

**ASX ANNOUNCEMENT**

20 May 2019

## **PRODUCTION COMMENCES AT LIGHTNING FIELD**

- **Production and sales of gas and condensate have commenced from the Lightning field**
- **Field will be commissioned over an initial 60 day period to establish steady state production and monitor field performance**

Otto Energy Limited (ASX:OEL) (“Otto” or the “Company”) is pleased to advise that production has commenced from the Green #1 well on the Lightning field in Matagorda County Texas. Otto has a 37.5% working interest (28.5% Net Revenue Interest) in the leases covering this field.

The hot tap into the sales pipeline has been completed and the well opened to the sales line. Production rates are expected to vary over the next few weeks as the operator assesses the optimal rate to achieve the maximum economic ultimate recovery.

Otto has commenced a process to develop maiden reserve volumes on the Lightning discovery as production stabilises and data is gathered. It is expected that these maiden reserves will be reported upon the completion of the initial 60 day running in period.

Otto’s Managing Director, Matthew Allen, commented: *“We are very pleased to now have our second field on production. Both of the SM 71 and Lightning fields were the result of exploration drilling success, highlighting the attractiveness of the non-operated strategy Otto is currently implementing.*

*The addition of Lightning is another step towards our strategic goal of 5,000 boepd by the end of 2020.”*

Refer to Appendix 1 and Otto’s ASX release of 4 December 2018 for further details on the Lightning prospect. Refer to the ASX release “Otto Farms in to Eight Well Gulf Coast Package with Hilcorp” dated 31 July 2018 for further details on the overall Hilcorp Gulf Coast eight well program.

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