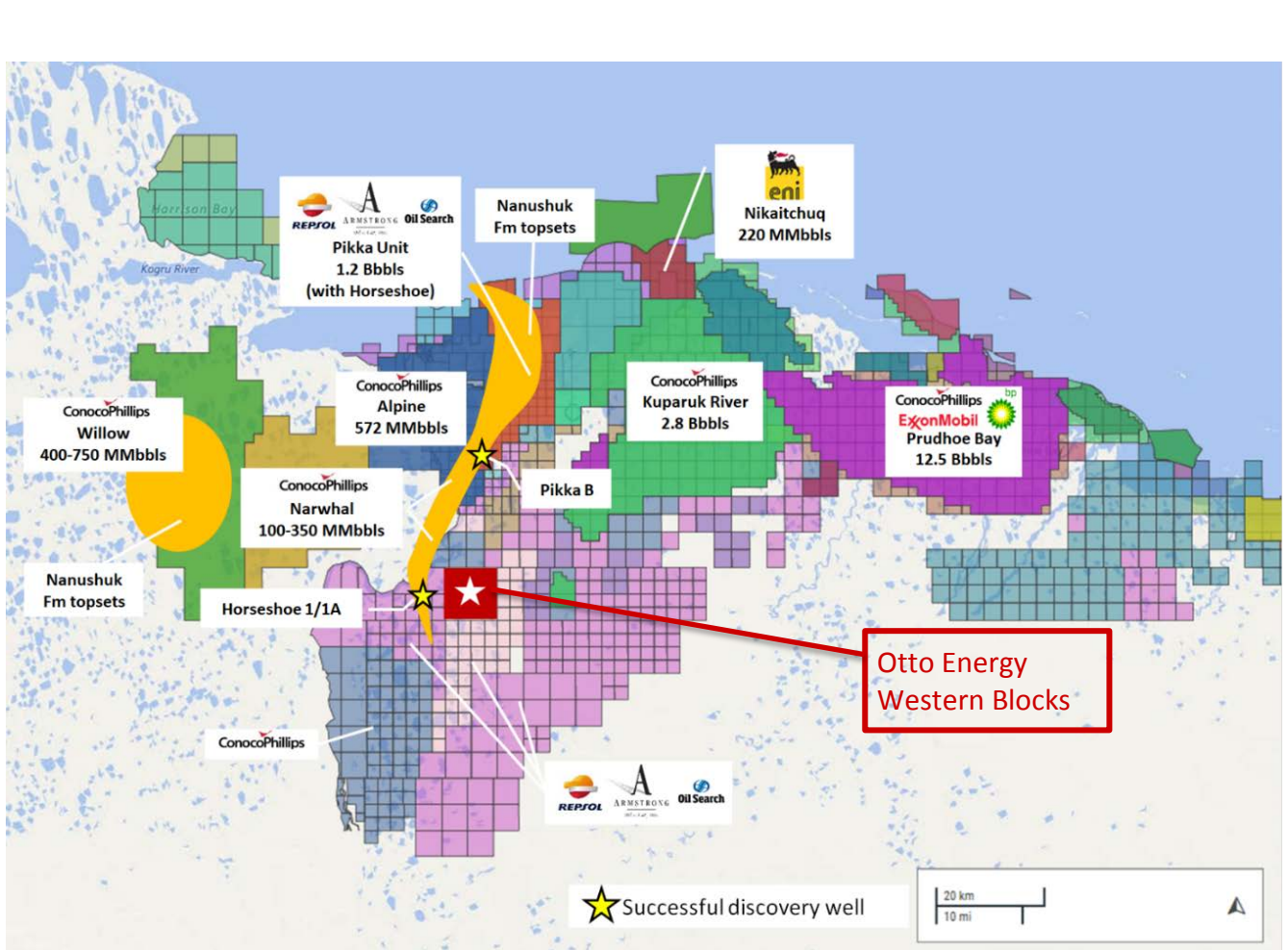
<p>Contact:          Matthew Allen          Managing Director &amp; CEO          +61 8 6467 8800  <a href="mailto:info@ottoenergy.com">info@ottoenergy.com</a></p>	<p>Investor Relations:          Mark Lindh          Adelaide Equity Partners          +61 8 8232 8800</p>
--	---

www.ottoenergy.com

**Winx-1 Information**

Winx-1 is located approximately 4 miles east of the Horseshoe-1/1A well that significantly extended the highly successful Nanushuk play fairway to the south. Winx-1 will target gross best estimate prospective resource of 400 million barrels of oil (75 million barrels Otto’s 18.75% net revenue interest) across multiple stacked objectives, including the Nanushuk Formation, which is the primary target of the well.

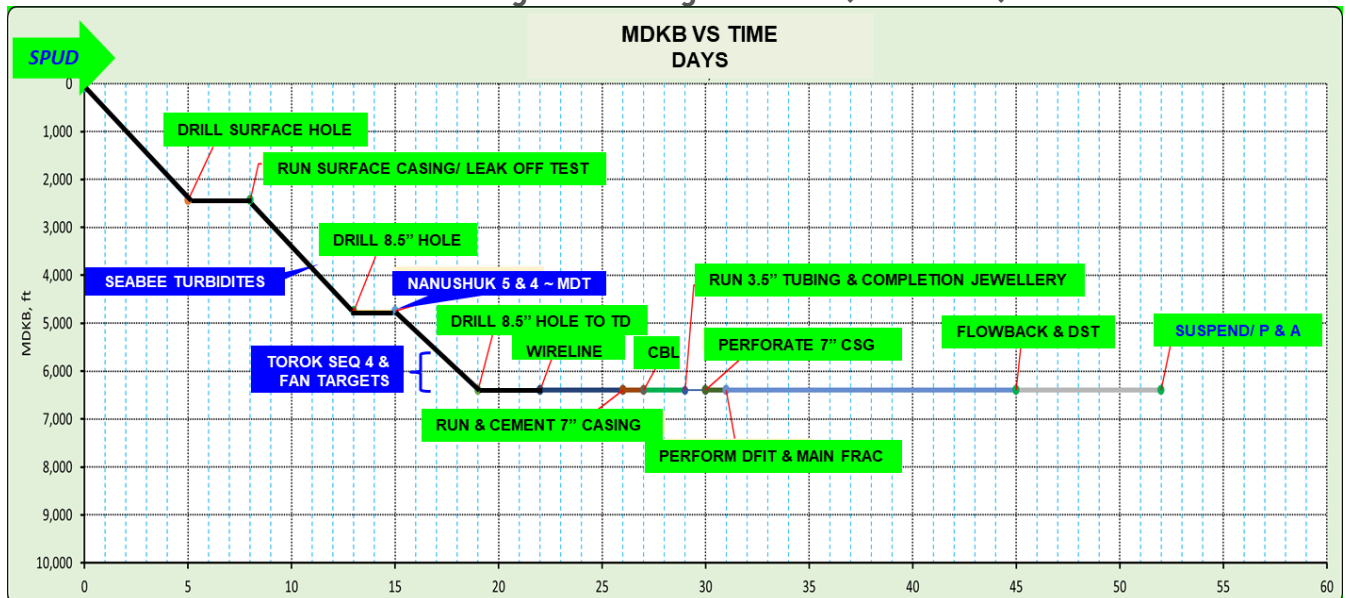
Cautionary Statement: The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons.



www.ottoenergy.com

Figure 1 – Winx exploration well, Western Blocks, Pikka B well, Alaska North Slope and Nanushuk Fairway

### Winx-1 drilling and testing schedule (base case)



### Prospective Resources Reporting Notes

- The prospective resources information in this document is effective as at 30 April 2018 (Listing Rule (LR) 5.25.1):
- The prospective resources information in this document has been estimated and is classified in accordance with SPE PRMS (Society of Petroleum Engineers Petroleum Resources Management System) (LR 5.25.2).
- 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 (LR 5.25.5).
- The prospective resources information in this document has been estimated and prepared using the deterministic method (LR 5.25.6).
- 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 (LR 5.25.7).
- The prospective resources information in this document has been estimated on the basis that products are sold on the spot market with delivery at the sales point on the production facilities (LR 5.26.5).
- Prospective resources are reported on a best estimate basis (LR 5.28.1).
- For further information, refer to the announcement dated 18 February 2019.