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ASX Release

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Cage Ranch 89 # 1 well Stagecoach Prospect, Texas

Otis Energy Limited (ASX: OTE) provides the following update on the result of the first well at its Stagecoach Prospect (10.0% Working Interest (7.4% NRI)) located in Brooks County, Texas.

The Cage Ranch 89 # 1 well was drilled to a total depth of 8,000 feet (2,438 metres). A 20 foot gas show in the mudlog at approximately 6,940 feet (2,115 metres) gave the operator added confidence in the well, however post the sonic log and side wall coring process it was determined that this intersection and the primary Frio sand objective at 7,040 feet (2,145 metres) (Richards Sand) was drawn down with limited reserves. The other Frio sands were tight and it is believed would be non-productive at this location. It was therefore decided to plug and abandon the well.

The Stagecoach prospect has a deeper gas target to test which could not be reached via the first vertical well. The option of side tracking the Cage Ranch well to target this gas anomaly was discussed by the operator and working interest parties and ruled out based on current gas prices. This deeper anomaly has a reserve potential of 600 MMCF, 10 MBO. This deeper Myrick Sand will be re-evaluated at a later date in line with the gas price and the resulting economics.

Total cost to Otis for the drilling and testing at the Cage Ranch well is approximately \$US97,420.07

About the Stagecoach Prospect;

The Stagecoach Prospect targets multiple Frio and Vicksburg sands to a depth of 8,000 feet in an area of strong Frio and Vicksburg gas/condensate production located between the Cage Range and Scott & Hopper Fields in Brooks County, Texas.

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The information in this announcement has been reviewed by David Brewer (a Certified Petroleum Geologist with the AAPG) who has over 30 years' experience in petroleum geology, and geophysics, prospect generation and evaluations, and prospect and project level resource and risk estimations. Mr. Brewer reviewed this announcement and consents to the inclusion of the geological and engineering descriptions and any estimated hydrocarbon resources in the form and context in which they appear. Any resource estimates contained in this report are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at spe.org.