

**OTIS ENERGY LIMITED**

A.C.N. 075 419 715

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OTEO: 186,049,962

OTEOA: 722,280,783

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## Fracture Stimulation Underway at Comanche Project Test Well # 1

### Highlights

- **Eight stage fracture stimulation underway at Comanche # 1 test well**
- **Completion of fracking expected to take seven days**
- **Flow back of fluids and testing expected to take up to three weeks**

Otis Energy Limited (ASX:OTE) is pleased to provide the following update on progress at its Comanche Project (16.66% BPOWI, 12.5% BPORI; 12.5% APOWI, 9.375% APORI).

The Comanche # 1 test is now undergoing its planned fracture stimulation completion process with the first three stages now complete.

The well will be perforated in eight sections across the 3,000 feet horizontal section of the well and will be fracked across eight stages. Once complete the frac fluid and load water will be pumped from the well over a period of two to three weeks before the well will be properly flow tested and placed into production. The Comanche test well # 1 already has completed production facilities and a gas sales line in place.

### Comanche Test Well # 2 Update.

The Comanche # 2 test well has now been on production since August 19<sup>th</sup> and has averaged over that period a rate of 225 BOEPD and continues to perform above expectation.

### About Comanche

The Comanche Project is located in North Central Texas, and targets the Marble Falls Limestone formation (MFL) at a vertical depth of approximately 5,100 feet (1,554 metres). Wells are drilled horizontally at approximately 2,500-3,000 feet (914 metres) to target the MFL, which is highly prospective for oil, natural gas liquids and natural gas. Otis energy is funding on a third for a quarter basis on the first two well at Comanche, with a "Before Payout Working Interest" (BPOWI) of 16.66% and a "After Payout Working Interest" (APOWI) of 12.5%. Once Otis costs to drill and complete both wells have been recouped Otis will drop back to a 12.5% WI and a 9.375% NRI.



*Comanche Test Well # 1 now undergoing fracture stimulation*



*Comanche Test Well # 2-averaged over 225 BOEPD since August 19<sup>th</sup> 2012*

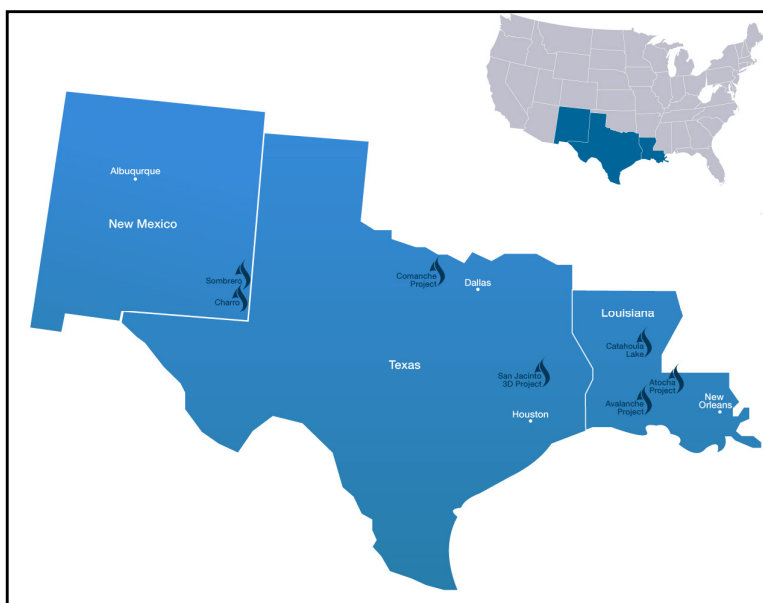
### About Otis Energy Limited

Otis Energy Limited is an ASX-listed company engaged in the exploration, development and production of oil and gas in the United States with a particular focus on the Gulf States of Texas, New Mexico, Louisiana and Mississippi. Otis Energy has acquired a portfolio of seven (7) oil and gas projects ideally located nearby to prolific oil reservoirs. Otis Energy implements a low to medium risk strategy with a focus on cash flow and near term production plays.

Otis Energy aims to maintain its current portfolio of low to medium risk project areas that can be competitively drilled with minimal front end cost loading normally associated with the amassing of a geological and geophysical database. Otis Energy’s Dallas offices are staffed by two Geologists, one Reservoir Engineer and two Landmen allowing Otis to generate and review exploration and production projects internally.

Otis Energy’s current portfolio includes:

Project	Working Interest	Revenue Interest	Location
<i>Comanche Project</i>	12.5%	12.5% BPORI	North Central Texas
<i>Avalanche Project</i>	10%	7.5%	South Central Louisiana
<i>Catahoula Lake Project</i>	20%	15.9%	Central Louisiana
<i>Charro Project</i>	5.5%	4.29%	New Mexico
<i>Sombrero</i>	5%	3.75%	New Mexico
<i>San Jacinto 3D Project</i>	10% earning	7.5% earning	San Jacinto, Texas
<i>Stagecoach</i>	10%	7.4%	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](http://spe.org).*

#### GLOSSARY OF TERMS

BIAPO – BACK IN AFTER PAYOUT  
BOE – BARRELS OF OIL EQUIVALENT  
BOPD- BARRELS OIL PER DAY  
NRI – NET REVENUE INTEREST  
BPOWI –BEFORE PAYOUT WORKING INTEREST  
APOWI- AFTER PAYOUT WORKING INTEREST  
BPORI- BEFORE PAYOUT REVENUE INTEREST  
APORI- AFTER PAYOUT REVENUE INTEREST