



Otis Energy Limited

A.C.N. 075 419 715

Registered Office;

Suite 25, 145 Stirling Hwy

Nedlands, Perth WA 6009

ASX Release

10th August 2012

Fracture Stimulation under way at Comanche Project

Highlights

- **Eight stage fracture stimulation underway on the Comanche # 2 test well**
- **First six stages of fracture stimulation now complete**
- **Final two stages expected to be complete by end of current week**
- **Flow back of fluids and testing expected over following two weeks**
- **Fracture stimulation process on Comanche # 1 test well expected to begin on 20 August.**

Otis Energy Limited (ASX: OTE) is pleased to provide the following update on progress at its Comanche Project (16.66% BIAPO WI, 12.5% WI, 9.375% NRI) located in North Central Texas.

The second Comanche test well that was spud on Sunday 17th of June is currently undergoing its planned fracture stimulation completion process.

The well has been perforated in eight sections across the 3,000 feet horizontal section of the well and will be fracked across eight stages. The first six stages are now complete. The final two stages are expected to be completed by the coming weekend. Once complete the frac fluid and load water will be pumped from the well over a period of up to two weeks before the well will be flow tested and placed into production. Production equipment and pipeline to sales are now in place.

The Comanche Project targets the Marble Falls Limestone formation (MFL) at a vertical depth of approximately 5,100 feet (1,554 metres). Wells are drilled horizontally approximately 2,500-3,000 feet (914 metres) targeting the Marble Falls Limestone formation which produces oil, natural gas liquids and natural gas from existing vertical completions surrounding the Comanche Project.

Drilling activity continues to indicate the MFL is conducive to horizontal drilling, modern completion technology, and targeting porosity lenses enhanced by micro-fracturing should yield the best results. Based on conservative 160 acre drainage, more than 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.



Otis Energy Limited

A.C.N. 075 419 715

Registered Office;

Suite 25, 145 Stirling Hwy

Nedlands, Perth WA 6009

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 3,000 feet (914 metres.)

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.

GLOSSARY OF TERMS

BIAPO – BACK IN AFTER PAYOUT

BOE – BARRELS OF OIL EQUIVALENT

BOPD- BARRELS OIL PER DAY

NRI – NET REVENUE INTEREST