

OTIS ENERGY LIMITED

A.C.N. 075 419 715

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Fracture Stimulation Complete at Comanche Test Well # 1

Highlights

- **Eight stage frac complete at Comanche # 1 test well**
- **Flow back of fluids now underway**
- **Flow back expected to take several 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 eight stage fracture stimulation process of the Comanche Test Well # 1 has now been completed. The well is expected to take around two weeks to produce back the 32,000 barrels of stimulation fluid that were pumped into the well during the fracture stimulation process. The frac-fluid will need to be flowed back before initial production rates will be known.

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.



Comanche Test Well # 1 undergoing fracture stimulation

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>	<i>12.5%</i>	<i>12.5% BPORI</i>	<i>North Central Texas</i>
<i>Avalanche Project</i>	<i>10%</i>	<i>7.5%</i>	<i>South Central Louisiana</i>
<i>Catahoula Lake Project</i>	<i>20%</i>	<i>15.9%</i>	<i>Central Louisiana</i>
<i>Charro Project</i>	<i>5.5%</i>	<i>4.29%</i>	<i>New Mexico</i>
<i>Sombrero</i>	<i>5%</i>	<i>3.75%</i>	<i>New Mexico</i>
<i>San Jacinto 3D Project</i>	<i>10% earning</i>	<i>7.5% earning</i>	<i>San Jacinto, Texas</i>
<i>Stagecoach</i>	<i>10%</i>	<i>7.4%</i>	<i>Texas</i>

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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.

GLOSSARY OF TERMS

BIAPO – BACK IN AFTER PAYOUT
BOE – BARRELS OF OIL EQUIVALENT (calculated at 6MCF = 1 BO)
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