



Otis Energy Limited

A.C.N. 075 419 715

Registered Office;

Suite 25, 145 Stirling Hwy

Nedlands, Perth WA 6009

ASX Release

1st May 2012

Comanche Horizontal Drilling Project Update

Otis Energy Limited (ASX: OTE) is pleased to provide the following update on progress at its Comanche Project (12.5% Working Interest (9.375% NRI)) located in North Central Texas.

The first Test Well at the Comanche project has completed the transition to horizontal drilling. Drilling of the 2,700 foot (822 metre) horizontal section of the well is now under way after 7 inch production casing was successfully set in place through the curve from the vertical to the horizontal section of the well bore. The well is currently drilling ahead at a Total Measured Depth (TMD) of 6,059 feet (1,846 metres) and will be drilled to approximately 8,200 feet (2,500 metres) TMD. The horizontal section of the well is expected to be completed within approximately 5 to 7 days.

FMI (Formation Micro Imaging), log analysis, geology and frac orientation work has been completed in order to identify the optimal lateral entry point and completion process of the well.

Coring of the vertical section of the Marble Falls Limestone was completed across a 110 foot section from 5,150 to 5,260 feet.

The Comanche Project targets the Marble Falls Limestone formation (MFL) at a vertical depth of approximately 5,200 feet (1,584 metres). Wells are drilled horizontally approximately 2,700 feet (822 metres) initially targeting oil and natural gas liquids produced from existing vertical completions surrounding the Comanche project.

Recent drilling activity continues to indicate the MFL is conducive to horizontal drilling and modern completion technology, and targeting porosity lenses enhanced by micro-fracturing should yield the best results. Based on conservative 160 acre drainage, up to 40 wells may be required to fully develop the Comanche Project. Considering recent well results, 250,000 BOE per well is obtainable and implies recoverable reserve potential of up to 10,000,000 BOE (1,000,000 BOE net to Otis.) Secondary objectives in the Project Area include the deeper Ellenburger and Mississippian carbonates, shallower Atoka conglomerates, Caddo and Strawn formations.

About the Comanche Project;

The Comanche project is a liquids rich limestone play utilising horizontal drilling technology within a proven oil field containing substantial vertical completions and production. Successful efforts in the initial Comanche wells could see repeatable development drilling for years to come from existing cashflow generated from the project.

Wells are drilled to the primary target; the Marble Falls Limestone formation (MFL) at a vertical depth of approximately 5,200 feet (1,584 metres) and then horizontally approximately 2,700 feet (822 metres.)



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For more information contact;
Barnaby Egerton-Warburton
Managing Director
Otis Energy Limited
+612 800 33438

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.