

Significant Acquisitions in 2015 deliver Multi-well Drilling Campaign in 2016/17



Matthew Allen, Managing Director and CEO

December 2015



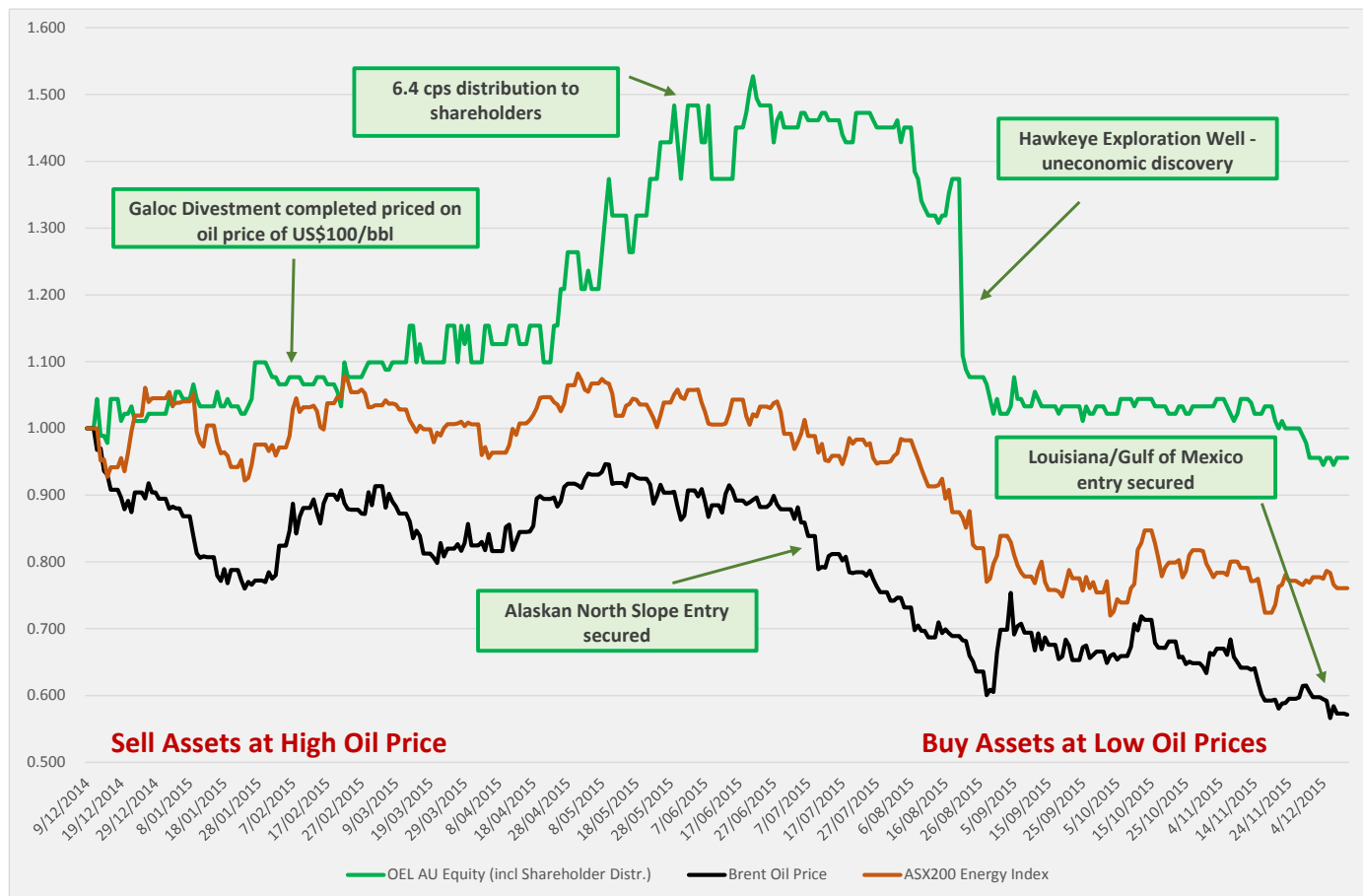
Multi-well drilling campaign in 2016/17

Otto has used its strong balance sheet to position for an active high-impact drilling program across three quality projects in 2016/17

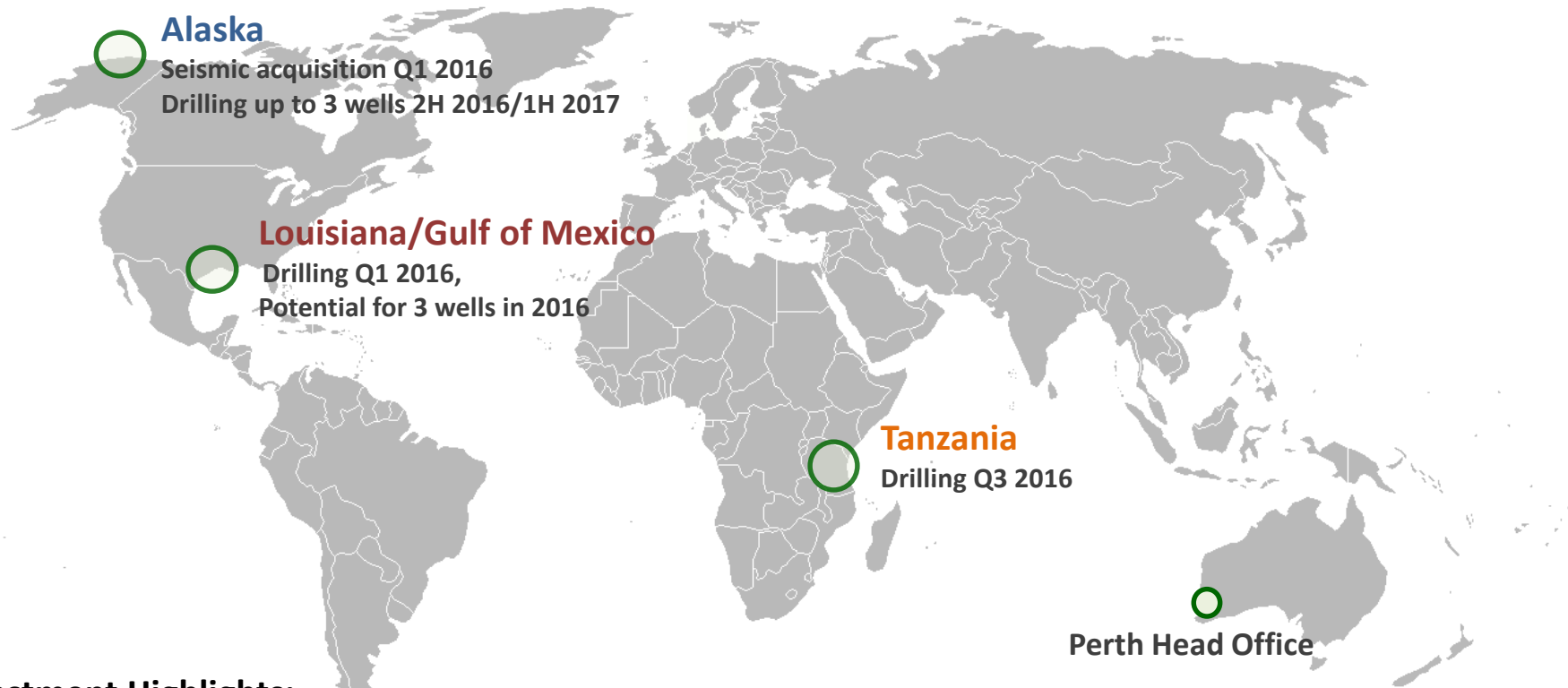
- Louisiana/Gulf of Mexico
 - Short timeframe (12-18 months) from discovery to production
 - Low cost operating environment <US\$25 per bbl
 - High chance of success – drilling within short distances from existing production
 - First well in Q1 2016, second “option” well in Q1 2016 with third “option” well in 2H 2016
- Tanzania
 - Drilling high impact frontier well in 2016 – low cost drilling operations targeting large (>150 MMbbl) unproven structures
- Alaska
 - Home of giant oil fields (>500 MMbbl) with available infrastructure within acreage
 - Extensive proprietary 3D seismic data to unlock extensive stratigraphic plays
 - Drilling in 2H 2016/1H 2017 will test significant conventional oil targets
- All projects are economic in the current low oil price environment
- All wells can be funded by Otto’s robust cash balance of US\$34 million

Delivering value to shareholders despite oil price challenges

- Otto has sought to re-position itself into low cost and high chance of success environments throughout 2015 – assets that work even in low oil price environment
- An exhaustive review process through 2015 for asset acquisitions (600+ opportunities reviewed) has positioned Otto to be able to deliver significant shareholder value



Active exploration and production opportunities across prolific petroleum basins



Investment Highlights:

- Share price cash backed – A\$47m cash or 4 cents per share (current share price 2.3 cps)
- Diversified portfolio in high impact regions
- Drilling high chance of success wells adjacent to proven production in North America
- Drilling 6+ wells in 2016/17 – all wells can be funded by Otto's existing cash position
- Positioning to return to production in 2017

Louisiana/Gulf of Mexico

(Otto earning 45 to 50% Working Interest)

Low cost and high chance of success plays

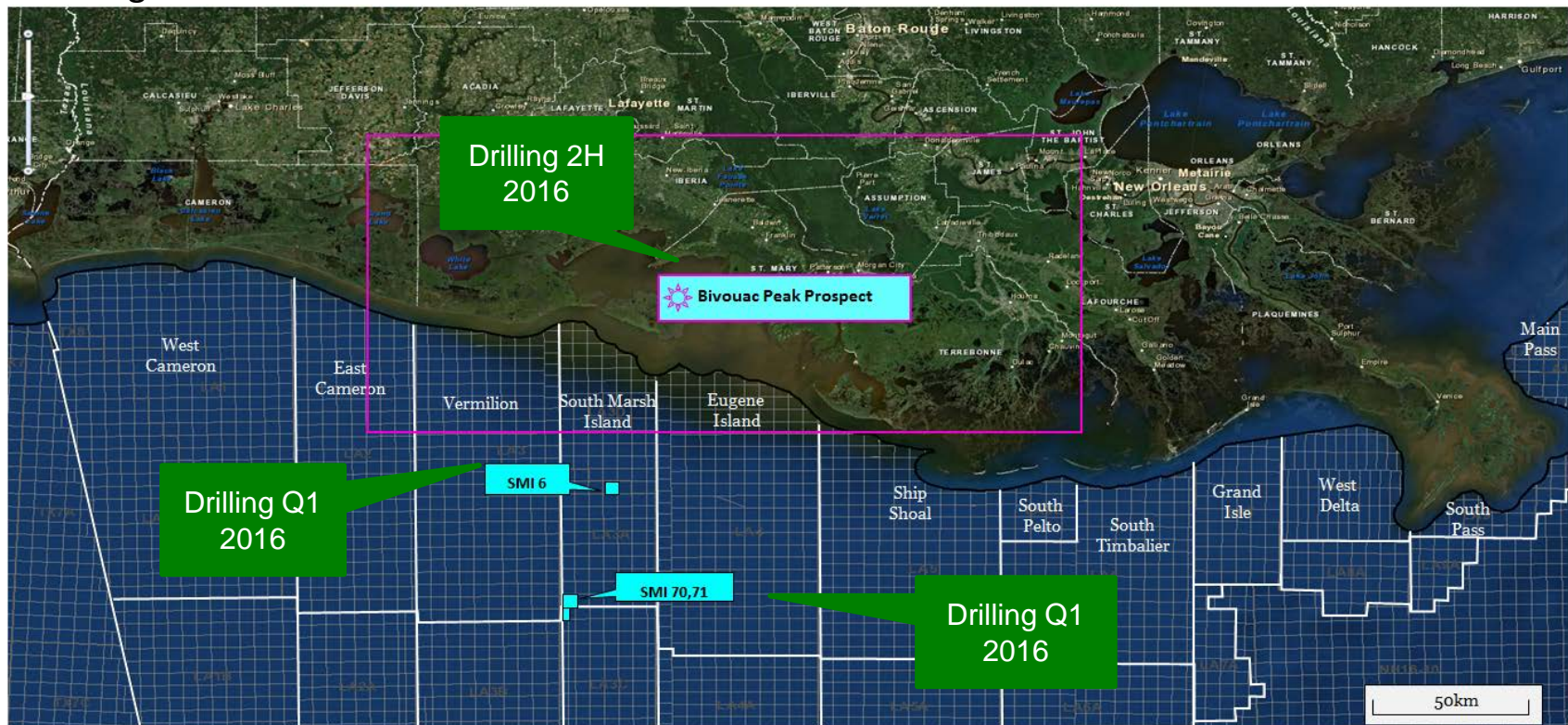
Material (~5MMbbl) prospect sizes

Success case will see production and cashflow in 2017

Farm-in to Byron Energy Ltd drilling opportunities

Multi-well drilling program in 2016

- Byron Energy has built a portfolio of low cost/high chance of success opportunities in the shallow water Gulf of Mexico and onshore Louisiana
- Otto will participate in the drilling of up to three wells in 2016 with Byron Energy via a staged farm-in



LA State Waters/Onshore opportunity



GOM Near Term Activity

Why this deal makes sense for Otto

Entry into one of the world's most productive and lowest cost oil and gas regions

- Quality Gulf of Mexico assets are difficult to come by – in a stronger market these assets wouldn't be available. Otto has a strong technical team and strong balance sheet and is a partner of choice in this market
- Otto was attracted to Byron Energy assets for the following reasons:
 - Byron Energy use high-end seismic technology to de-risk salt dome plays
 - Significant investment (>US\$20m) by Byron Energy into these assets
 - High chance of success of these projects
 - Low operating costs – these projects are economic below US\$25 per bbl oil prices
 - Diversity of portfolio opportunities each at high equity positions
 - Alignment of technical team processes and thinking
- Byron Energy team have collectively drilled over 140 wells in the GoM with a success rate of >80%

Farm-in to Byron Energy opportunities

Commercial terms of staged farm-in

Licence	Drilling	Gross Well Cost	Otto Well Contribution ^{(1) (2)}	Working Interest	Net Revenue Interest
South Marsh Island – 6 (SMI-6) (shallow water GoM)	Q1 2016	US\$8.0m	US\$5.3m	50%	40.625%
Otto then has an option to earn equity in SMI-70/71 leases or withdraw from further activity ...					
South Marsh Island – 70/71 (SMI-70/71) (shallow water GoM)	Q1 2016	US\$4.5m	US\$3.0m	50%	40.625%
Otto then has an option to earn equity in Bivouac Peak leases or withdraw from further activity ...					
Bivouac Peak Leases (onshore/marshland Louisiana)	2H 2016	US\$10.0m	US\$6.0m	45%	33.525%
Otto also has an option to earn equity in a new lease or withdraw from further activity ...					
Right of First Refusal	First right to secure one new lease before March 2017				

(1) Otto will contribute to back-costs in success case of US\$2.1m for SMI-6, US\$0.9m for SMI-70/71 and 45% of back costs for Bivouac Peak (est. US\$0.5 to 1.0m), if each option is made to proceed

(2) Paying interest on first well in SMI-6 and SMI-70/71 is 66.67% and in Bivouac Peak is 60% up to gross well cost amount, thereafter reverting to working interest

SMI-6 #2 Well – Drilling to start Q1 2016

Hercules 264 drilling unit under contract, in success case the well can be completed as a production well and brought on stream within 18 months

South Marsh Island-6 #2 Appraisal Well	
Reservoir type	Miocene – G20 sands updip of previous production in the SMI-6 B11 well
Objective Depth	~3,000 metres
Water Depth	20 metres
Net Reserves & Prospective Resource	By drilling the SMI-6 #2 well Otto will earn the right to interests in the volumes outlined on Page 25
Geological Chance of Success	<ul style="list-style-type: none"> 70% chance of intersecting oil or gas within net reserve and prospective resources range
Key Risks	<ul style="list-style-type: none"> Reservoir thickness Exact position of the salt seal
Drilling program	The Hercules 264 drilling unit has been contracted by Byron Energy for a 1 firm (SMI-6) and 1 contingent well (SMI-71) program commencing in Q1 2016.

South Marsh Island-6 Development Opportunity	
Development Requirements	<p>In the success case, the appraisal well would be completed with production casing. The well will be suspended within the existing 72" caisson installed at the well location.</p> <p>The following additional items would be needed to bring the well into production:</p> <ul style="list-style-type: none"> 8" flowline (7.3 km) Minor topsides modifications to SM10 platform
Development Costs	Approximately US\$8-10m (gross JV, Otto funding 50%)
Initial Production rate	Approximately 1,400 bopd (gross field production)
Timeframe from drilling to production/cash flow	15-18 months
Further potential	Further opportunities within the SMI-6 lease would then be pursued by the joint venture



Hercules 264 Drilling Unit

The estimated quantities of petroleum that may potentially be recoverable by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

TANZANIA

(Otto 50% Working Interest)

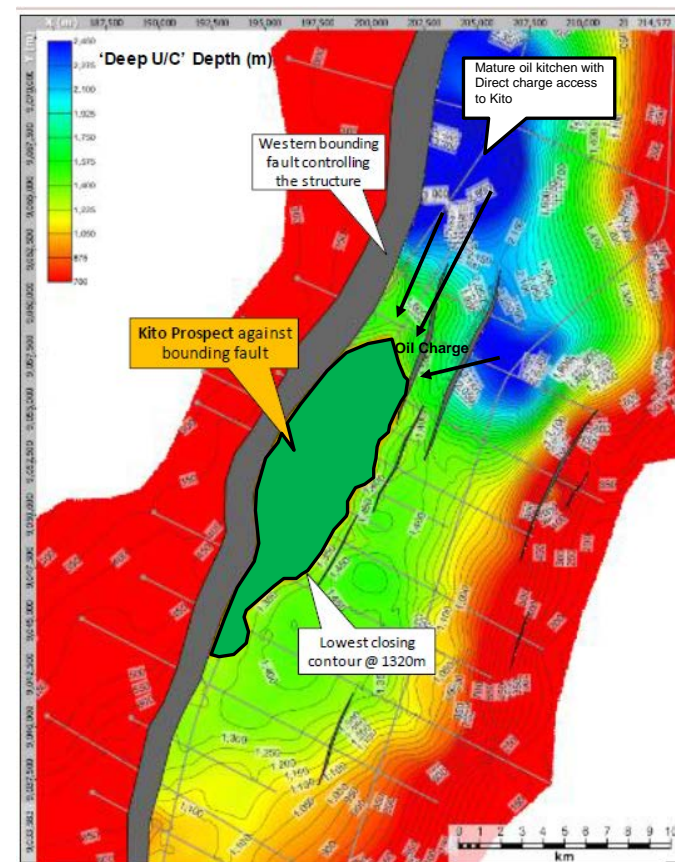
East Africa Rift Sequence
Frontier high impact play with drilling in Q3 2016
Low cost onshore plays
Large (~150MMbbl) prospect sizes
Farm-down in progress

Kito prospect drilling in Q3 2016

- 2D seismic acquired in 2013 and 2014 has confirmed that the Kito structure in the Kilombero basin is a large frontier exploration prospect
- Similarities to the discoveries in Uganda and Kenya make this an exciting greenfield well drilling in Q3 2016

Kito Prospect	
Area of Closure	50 km ² Up to 250m column height
Reservoir type	Miocene (Neogene)
Objective Depth	900 – 1,300 metres
STOIIP	193 – 596 – 1,602 MMbbls (Low – Best- High)
Net Prospective Resource (*)	19 - 60 - 170 MMbbls (Low – Best- High) *Represent OTTO 50% WI
Geological Chance of Success	15% chance of intersecting oil or gas within net prospective resource range
Key Risks	Presence of an active petroleum system in the Kilombero Basin
Drilling program	2016 drilling of Kito with expected well costs ~US\$10 million (gross joint venture, dry hole basis, before farm-down)

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Alaska

(Otto 8 to 10.8% Working Interest)

Alaskan North Slope

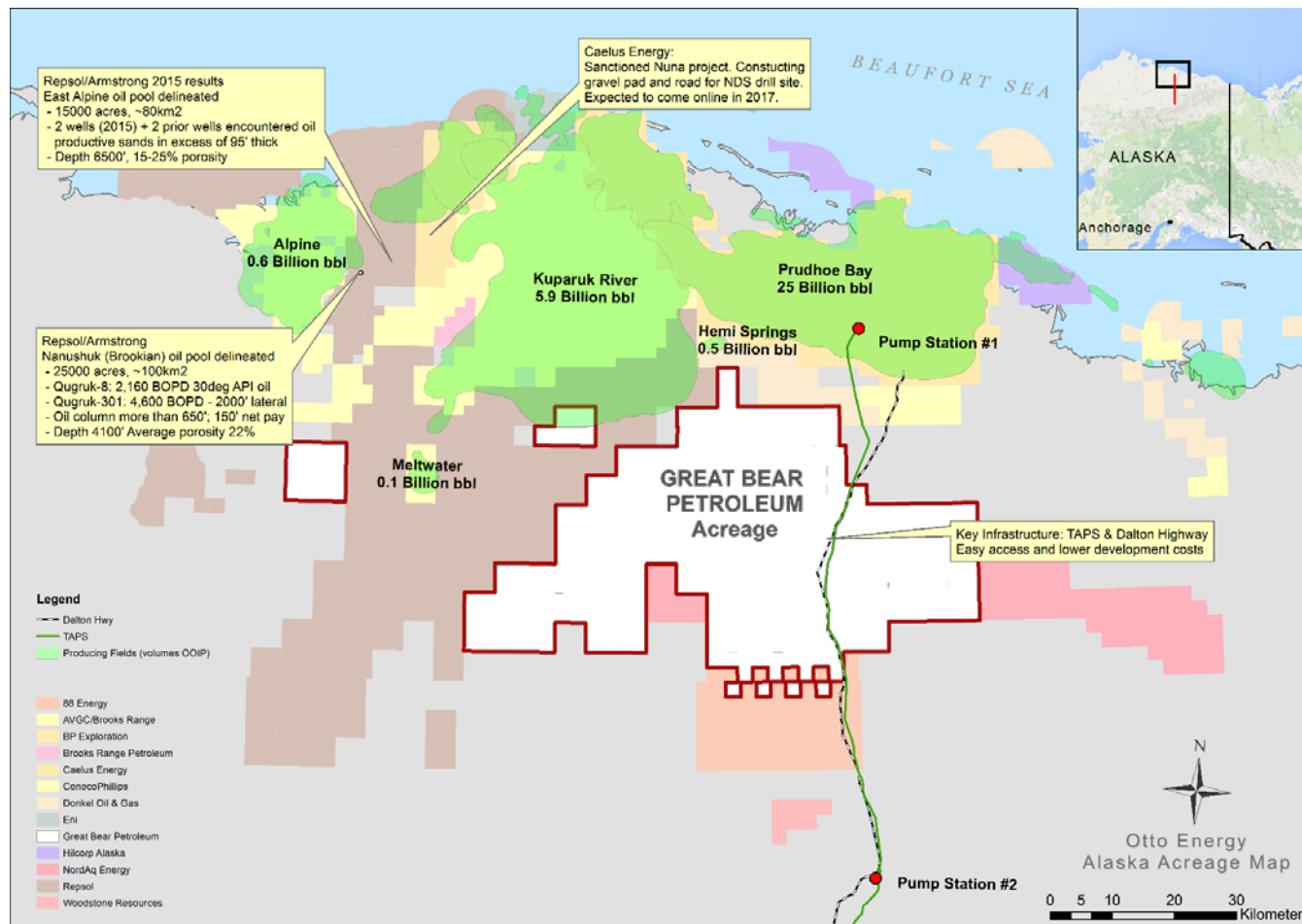
Proven production analogues, available infrastructure and high quality 3D seismic covering acreage

Moderate cost onshore and moderate to high chance of success plays

Giant (multi-hundred MMbbl) prospect sizes

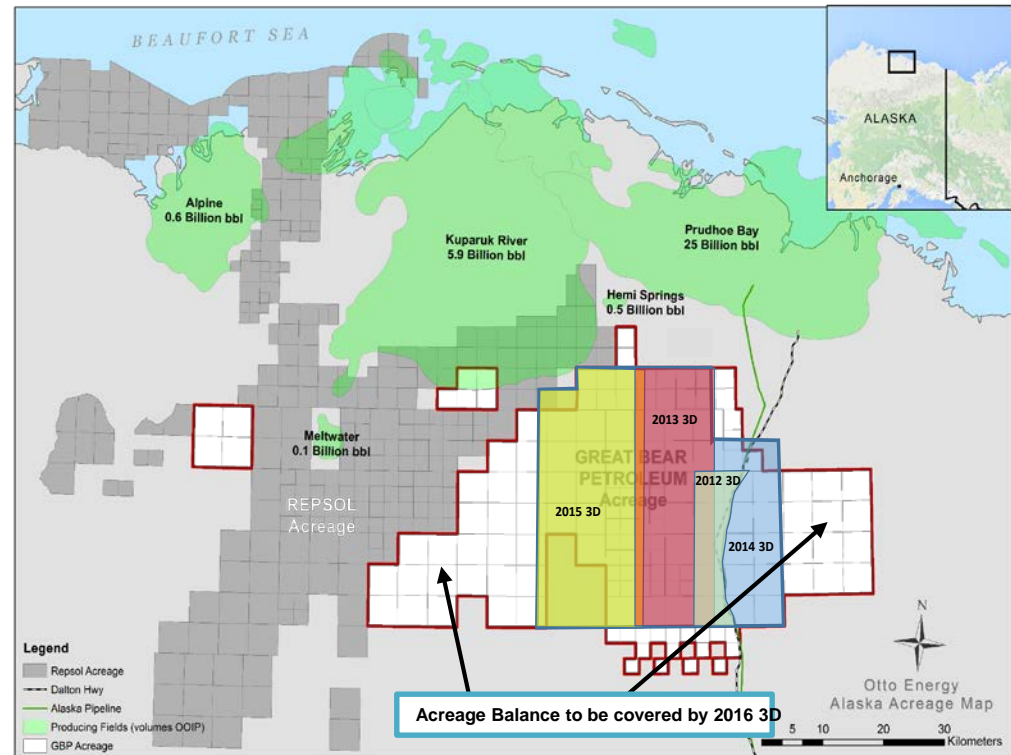
Home to giant scale oil projects - objective is to find quality reservoir

- After decades of limited exploration and appraisal, the North Slope is yielding major new discoveries
- Otto has secured an interest adjacent to the major producing fields with multiple potential play types to be tested – the acreage already has 3D seismic and well control and is being matured for drilling



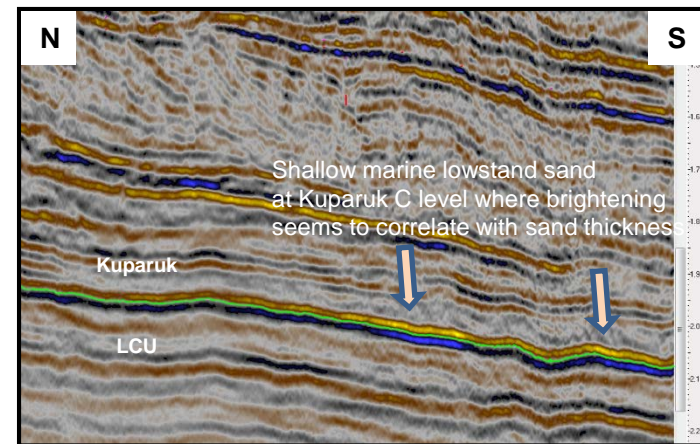
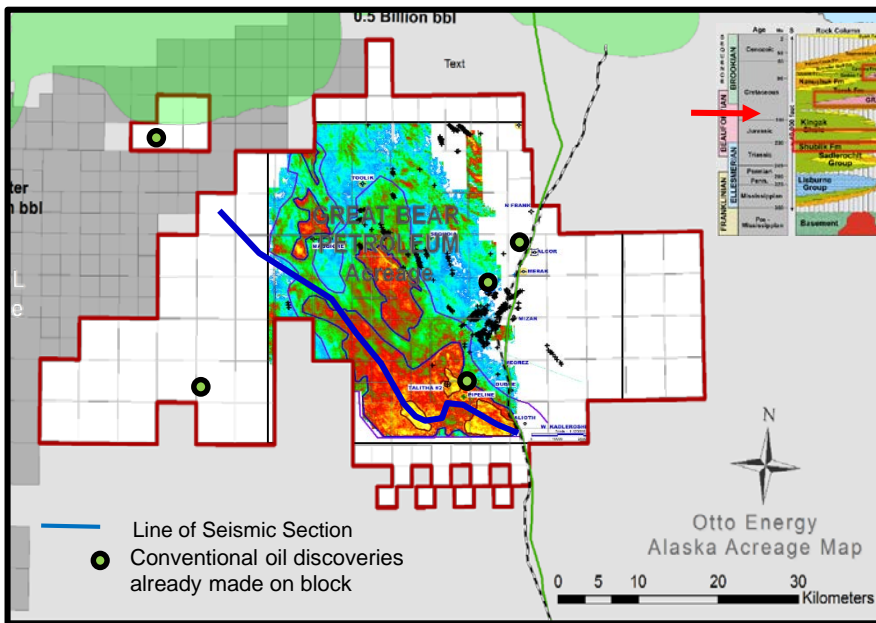
3D seismic is key to being able to unlock conventional stratigraphic plays

- US\$150m invested by Great Bear in:
 - 900m²/2,300km² modern, high quality 3D seismic data; and
 - Drilling three wells on the acreage
- Seismic interpretation is underway with a focus on stratigraphic plays in conventional reservoir sequences
- 450m²/1,170km² of new 3D seismic to be acquired in 1H 2016 (Otto is carried by Great Bear on this seismic acquisition)
- 3D seismic interpretation to be used to develop conventional prospect and lead inventory in 2016 for drilling in 2H 2016/1H 2017



Kuparuk C conventional sequence has already intersected oil on block

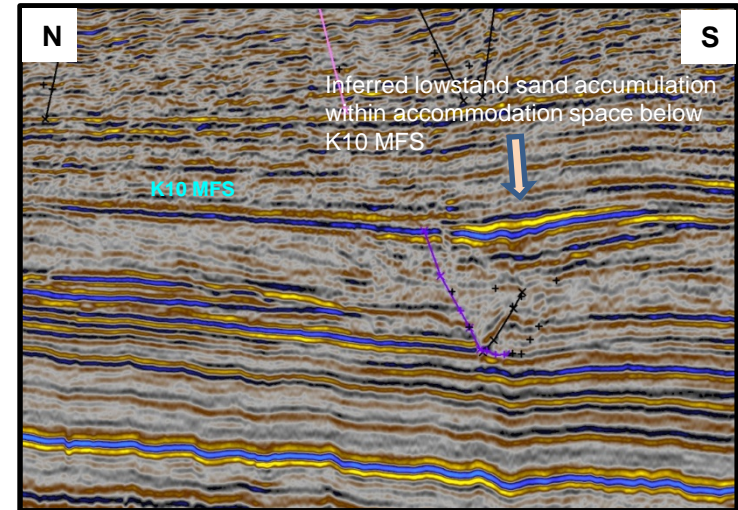
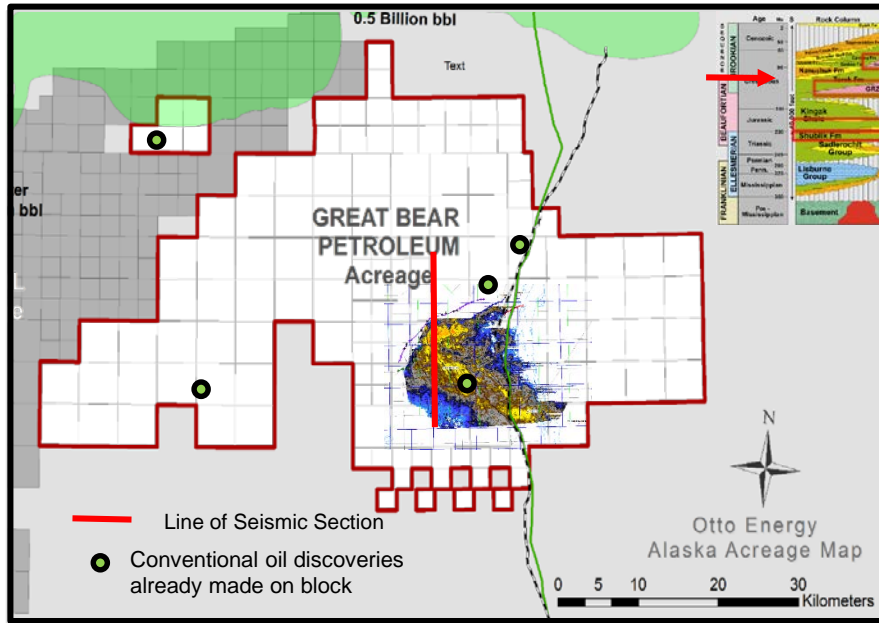
Initial interpretation of new 3D data has identified a number of sizable leads which require more detailed work to convert to drill ready prospects



Map shows area of inferred lowstand sand development (yellow/red) at Kuparuk C level which may form a large stratigraphic trap within the Great Bear acreage

K10 MFS shows promise; requires more work to mature to prospect level






Initial interpretation of new 3D data has identified a number of sizable leads which require more detailed work to convert to drill ready prospects



Map shows extent of inferred lowstand sand development below K10 MFS which may form a large stratigraphic trap within the Great Bear Acreage. This play type is analogous to the Tabasco field discovery further north

Otto Energy Activity Plan for 2016/17

Multiple drilling events for 2016/17 – first well drilling in Q1 2016

Country	Asset	Q1 16	Q2 16	Q3 16	Q4 16	2017
Louisiana/ Gulf of Mexico	SMI-6	Drilling 				
	SMI-70/71	Drilling option 				
	Bivouac Peak				Drilling option 	
	New Lease	Joint review and study with Byron Energy				
Tanzania		Farm-down Pangani and K-K		Drilling 		
Alaska		450 m ² /1,170 km ² 3D Seismic				Drilling 

Otto has used its strong balance sheet to position for an active high-impact drilling program across three quality projects in 2016/17

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- All wells can be funded by Otto’s robust cash balance of US\$34 million

ADDITIONAL INFORMATION

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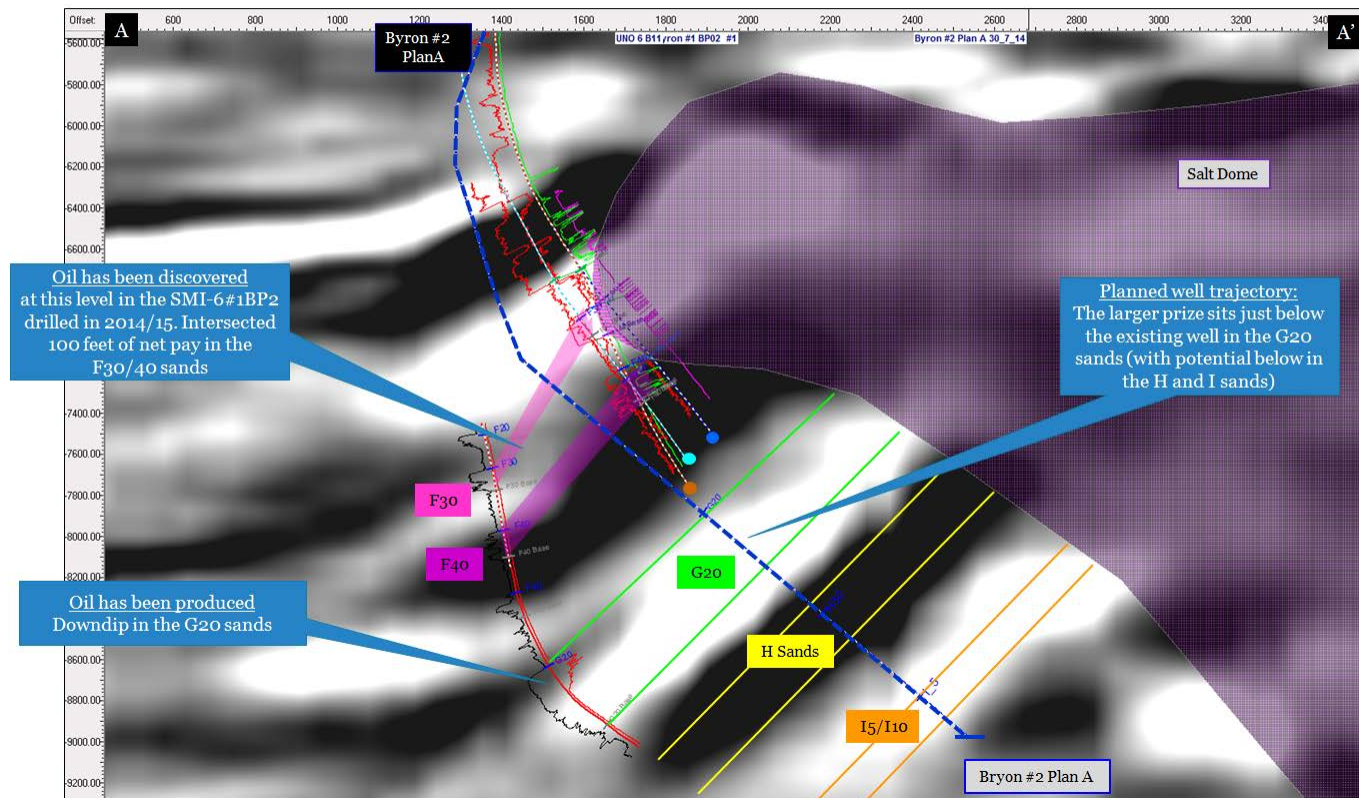
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info@ottoenergy.com

South Marsh Island 6 (SMI-6)

Drilling in Q1 2016; drilling 120 metres updip from known production in G20 sands

- SMI-6 #1 BP02 well drilled in 2014/15 has been completed in the F30/40 sand interval ~100 metres above the primary target interval in the G20 sands
- Drilling updip from existing production in the same G20 sand interval – Otto assigns a ~70% chance of success to this opportunity

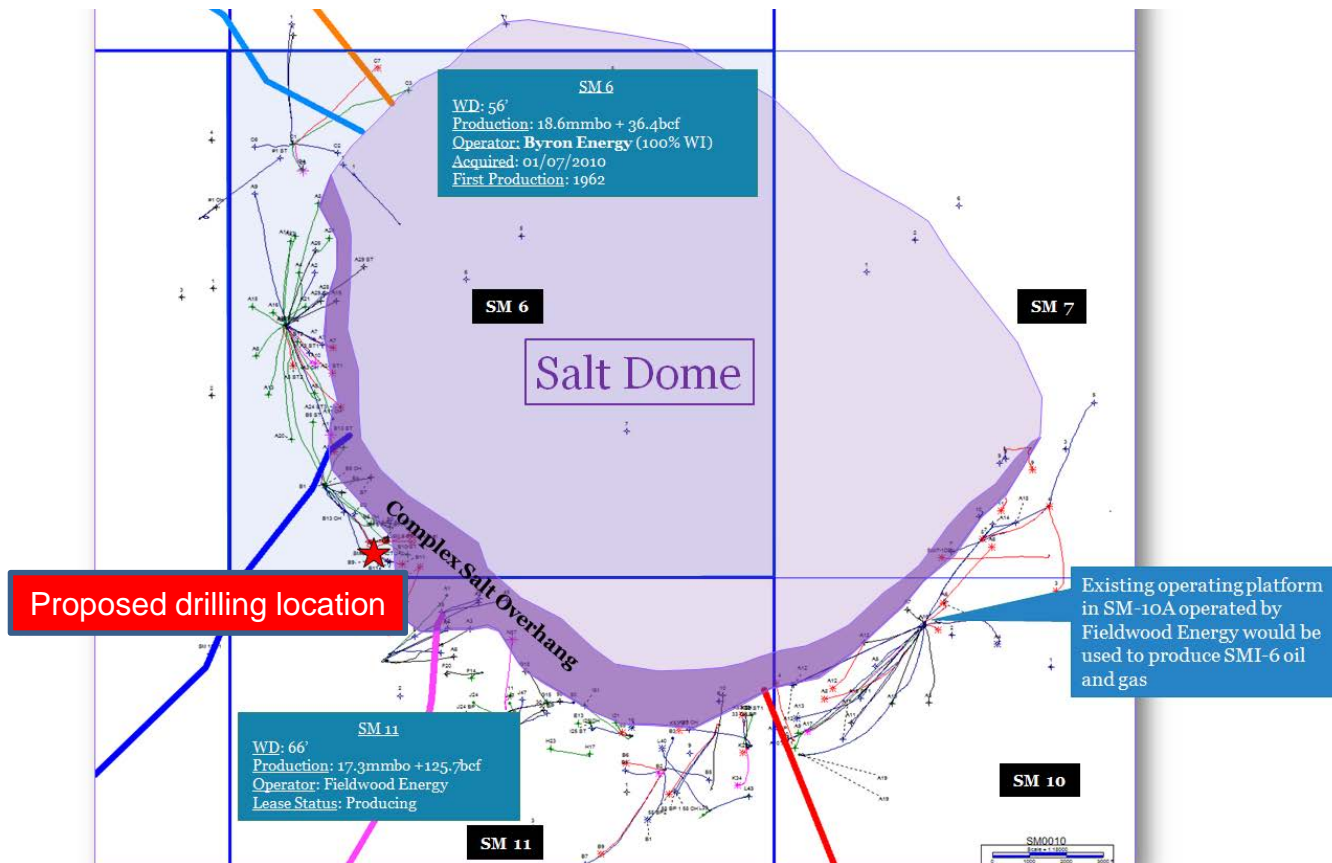
ARTM Seismic line through planned Byron SM6 #2



South Marsh Island 6 (SMI-6)

Existing nearby production facilities enable discoveries to be brought on stream in under 18 months

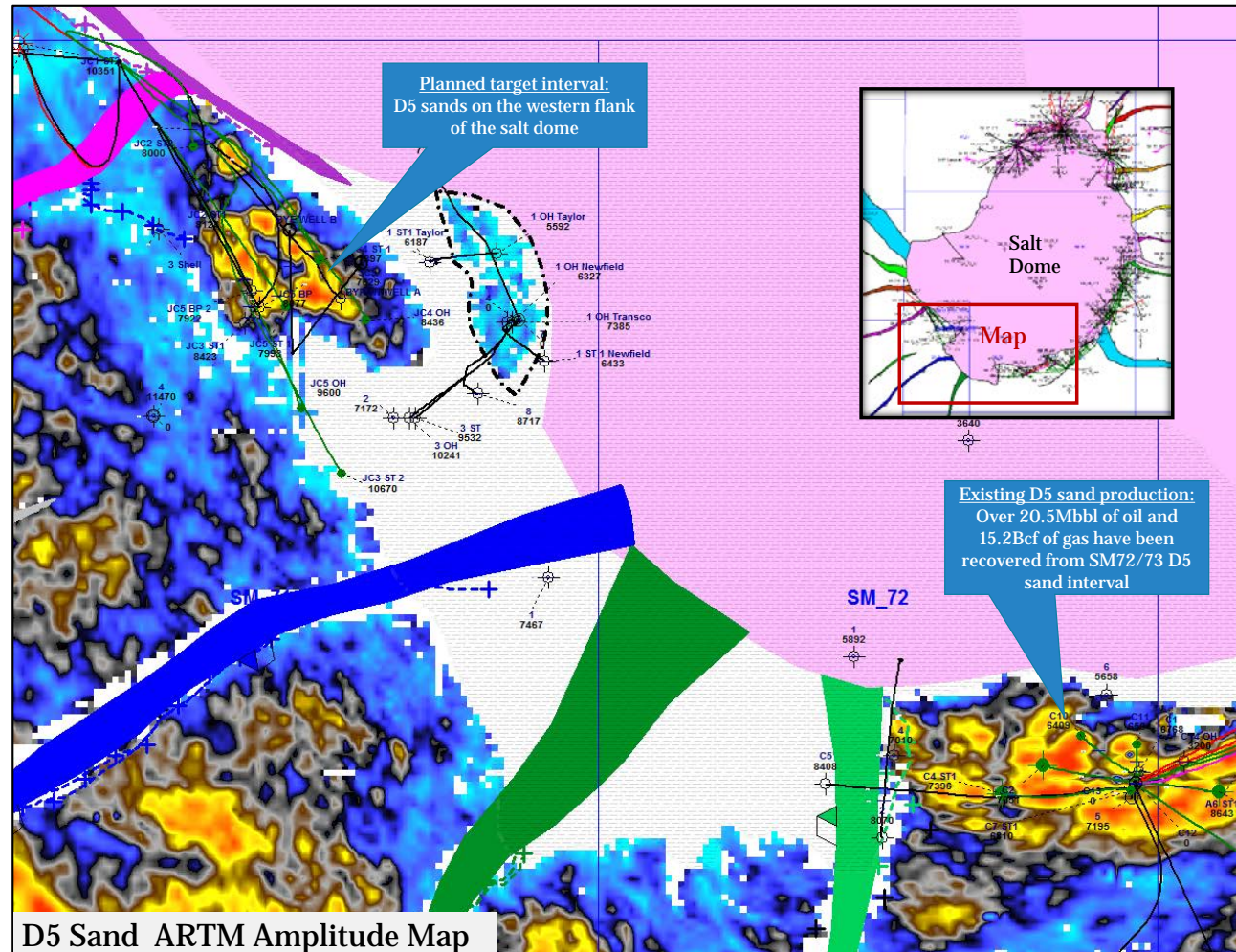
- Cost to connect first well and bring into production is ~US\$8-10m (gross cost, Otto funding 50%) or around US\$3-4 per bbl
- Total production from the salt dome to date: 40 MMbbl oil and 253 Bcf gas



South Marsh Island 70/71 (SMI-70/71)

Otto has an option to participate in drilling a second well in Q1 2016

- Prospective areas updip from existing production in shallow reservoirs (1,500 to 2,100m depth)
- Production from the D5 sand interval has occurred around the SM70/71 salt dome

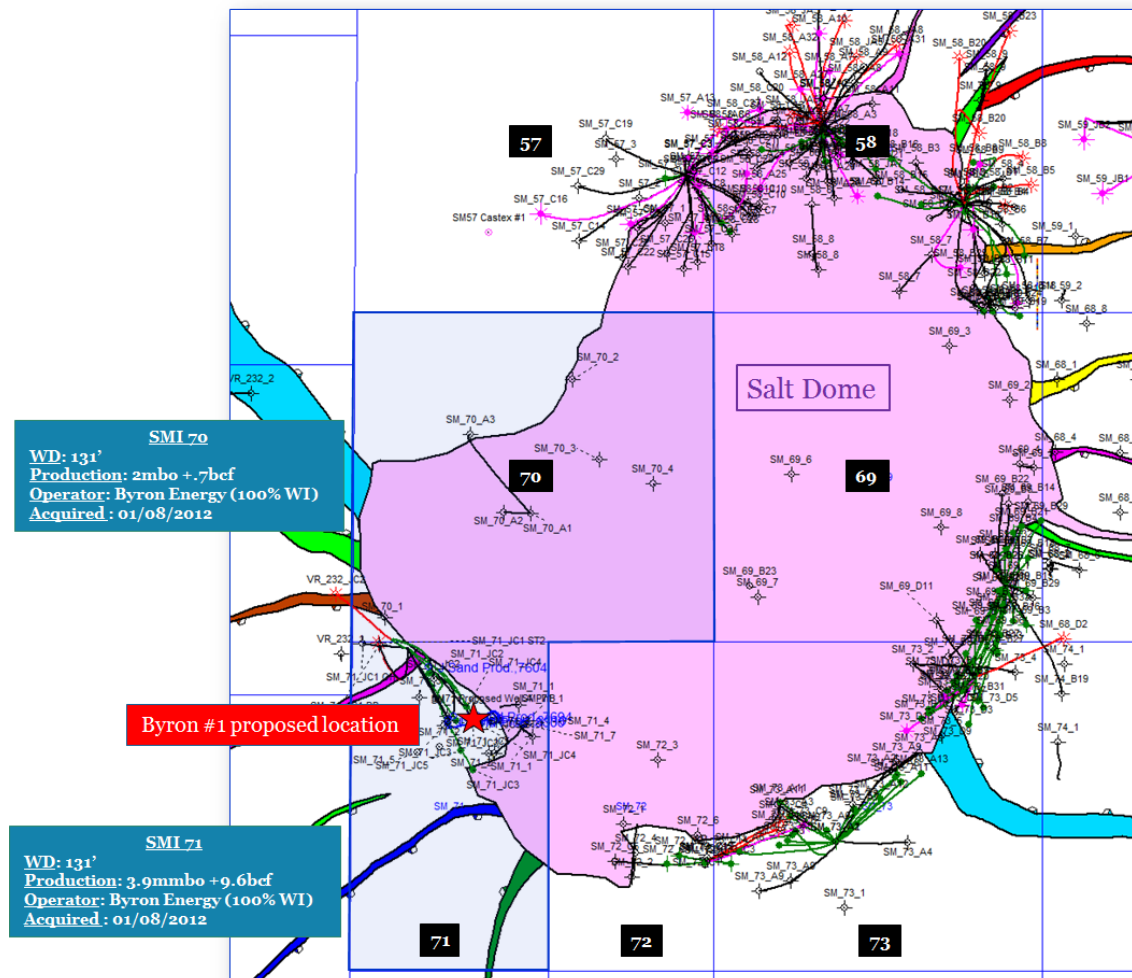


South Marsh Island 70/71 (SMI-70/71)

Producing salt dome with over 116 MMbbl and 375 Bcf already recovered

SM 70/71 Location Map

Total Field Production 116 mmbo + 375 BCF



Bivouac Peak Leases and Right of First Refusal

Opportunity to participate in new leases being secured by Byron

Bivouac Peak Leases:

- Onshore/marshland leases secured in November 2015 over 2,400 acres (9.7 km²) in the highly productive transitional zone in the Gulf of Mexico
- Accessible by barge mounted drilling rig – drilling costs estimated by Byron at US\$9.5m (gross well cost, Otto working interest is 45%; paying 60%) targeting upper and middle Miocene sections
- Estimated costs to complete and bring the well into production at US\$8.5m – approximately 6 months to bring into production
- Drilling planned in 2H 2016

Right of First Refusal

- Otto has first right to earn 50% of Byron's participating interest in a new asset acquired before March 2017
- Otto and Byron to review opportunities in the Gulf of Mexico Outer Continental Shelf and onshore in Texas and Louisiana
- Farm-in terms consistent with other entry options
- Enables Otto to participate in up to four new opportunities with Byron in total

Reserves and Prospective Resources Potential Post Earn-in

The following Reserves and Resources may be earned subject to completion of obligations under the farm-in agreement with Byron Energy Ltd

Licence	Net Revenue Interest		Proved Reserves (1P)	Probable Reserves (2P)	Possible Reserves (3P)	Prospective Resource
South Marsh Island – 6 (SMI-6) (shallow water GoM)	40.625%	Oil (Mbbbl)	567	1,495	2,167	3,603
		Gas (Mscf)	5,619	8,639	6,667	59,198
		Total (MBOE)	1,504	2,935	3,279	13,469
South Marsh Island – 70/71 (SMI-70/71) (shallow water GoM)	40.625%	Oil (Mbbbl)	249	343	520	2,277
		Gas (Mscf)	135	186	323	1,680
		Total (MBOE)	272	374	574	2,557
Bivouac Peak Leases (onshore/marshland Louisiana)	33.525%	Oil (Mbbbl)	-	-	-	3,100
		Gas (Mscf)	-	-	-	34,600
		Total (MBOE)	-	-	-	8,867

Note: Otto will earn interests in the above reserves and resources volumes by participating in the wells outlined on Page 8.

Strong Capital Structure

Cash backed with fully funded drilling

Capital Structure

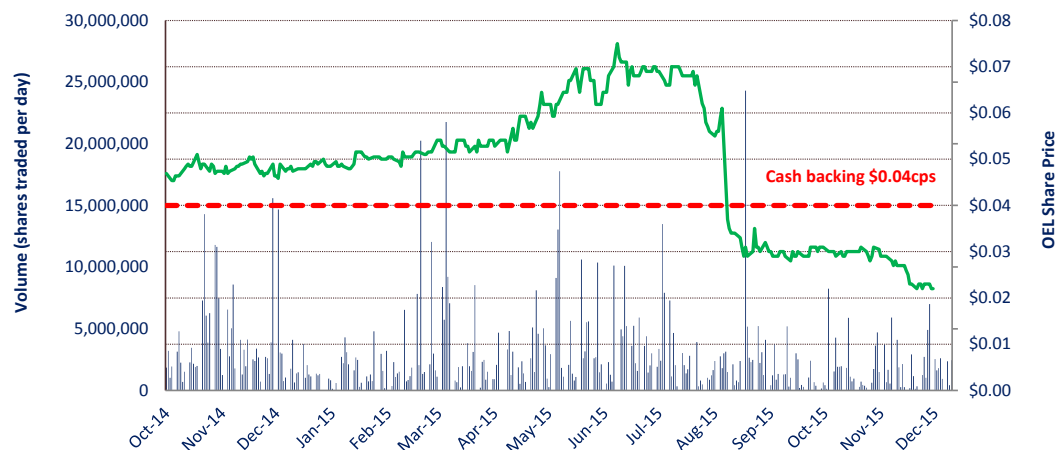
Fully paid ordinary shares	1.181b
Unlisted options ¹	8.0m
Performance Rights	13.8m
Market capitalisation ²	A\$27m
Cash and Receivables (Dec 2015)	US\$34m
Debt (Dec 2015)	US\$0m

Shareholders

Molton Holdings	20.5%
Santo Holdings	20.5%
Directors & Management	3.7%
Shareholders	3,968

1. Exercisable at 5.49 cents per share.

2. Undiluted at 2.3cents per share as at 2 November 2015



12 Month Turnover = 56.92% of issued capital
Average daily volume last 12 months = 2.585 million shares/day

Experienced Board & Management Team

Board of Directors



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 Boserio – Non-Executive Director.
BSc (Hons)

Former executive positions with Shell & Woodside in exploration roles.



Ian MacIver – Non-Executive Director.
BComm, FCA, SF Fin, FAICD

Managing Director Grange Consulting. Non-Executive Chairman of Western Areas.

Senior Management



Matthew Allen – Managing Director & CEO.
BBus, FCA, FFin, GAICD

Global exposure to the upstream oil and gas industry with 15 years experience in Asia, Africa, Australia and Middle East. Previous senior roles with Woodside over 9 year period. Previously held the role of CFO of Otto Energy.



Paul Senyia – Vice President, Exploration and New Ventures. **BSc (Hons), MAppSc**

International oil & gas experience gained over 30 years. Specific focus on Australia, South East Asia & Africa. Previous roles at Oilex (Exploration Manager), Woodside Energy (Head of Evaluation) and Shell International.



Craig Hasson – Chief Financial Officer. **BCom, CA, AGIA**

Chartered Accountant with over 12 years experience in resources in Australia, Europe and Africa. Previous roles at Cairn Energy, Dragon Mining, Resolute Mining and Ernst & Young.



Matthew Worner – Commercial Manager. **BBus LLB**

Commercial lawyer with experience in international oil and gas venture acquisitions, government and JV liaison and commercial transaction across Africa, Australia and Asia. Previous roles at Pura Vida, Rialto, Tap Oil, Steinepreis Paganin and Phillips Fox.

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This presentation contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

The Company, its directors, officers and employees make no representation, warranty (express or implied), or assurance as to the completeness or accuracy of forward looking statements.

The reserve and contingent resource information in this report in relation to Tanzania is based on information compiled by Mr Paul Senyica 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 Senyica is a full time 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 reserve and contingent resource information in this report in relation to SMI-6/SMI70/71 is based on information compiled by technical employees of independent consultants Collarini and Associates, under the supervision of Mr Mitch Reece BSc PE. Mr Reece is the President of Collarini and 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 are 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.

The reserve and contingent resource information in this report in relation to Bivouac Peak is based on information compiled by Mr William Sack (BSc. Earth Sci./Physics, MSc. Geology, MBA), an Executive Director of Byron Energy Limited. Mr William Sack is a member of American Association of Petroleum Geologists. 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 release are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Sack. Mr Sack 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 Resource Cautionary Statement

The estimated quantities of petroleum that may potentially be recoverable by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Prospective Resources

Prospective resource estimates in this presentation are prepared as at 11 December 2013 (reference: ASX announcement 11 December 2013) and as at 30 June 2015 (reference: Byron Energy Limited ASX announcement 4 September 2015). 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 estimates are unrisks 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.

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.