

**OTIS ENERGY LIMITED**

A.C.N. 075 419 715

ASX: **OTE, OTEO** and **OTEOA**

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OTEO: 186,049,962

OTEOA: 722,280,783

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**Mr Harry Hill**  
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## Positive Initial Flow Test from Comanche Project Test Well # 2

### Highlights

- **Test Well #2 initial flows of 240 BOEPD, including spot rates approaching 300 BOEPD**
- **Positive flow test results validates Otis Energy's interest in the Comanche Project**
- **Success from initial 2 wells at Comanche Project, potential for up to 40-50 more wells to fully develop the project**
- **Fracture stimulation process on Comanche Test Well #1 scheduled for early September**

**Otis Energy Limited (ASX.OTE)** is pleased to announce a successful flow testing result from the Comanche Project Test Well #2, (16.66% BIAPO WI, 12.5% WI, 9.375% NRI).

The Comanche Well #2 is the first well to be fully completed at the project, including fracture stimulation and flow testing, with Well #1 scheduled for completion including fracture stimulation and flow testing in early September.

Over the previous five days, the Comanche Well #2 has produced at an average rate of approximately 240 Barrels of Oil Equivalent per Day (BOEPD) including spot production rates that approached 300 BOEPD. Production is predominately oil.

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.

*Figure 1; Comanche # 2 Test Well Production Facilities*



The success of the Comanche Test Well # 2 indicates that the MFL is conducive to horizontal drilling and modern completion technology. Targeting porosity lenses enhanced by micro-fracturing yields the best results. Based on planned 160 acre spacing, up to 40- 50 wells may be required to fully develop the Comanche Project, with recent results indicating 250,000 BOE per well is obtainable and implies a recoverable reserve potential of up to 10,000,000 BOE (Approx. 1,000,000 BOE net to Otis Energy).

Otis Energy Managing Director Barnaby Egerton-Warburton said “this is another exceptional result for Otis Energy, with the Test Well # 2 producing exceptional oil and gas flows. This encouraging result confirms the potential for this drilling and completion process to be employed across the Comanche Project area which may include up to 40-50 wells to fully develop the project.

In reality, this project is a company maker for Otis Energy given the potential size of the play and the revenues that can be derived from a fully developed project. The Comanche Test Well #1 will now be completed through fracture stimulation and flow testing commencing in early September.

*Figure 2: Comanche Test Well #2 Production Facilities*



**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	Permit Area (acres)	Location
<i>Comanche Project</i>	12.5%	10,000	North Central Texas
<i>Avalanche Project</i>	10%	24,000*	South Central Louisiana
<i>Catahoula Lake Project</i>	20%	7,996	La Salle Psh, Louisiana
<i>Charro Project</i>	5.5%		Lea County, New Mexico
<i>Sombrero Project</i>	5%	24,000	Lea County, New Mexico
<i>San Jacinto 3D Project</i>	10%	38,000*	San Jacinto County, Texas
<i>Stagecoach project</i>	10%		Brooks County, Texas

\*Leased and Optioned acres

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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
- BOEPD – BARRELS OF OIL EQUIVALENT PER DAY
- BOPD - BARRELS OIL PER DAY
- NRI – NET REVENUE INTEREST
- WI – WORKING INTEREST