



**Otis Energy Limited**

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ASX Release

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## **Catahoula Lake Project – Result of First Well**

**Otis Energy Limited (ASX: OTE)** is pleased to provide the following update on the first well in the 2012 Drilling program at its Catahoula Lake project (20% Working Interest).

**The SL 20849 # 1** was drilled to a total depth of 4,752 feet and encountered two zones with oil shows, however, the main objective sand exhibited low permeability and thus it was deemed that if the well was completed it would run a high risk of being sub-economic. Plugging operations should be completed over the next 24 hours. The results of the SL20849 # 1 well lead us to conclude that the probability of drilling a successful structurally higher well would be good.

Otis Managing Director Barnaby Egerton-Warburton commented “While we saw encouraging results in this well we were not prepared to run and set production casing on a net sand interval of only 7 feet. The well has identified an up dip location where the probability of making a good well is high. This will be a prospect that can potentially be drilled in the 2013 drilling season. A disappointing result but this is one of seven to eight wells we will drill over the next eight or nine weeks at this project. This combined with the well we are currently drilling at Comanche and the completion of the first well at Sombrero scheduled for the first week of May gives us an extremely active schedule.”

The Barge Rig will now move to the second well location of the planned 7-8 well program. The rig will begin mobilisation over the weekend and look to spud the next well in the program sometime next week.

The SL 20849 # 1 Well was the first of a planned 7 to 8 well program to be drilled in succession from the Company’s jointly owned barge rig between now and June 30 2012. Successful wells will be completed and tied into the Company’s jointly owned production facilities.

Otis will provide weekly market updates to the market on drilling progress at the Catahoula Lake Project.

### **About the Catahoula Lake Project;**

The Catahoula Lake project is located in LaSalle, Rapides, and Grant parishes, Louisiana and is targeting multiple “stacked” oil zones throughout the Middle-Wilcox formation at depths ranging from 4,500 to 5,500 feet. Wells drilled in the Middle-Wilcox typically exhibit long production lives with low decline rates after the initial flush oil is produced and relatively steady production is established. Ultimate oil recoveries are expected to range from 50,000 through to 250,000 barrels for each successful well drilled.

### **For more information contact;**

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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).*