



ASX : OEL

RETURN TO PRODUCTION 2017

INVESTOR PRESENTATION

Matthew Allen, Managing Director and CEO

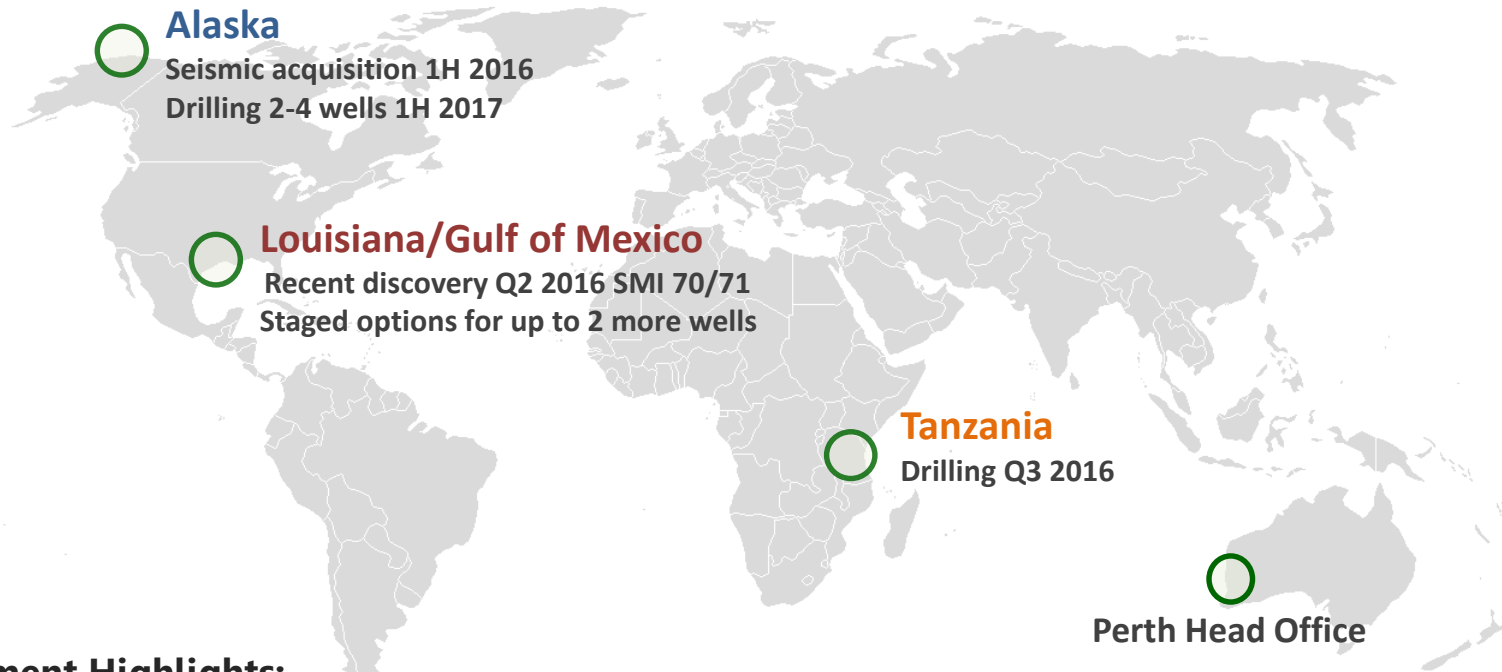
May 2016

OTTO
ENERGY

The logo for Otto Energy, consisting of the word 'OTTO' in a bold, white, sans-serif font, followed by a green infinity symbol. Below this, the word 'ENERGY' is written in a smaller, white, sans-serif font.

Overview

Drilling success sees return to production in 2017



Investment Highlights:

- ◆ Share price cash backed – A\$35m cash or 3 cents per share (current share price 4.2 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 Energy’s existing cash position
- ◆ Focus on opportunities with short lead time to production

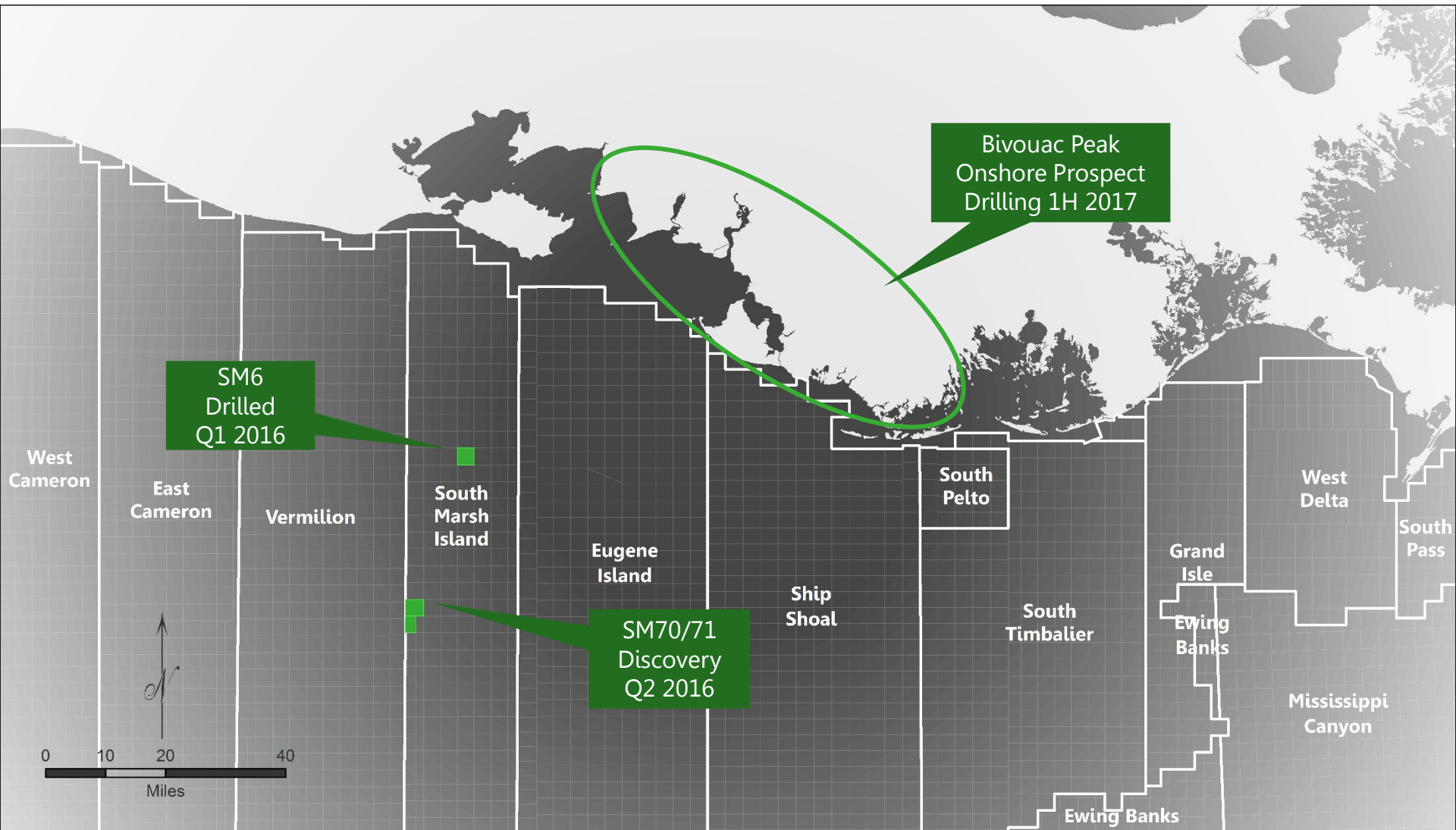
Gulf of Mexico

(45 – 50% Working Interest)

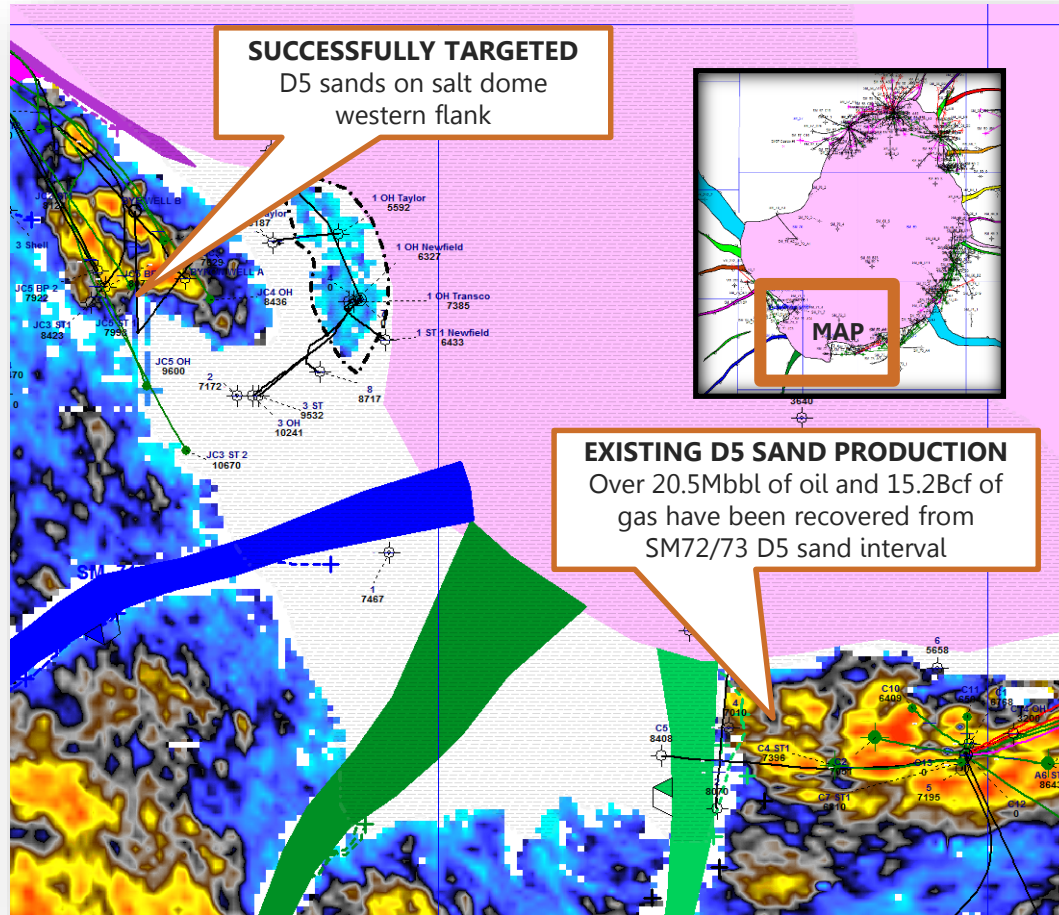
- ◆ Exciting new discovery at SM71 #1 well
- ◆ Potential follow-up opportunities on block
- ◆ Staged options for up to 2 more wells
- ◆ Projected production and cashflow in 2017

Staged Farm-in to Byron Energy Ltd

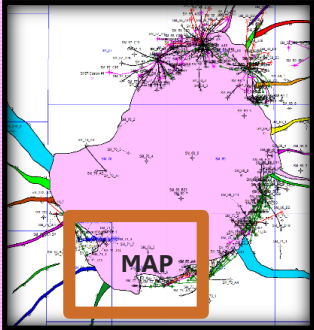
Low cost/high chance of success opportunities in shallow Gulf of Mexico and onshore Louisiana



South Marsh Island 70/71



SUCCESSFULLY TARGETED
D5 sands on salt dome western flank



EXISTING D5 SAND PRODUCTION
Over 20.5Mmbl of oil and 15.2Bcf of gas have been recovered from SM72/73 D5 sand interval

D5 Sand ARTM Amplitude Map

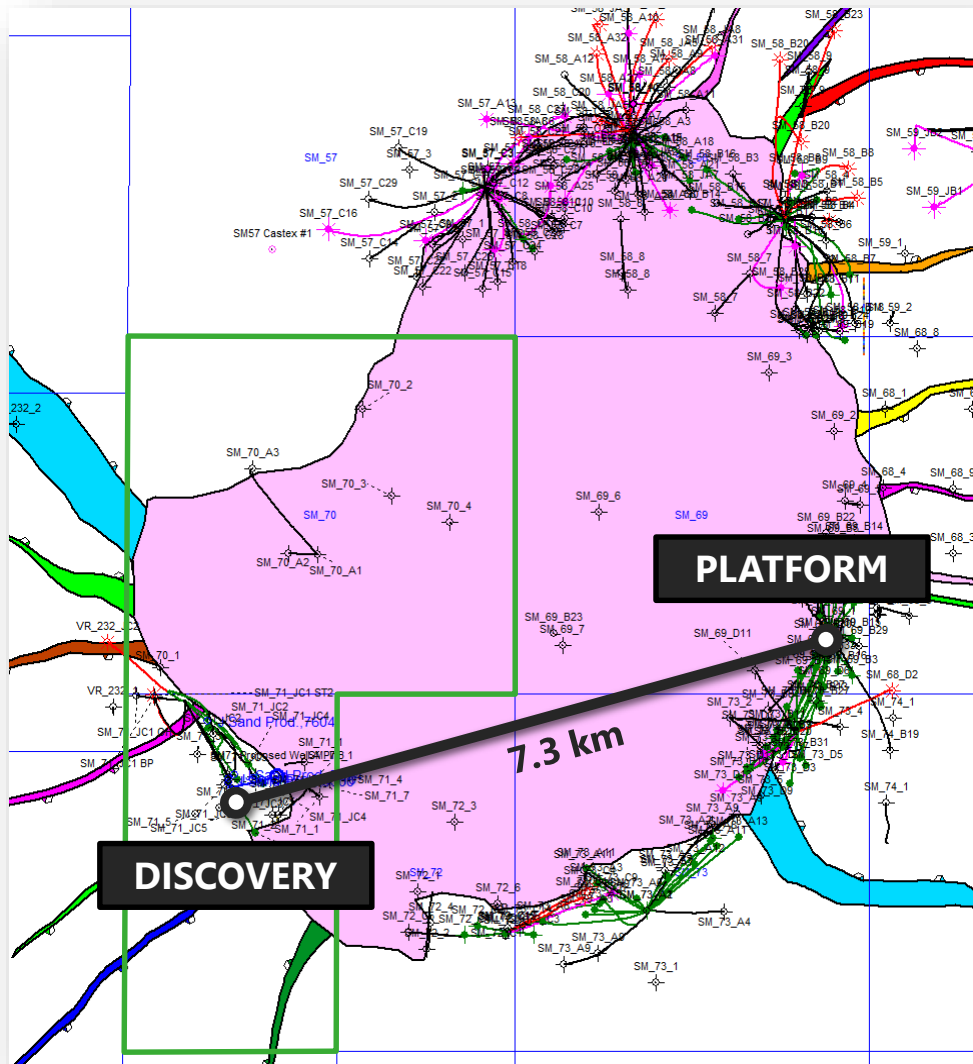
Drilling success and technology advantage to provide follow-up opportunity

SM70/71 Discovery Well

- ◆ Game-changing oil + gas discovery
- ◆ Proves technology to unlock updip plays
- ◆ Well TD 7,477 feet MD
- ◆ Sample analysis indicates light, sweet crude at three upper intervals, wet gas in lower interval
- ◆ Detailed reserves report pending (due in 3 months)

TVT NET OIL PAY (feet)	
I3	17
J	24
D5	91
D6 Lower	19
TOTAL NET PAY	151 feet

South Marsh Island 70/71



Total production on dome over 116 MMbbl and 375 Bcf, including previous production from the D5 interval

SM70/71 Development Plan

Multiple development options

- ◆ Tie back to nearby existing production platform with 8" flowline
 1. Surface installation, or
 2. Subsea installation option

New value + upside

- ◆ Time frame 12-14 months
- ◆ Estimated development cost US\$8-10 M (gross JV)
- ◆ Initial production rate approximately 1,500-2,000 bopd (gross field production)
- ◆ Potential for further opportunities in block once cash flow is established

Bivouac Peak

Onshore Louisiana Exploration Opportunity

- ◆ Onshore/marshland leases over 2,400 acres (9.7 km²) in the highly productive Gulf of Mexico transitional zone
- ◆ Targeting prolific upper and middle Miocene reservoir
- ◆ Accessible by barge mounted drilling rig
- ◆ Gross drilling costs estimated at US\$9.5m (Otto working interest is 45%; paying 60%)

Attractive production potential

- ◆ Estimated completion and production costs: US\$8.5m
- ◆ 6 months to bring into production
- ◆ 8.9 MMBOE net prospective resources

Note: Otto will earn interests in the above resources volumes by participating in wells. 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.

Alaska

(8-10.8% Working Interest)

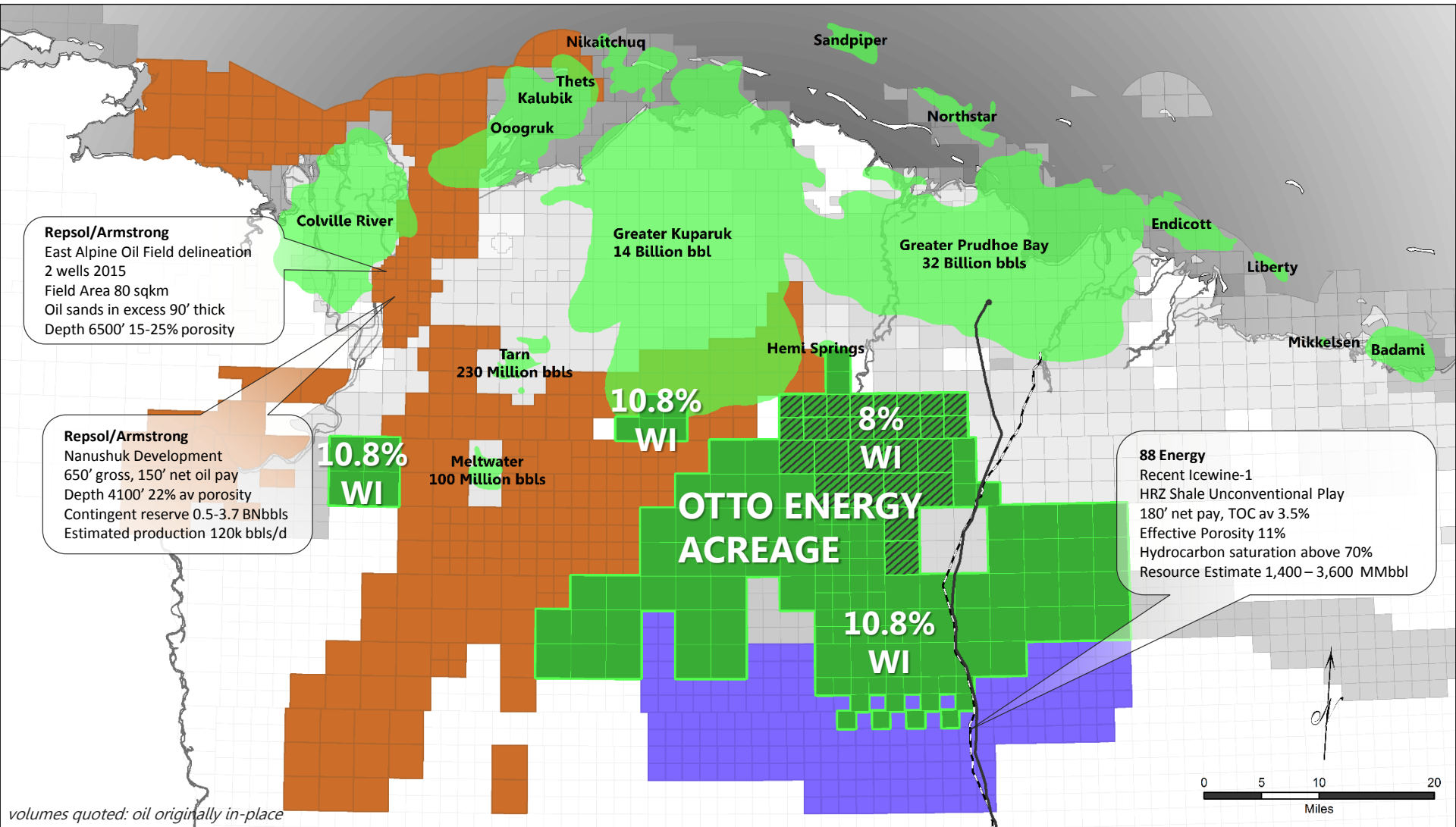
- ◆ 2-4 well drilling program 1H 2017
- ◆ Proven production analogues
- ◆ Available infrastructure within Otto Energy acreage
- ◆ High quality 3D seismic covering entire acreage
- ◆ Oil recovered from multiple wells in Otto Energy acreage
- ◆ Capped cost exposure on drilling

Why Alaskan North Slope?

Prolific basin	The North Slope of Alaska (NSA) contains the two largest conventional oil fields in North America (Prudhoe Bay and Kuparuk River).
Low sovereign risk	USA is a stable investment country and rated as low sovereign risk.
Attractive fiscal regime	Low royalty rates of 12.5% to 16.67% and Alaskan state rebates in cash for 35 – 85% of cost of exploration & development activities regardless of exploration result.
Established Oil Infrastructure	Open access to Federally regulated Trans Alaska Pipeline System (TAPS) and all-weather highway through acreage translate to improved economics for developments.
Strategic Petroleum Reserve for Asia	Secure and reliable source of hydrocarbons, for rapidly expanding Asian markets. Alaska is the only U.S.A State authorized to export oil.
Key Players in the North Slope and new discoveries	Super Majors attracted by the large sale oil resources - Shell, Chevron, ExxonMobil, ConocoPhillips, BP and Majors - Anadarko, Repsol, Statoil and ENI are very active in Alaska - Repsol is moving to FID on a series of large new oil discoveries.
Substantial acreage position and resources	Contiguous and large acreage of 558,195 gross acres, targeting multi-billion barrels of recoverable oil and multi TCF of gas in numerous geological play types. Oil has already been intersected in a least 4 conventional target zones.
Extensive proprietary technical data	Great Bear Petroleum has invested over US\$200 million in the acquisition of >3000 km ² of 3D seismic, geological and geophysical data and the drilling of three wells.
Large scale unconventional upside	Independent expert Netherland Sewell & Associates International, ascribes 3.1 billion barrels of recoverable oil and 10.8 Tcf of recoverable gas (5% recovery factor) of unconventional resources in the farm-in acreage, in additional to conventional plays.

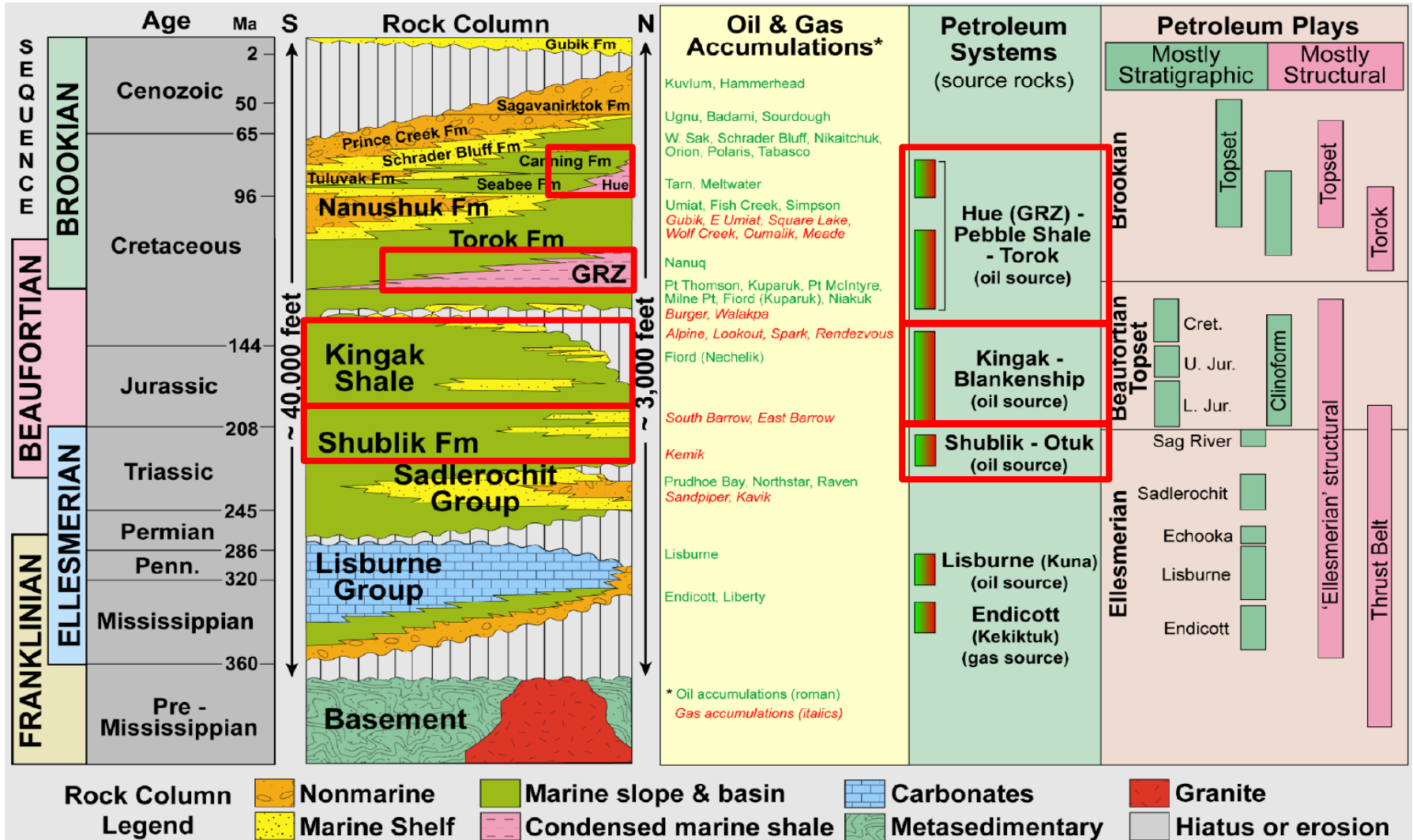
Recent Exploration & Development

Unlocking mega plays in Alaska



Abundant Source Rocks

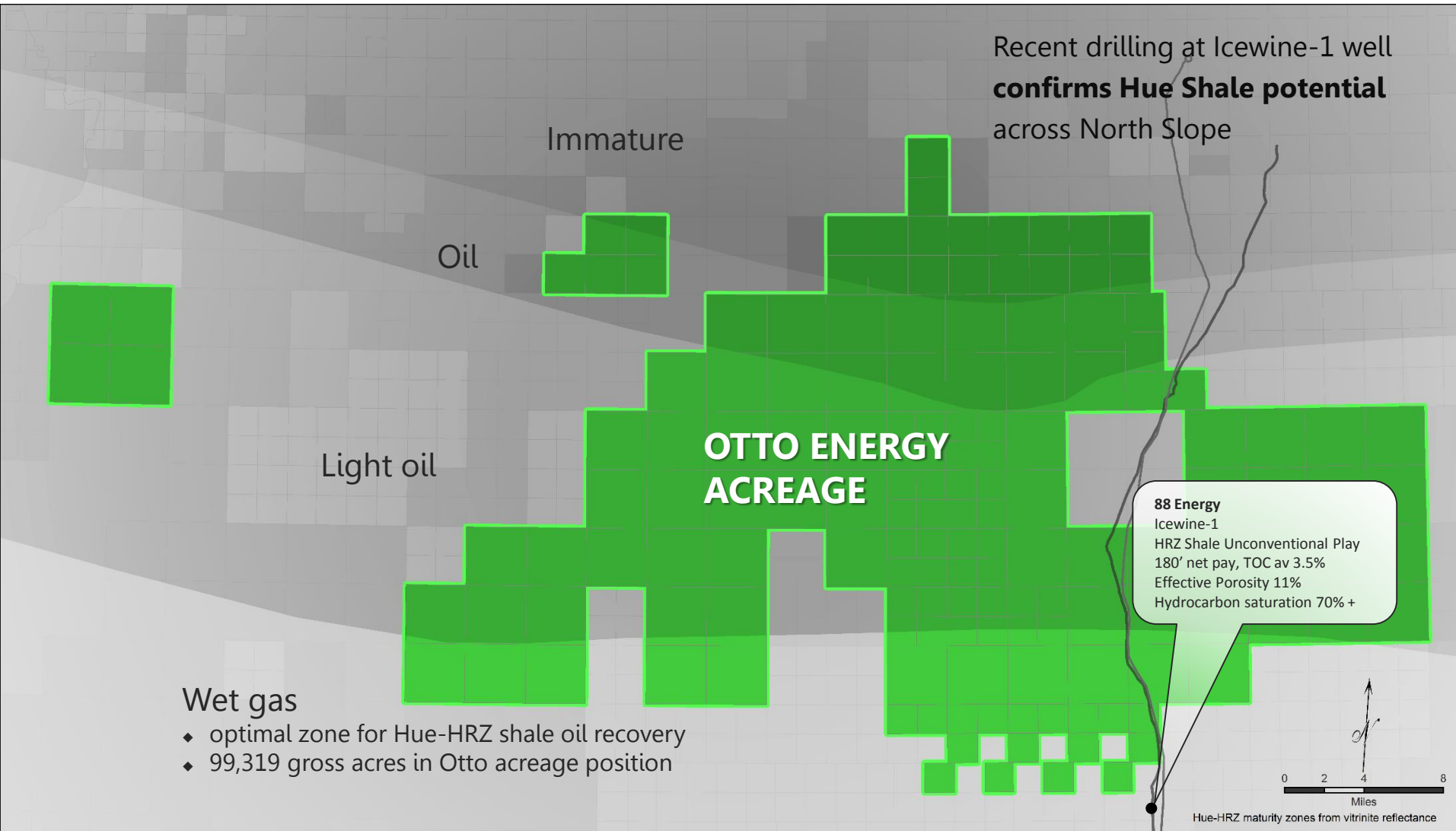
Multiple conventional plays and unconventional targets



Source: Alaska Department of Natural Resources, Division of Oil and Gas

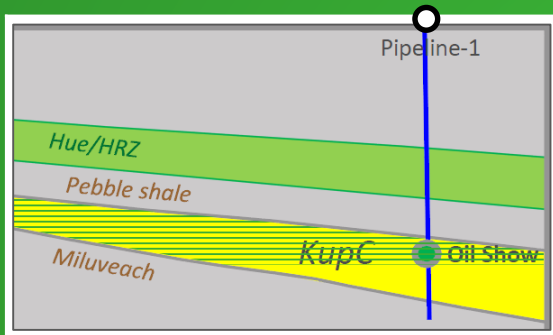
Hue-HRZ Unconventional Potential

Otto Energy in optimal location for potential major shale play

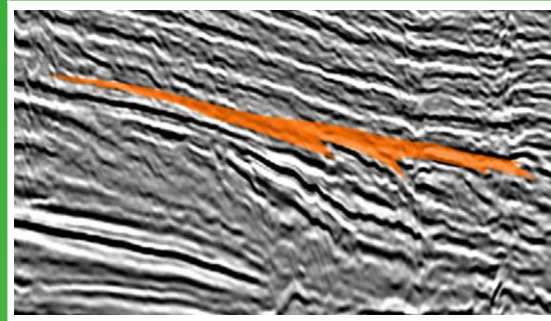


Conventional Play Types

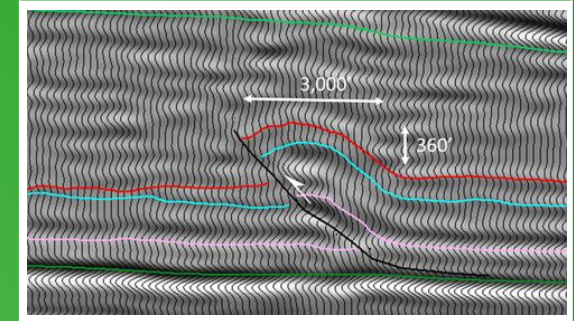
3D seismic reveals reservoir sweet spots



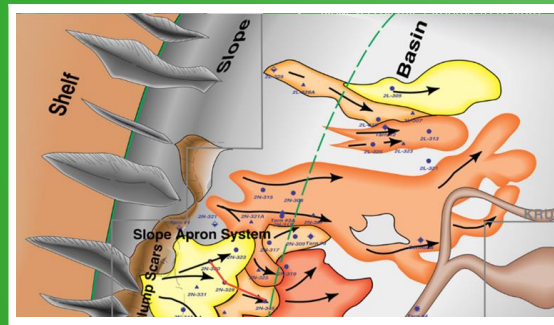
Kuparuk C



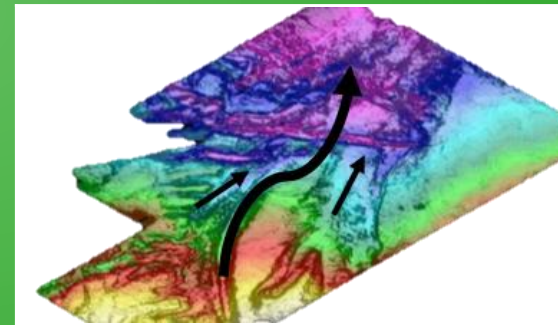
K10



Toe Thrust Anticline



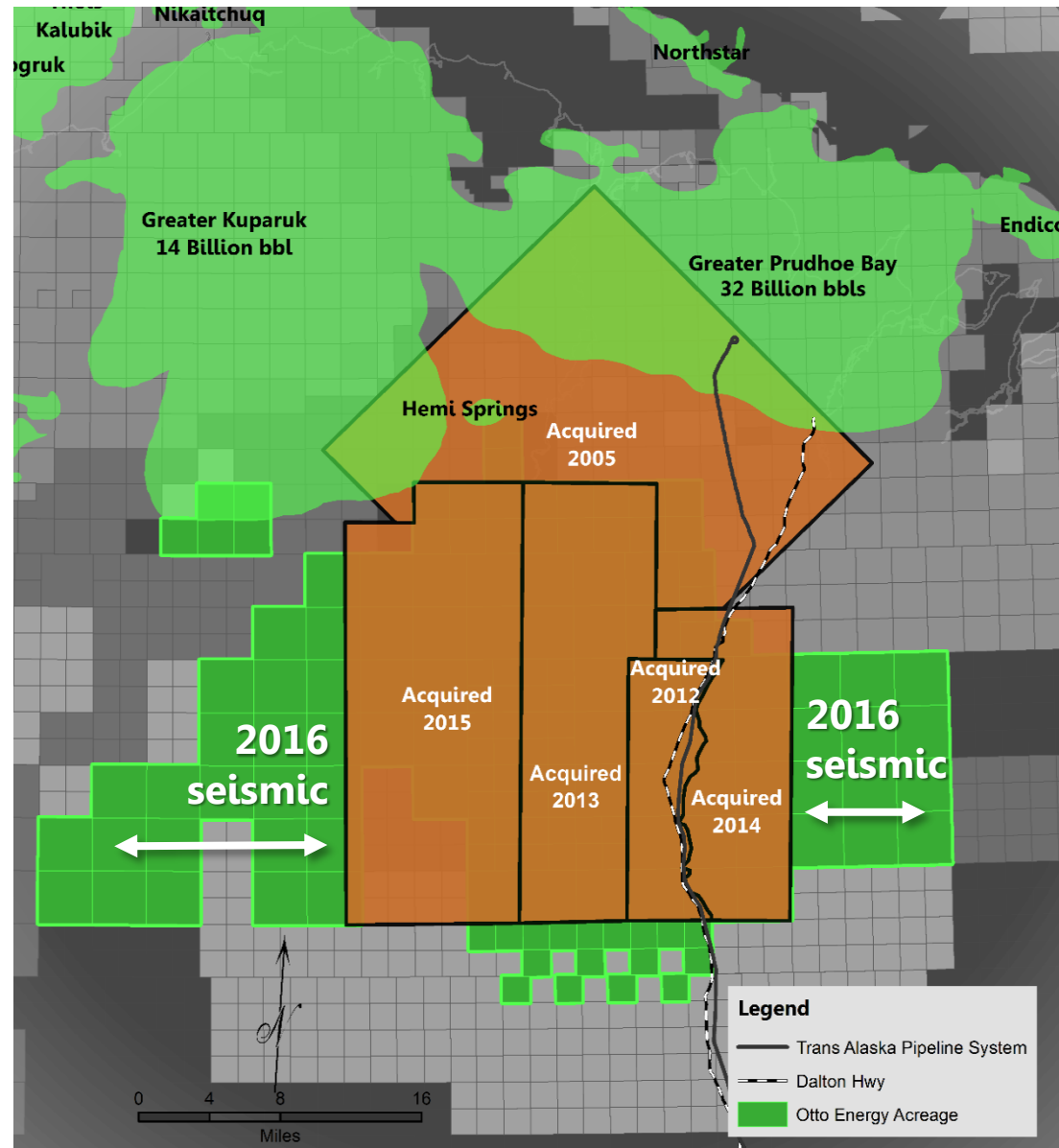
Brookian Slope Apron



Basin Floor Fan

A single well has the potential to test more than one play type

Alaska 3D Seismic



2016 Seismic acquisition campaign underway

- ◆ Acquisition already >90% complete
- ◆ Otto fully carried on all 3D expenditure
- ◆ All 3D vintages to be seamlessly merged into one mega project

Acreage wide 3D enables the following:

1. Identification of subtle stratigraphic targets (as Repsol has successfully done to the north)
2. Accurate placement of appraisal and development wells
3. Enhanced understanding of geological history
4. Broad portfolio of further opportunities

Tanzania

(50% Working Interest)

- ◆ Kito Prospect analogous to Kenya & Uganda discoveries
- ◆ Drilling planned for Q3 2016
- ◆ Additional delineated leads may be drilled in success case

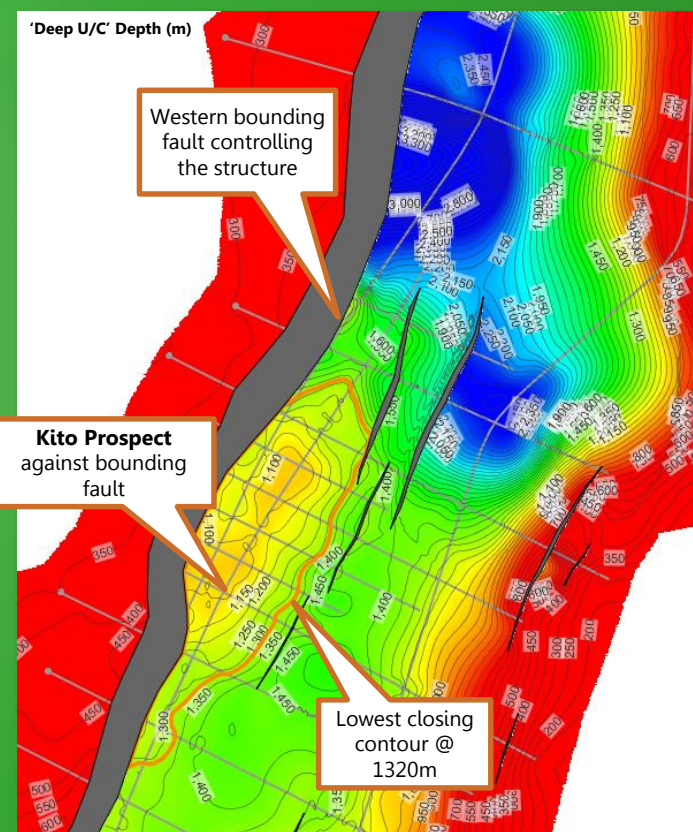
Tanzania (Otto 50% WI)

Kito Prospect	
Area of Closure	50 km ² Up to 250m column height
Reservoir type	Miocene (Neogene)
Objective Depth	900 – 1,300 metres
STOIIP	269 – 780 – 1,954 MMbbls (Low – Best- High)
Net Prospective Resource (*)	30 - 97 - 274 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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Kito Prospect drilling in Q3 2016

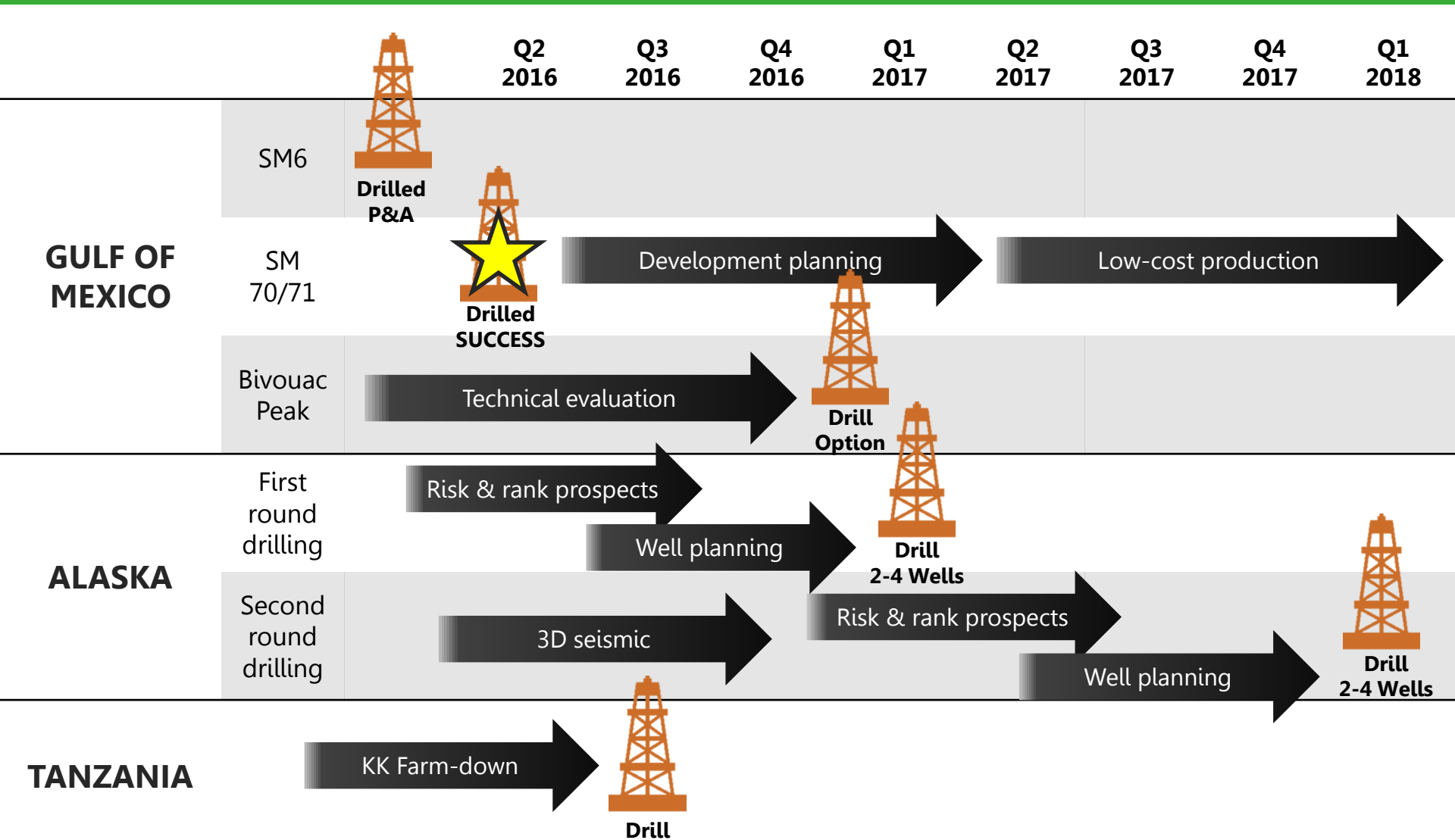
- ◆ Large frontier exploration prospect
- ◆ Similar to discoveries in Kenya & Uganda



Future Activity

**Significant multi-well drilling
program underway**

Activity Timeline



Additional Information

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Robust Capital Structure



Capital Structure

Fully paid ordinary shares	1.181b
Unlisted options ¹	8.0m
Performance Rights	14.7m
Market capitalisation ²	A\$48m
Cash (Mar 2016)	US\$27m
Debt (Mar 2016)	US\$0m

Shareholders

Molton Holdings	20.5%
Santo Holdings	20.5%
Directors & Management	2.2%
Shareholders	4,246

12 Month Turnover = 63.66% of issued capital
Average daily volume last 12 months = 2.912 million shares/day

1. Exercisable at 5.49 cents per share.
2. Undiluted at 4.1 cents per share as at 4 May 2016

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)
Executive Technical Director of Pathfinder
Energy Pty Ltd. Former executive positions
with Shell & Woodside in exploration
roles.



Ian Macliver – 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
over 15 years experience in Asia, Africa, Australia and Middle
East. Previous senior roles with Woodside over 9 year period.



**Paul Senycia – 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.

Disclaimer

This presentation does not constitute an offer to sell securities and is not a solicitation of an offer to buy securities. It is not to be distributed to third parties without the consent of Otto Energy Limited (the "Company").

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.

APPENDIX 1

Byron Energy Staged Farm-in Commercial Terms

Licence	Drilling	Gross Well Cost	Otto Well Contribution ^{(1) (2)}	Working Interest	Net Revenue Interest
Otto Energy has executed the option to earn equity in SMI-70/71 leases					
South Marsh Island – 70/71 (SMI-70/71) (shallow water GoM)	Q1 2016	US\$4.5m	US\$3.0m	50% (earned)	40.625% (earned)
Otto Energy has an option to earn equity in Bivouac Peak leases or withdraw from further activity					
Bivouac Peak Leases (onshore/marshland Louisiana)	1H 2017	US\$9.5m	US\$6.0m	45%	33.525%
Otto Energy 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⁾ 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 SMI-70/71 is 66.67% and in Bivouac Peak is 60% up to gross well cost amount, thereafter reverting to working interest

APPENDIX 2

Reserves/Prospective Resources Potential Post Earn-in

Licence	Net Revenue Interest		Proved Reserves (1P)	Probable Reserves (2P)	Possible Reserves (3P)	Prospective Resource
South Marsh Island – 70/71 (SMI-70/71) (shallow water GoM)	40.625%	Oil (Mbbl)	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 (Mbbl)	-	-	-	3,100
		Gas (Mscf)	-	-	-	34,600
		Total (MBOE)	-	-	-	8,867

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