

30 January 2013

Manager of Company Announcements  
ASX Limited  
Level 6, 20 Bridge Street  
SYDNEY NSW 2000

**By E-Lodgement**

**ASX ANNOUNCEMENT – INVESTOR PRESENTATION**

Please find attached a presentation by Gregor McNab provided to investors from Thursday 31<sup>st</sup> January to Friday 1<sup>st</sup> February 2013.

Yours faithfully

**Gregor McNab**  
Chief Executive Officer

**OTTO AT A GLANCE**

- ASX-listed oil and gas company with a strategy to grow its integrated oil and gas business across exploration, development and production
- Focused on South East Asia and Onshore East Africa
- Operator of the producing Galoc oil field in the Philippines, which provides cashflow
- Opportunity rich with substantial exploration prospects and leads in Palawan and Visayan basins

**COMPANY OFFICERS**

Rick Crabb	Chairman
Ian Macliver	Director
Rufino Bomasang	Director
John Jetter	Director
Ian Boserio	Director
Gregor McNab	CEO
Matthew Allen	CFO/Coy Secretary

www.ottoenergy.com

Contact:  
Matthew Allen  
Chief Financial Officer  
+61 8 6467 8800  
[info@ottoenergy.com](mailto:info@ottoenergy.com)

Media:  
Dudley White  
MAGNUS Investor Relations + Corporate Communication  
+61 2 8999 1010  
[dwhite@magnus.net.au](mailto:dwhite@magnus.net.au)

ASX : OEL



**Investor Presentation  
February 2013**

**Chief Executive Officer – Gregor McNab**

# Disclaimer



This presentation does not constitute an offer to sell securities and is not a solicitation of an offer to buy securities. It is not to be distributed to third parties without the consent of Otto Energy Ltd (the “Company”).

This presentation contains forward-looking statements that are not based on historical fact, including those identified by the use of forward-looking terminology such as statements containing the words “believes”, “may”, “will”, “estimates”, “continue”, “anticipates”, “intends”, “expects”, “should”, or the negatives thereof and words of similar import.

Management of the Company cautions that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by the statements. Management believes that the estimates are reasonable, but should not unduly be relied upon.

The Company makes no representation, warranty (express or implied), or assurance as to the completeness or accuracy of these projections and, accordingly, expresses no opinion or any other form of assurance regarding them. Management does not intend to publish updates or revisions of any forward-looking statements included in this document to reflect the Company’s circumstances after the date hereof or to reflect subsequent market analysis.

The hydrocarbon reserve and resource estimates are based on information compiled by Mr Nick Pink.

Mr Pink has more than 13 years of relevant experience and is qualified in accordance with ASX Listing Rule 5.11. Mr Pink is a full time employee of Otto Energy as its Senior Reservoir Engineer and has consented to the inclusion in the presentation of the information in the form and context in which is appears.

# Otto Energy

## Price Catalysts for 2013



### Galoc Phase II Offshore Oil Development (SC14C)

Project sanction August 2012, running within budget and on schedule for first oil in 2H 2013.  
*OEL 33% W.I. (operator).*

### Duhat Onshore Oil Exploration (SC51)

2D seismic survey complete in 2012, well planning underway and on schedule for mid 2013 spud.  
*OEL 80% W.I. (operator).*

### Galoc Offshore Oil Exploration (SC14C)

3D seismic and extensive subsurface modelling complete in 2012. Rig option under Phase II contract allows 4Q 2013 spud.  
*OEL 33% W.I. (operator).*

### Cinco Offshore Gas/Cond. Exploration (SC55)

Multi Tcf prospect with follow-on prospectivity. BHPB (operator) committed to drill and fully fund.  
*OEL 33.18% W.I.*

### Tanzania Onshore Exploration (KK & Pengani)

Captured two 17,000km<sup>2</sup> production sharing agreements and executed airborne survey in 2012. Plan to enter year 2 seismic programme.  
*OEL 50% W.I.*

# Otto Energy

## Strategy & Performance



### Clear Strategy

Growing an integrated business across exploration, development and production. Focus on SE Asia and onshore East Africa.

### Strong Financials

Cash, production revenue, farm-in deal and debt facility deliver funding for committed programme.

### Operating Performance

Establishing track record for reliable production, maturing projects and opportunity capture. Taking role of operator where it makes sense.

### Multiple Value Triggers

Plan to drill 3 exploration and 2 development wells through 2013. Building portfolio balance between offshore and onshore.

### Strong Board and Management

Provides leadership and informed decisions through depth of technical and commercial experience.

# Capital Structure & Shareholders



## Capital Structure

Fully paid ordinary shares	1.13b
Unlisted options <sup>1</sup>	27.25m
Performance Rights	27.00m
Market capitalisation <sup>2</sup>	\$120m
Cash (at Dec 2012)	US\$19.3m
Debt (at Dec 2012) <sup>3</sup>	Nil

## Shareholders

Molton Holdings	21.3%
Santo Holdings	21.3%
Acorn Capital	7.4%
Directors	3.7%
Shareholders	3,140



12 Month Turnover = 27.17% of issued capital

Average daily volume last three months = 1.178 million shares /day

1. Exercisable at prices between 12 and 12.5 cents per share.

2. Undiluted at 10.5 cents per share as at 21 January 2013

3. Facility Agreement executed with BNP Paribas and currently closing conditions precedent prior to financial close

# Board & Management



## Board of Directors

### **Chairman – Rick Crabb BJuris (Hons), LLB, MBA**

Chairman of Paladin Energy, Golden Rim & Ashburton Minerals.

### **Non-Executive Director – John Jetter, LLB, BEc INSEAD**

Former MD/CEO JP Morgan Germany. Non-Executive Director of Venture Minerals.

### **Non-Executive Director – Ian Boserio BSc (Hons)**

Former executive positions with Shell & Woodside in exploration roles.

### **Non-Executive Director - Ian Macliver BComm, CA, FFin, MAICD**

Managing Director Grange Consulting. Non-Executive Director of Stratel Ltd, Western Areas & Select Exploration.

### **Non-Executive Director – Rufino Bomasang BSc, MBE**

Former President/CEO of PNOC-EC. Former Undersecretary of Energy for Philippines DOE.

## Management

### **Chief Executive Officer – Gregor McNab BSc (Hons)**

Oil & gas experience gained over 29 years, based in Europe, Asia, North America & Australia. Former senior executive roles during 22 year career with BHP Billiton Petroleum. Early career roles with Shell & Bechtel.

### **Chief Financial Officer – Matthew Allen BBus, FCA, FFin, GAICD**

Finance & accounting experience gained over 20 years, based in Australia & Middle East. Former senior roles with Woodside over 9 year period.

### **Exploration Manager - Paul Senycia BSc (Hons), MAppSc**

Oil & gas experience gained over 30 years. Geoscientist with specific focus on Australia, South East Asia & Africa. Former senior roles over 17 year career with Woodside & Shell.

# Activity Pipeline



## NEW BUSINESS

### East Africa:

- Actively screening opportunities

### South East Asia

- Actively screening opportunities

### PECR4:

- Submissions made for Area 7 & Area 15

## EXPLORATION

### Palawan Exploration:

- **SC14C – Galoc:**
  - Galoc Exploration well
- **SC55:**
  - **Cinco-1 drill ready**
  - Hawkeye drill ready

### Visayan Exploration:

- SC51:
  - **Duhat-2 well mid-2013**
- SC69:
  - Lampos 3D seismic interpretation

### Tanzanian Exploration:

- Kilosa-Kilombero and Pangani
  - PSA's in Feb 2012
  - Aero magnetic/gravity survey completed in 2012
  - 2D seismic campaign in 2013

## APPRAISAL/ DEVELOPMENT

### Galoc Oil Field Phase II:

- **2 wells in 2013 for ~8 MMbbl recoverable**
- Signed Facility Agreement for project financing with BNP Paribas

## PRODUCTION

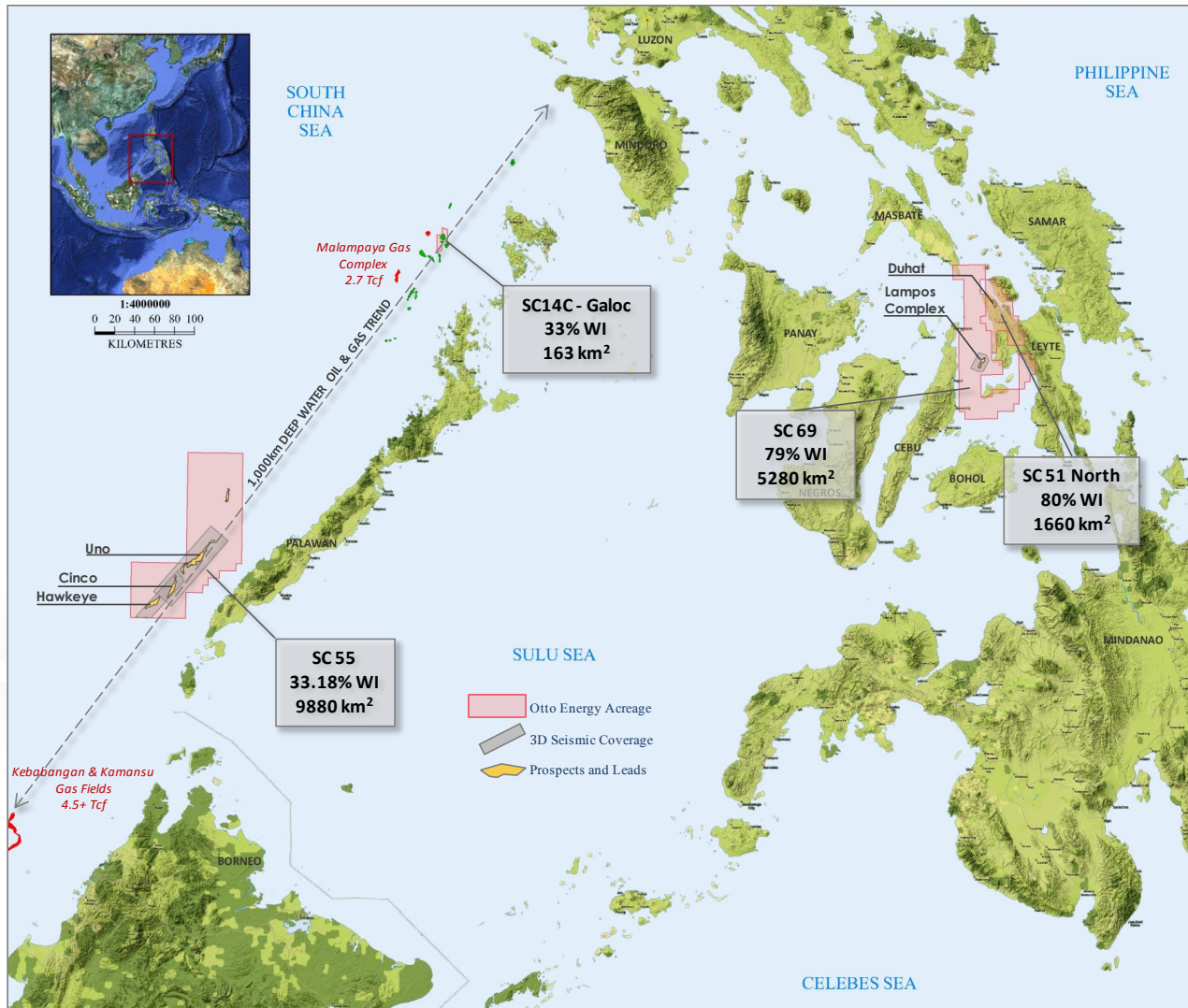
### Galoc Oil Field:

- Production to date 10 MMbbl
- Remaining reserves 6.0 MMbbl
- FPSO Rubicon Intrepid Turret completed (~98% uptime since completion)

INORGANIC NEW BUSINESS



# Established Integrated Position in the Philippines



# Production – Galoc Phase I

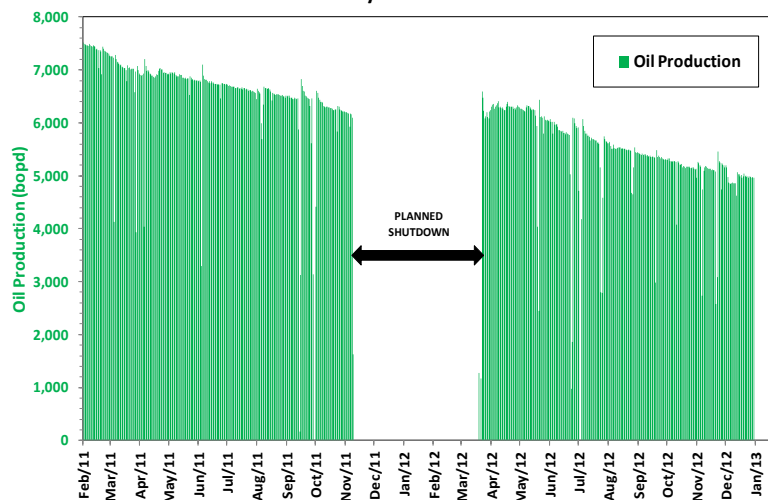
## OEL 33% W.I. (Operator)



- Reliable production: 5,000 BOPD, >98% uptime, 10.0 MMbbl produced to date (gross)
- Cash flow provides funds for growth
- Marketable product: 35° API oil, low sulphur crude easily placed into regional market, consistently achieving ~US\$110 per barrel
- FPSO positioned for long term: Major refit completed 2012



Galoc Daily Oil Production



### Fiscal Terms:

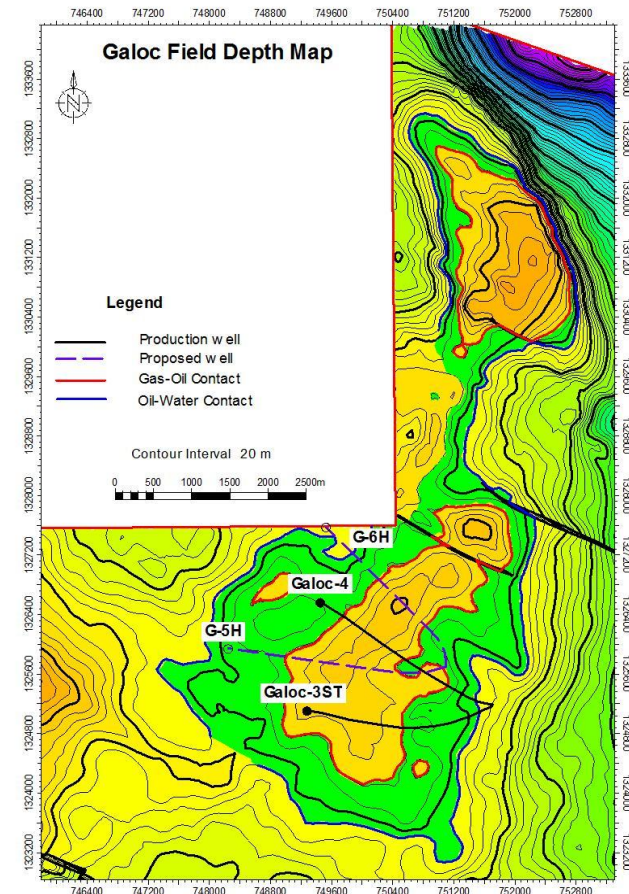
Factor	%
Cost recovery cap	70
Contractor profit share	37.5
Filipino Participation Incentive Allowance	7.5
Corporate Tax	30

# Development – Galoc Phase II

## OEL 33% W.I. (Operator)



- Overview
  - Drill two additional subsea wells (OEL capex US\$62m)
  - Will deliver ~8 MMbbl of additional reserves
  - Current total field production of 5,000 BOPD will increase to over 12,000 BOPD
  - Field life extended
- Milestones reached and project timeline
  - ✓ Final Investment Decision undertaken (Sep 12)
  - ✓ Key contracts awarded (Q4 12)
  - ✓ Project financing concluded with BNP (Dec 12)
  - ✓ Project office established (Jan 13)
  - ⇒ Mobilisation of drilling rig (Q2 13)
  - ⇒ Subsea installation and drilling (Q2/Q3 13)
  - ⇒ First oil from Phase II (2H 13)

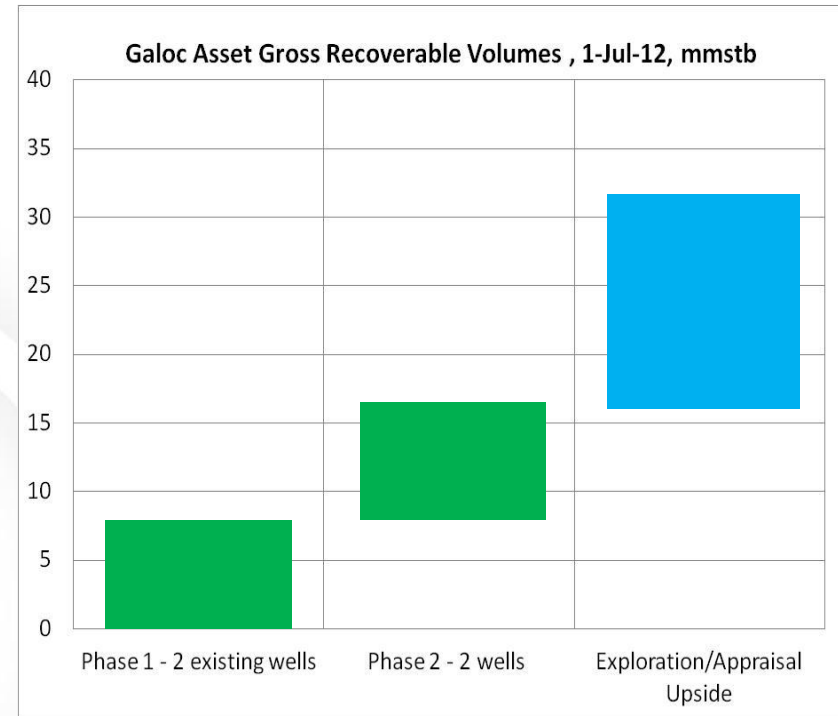


# Exploration – Galoc Potential

## OEL 33% W.I. (Operator)



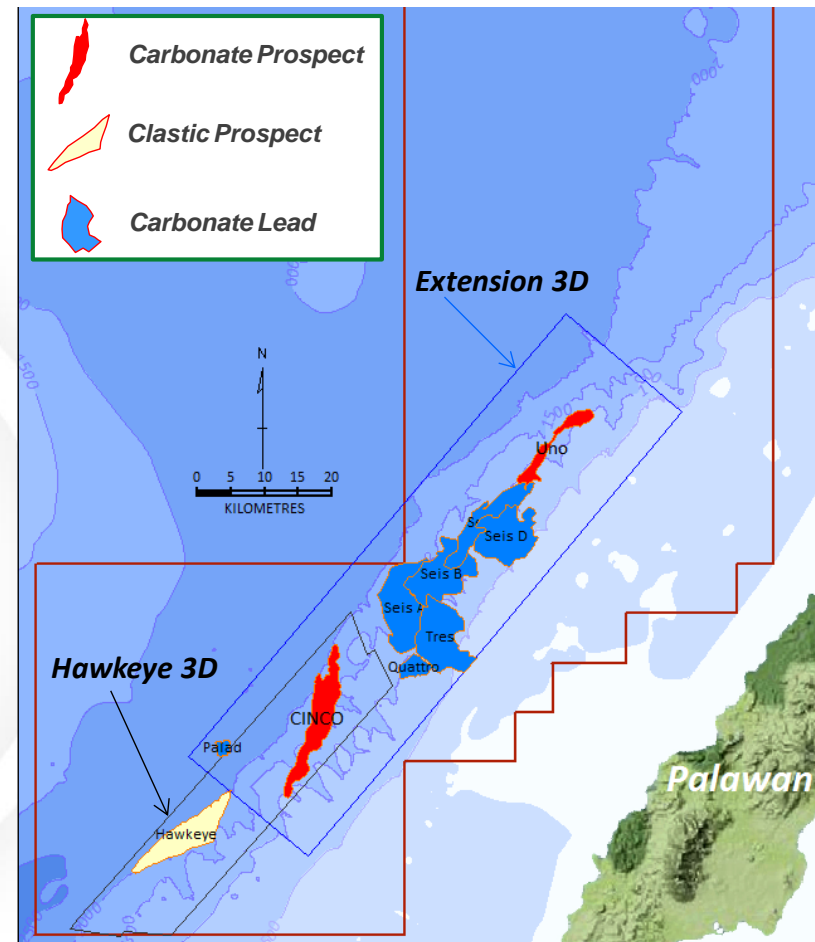
- Significant work completed to build understanding of subsurface issues
  - High resolution 3D seismic data acquired January 2012
  - Detailed geological and reservoir modelling completed Q4 2012
  - High confidence in northern Galoc area exploration potential to double reserves
  - Exploration well to be drilled immediately after development campaign (subject to joint venture partner approval)



# Exploration – SC55 Ultra Deepwater OEL 33.18% W.I. (BHPB Operator)



- Total unrisks potential Mean Recoverable Resources (Nido level carbonates only):
  - Gas: 19 Tcf
  - Condensate: 670 MMbbls
- Cinco Prospect (analogous to Malampaya field):
  - Gas: 2.1Tcf
  - Condensate: 74 MMbbls
- Hawkeye represents alternative clastic prospect
- Otto working interest 33%
- BHP Billiton (operator) 60%
  - All farm-in documentation executed
  - All conditions to assign interest complete
  - BHP Billiton have reimbursed historical costs
  - BHP Billiton will fund first well – option to fund second
- BHP Billiton working to secure rig to drill commitment well prior to end of current sub-phase in August 2013

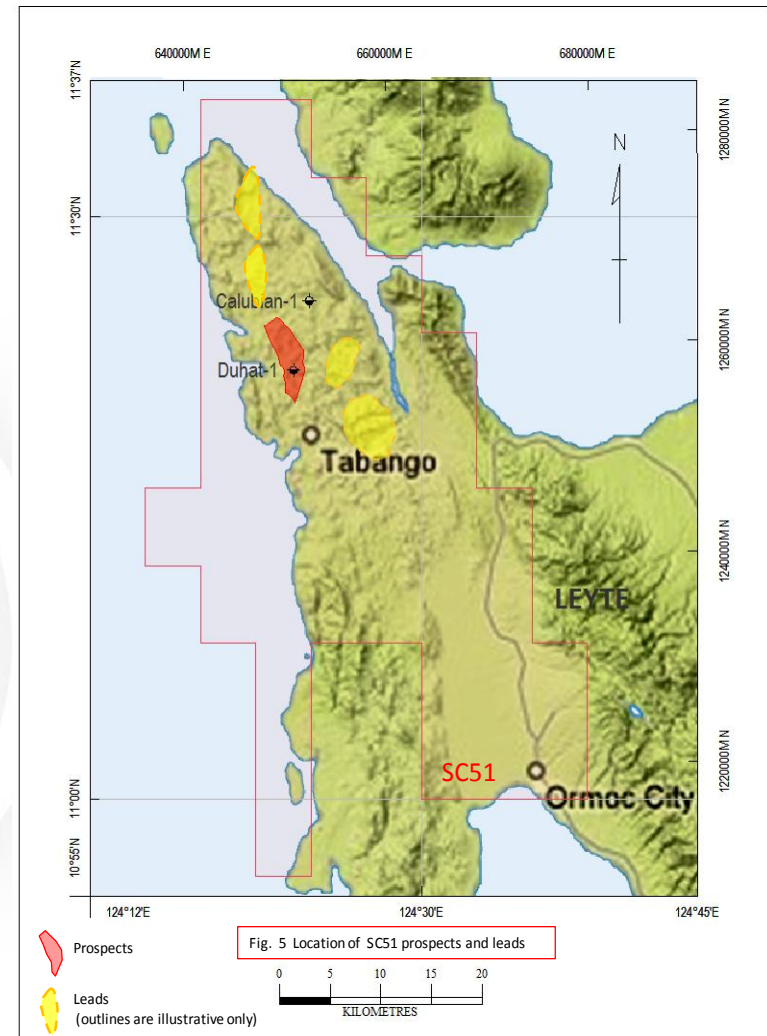
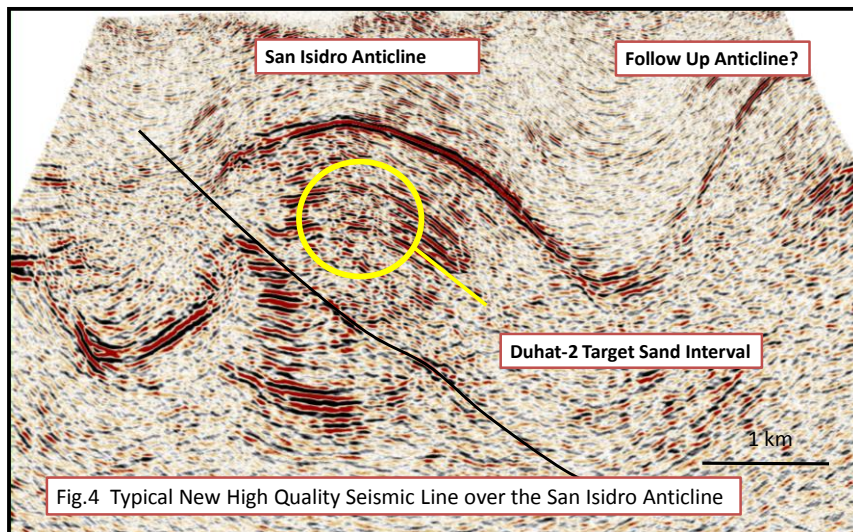


# Exploration – SC51 Duhat Well

## OEL 80% W.I. (Operator)



- Executed 150km 2D seismic survey in 2012 with leads identified
  - Work plan and budget for Duhat-2 approved by joint venture partners
  - Currently securing rig
  - Duhat-2 to be drilled in mid 2013 (US\$6m net cost to OEL)
- Mean recoverable resource estimate of 23MMboe and potential upside of 59MMboe (gross volumes)

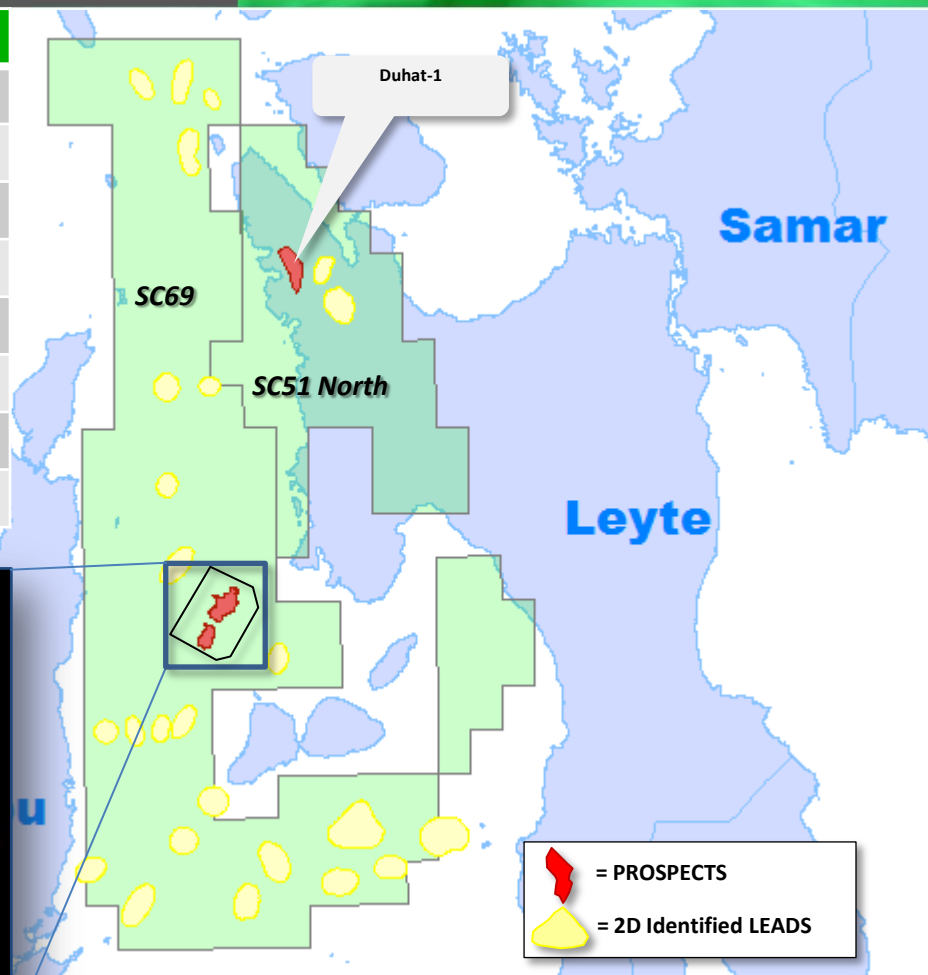
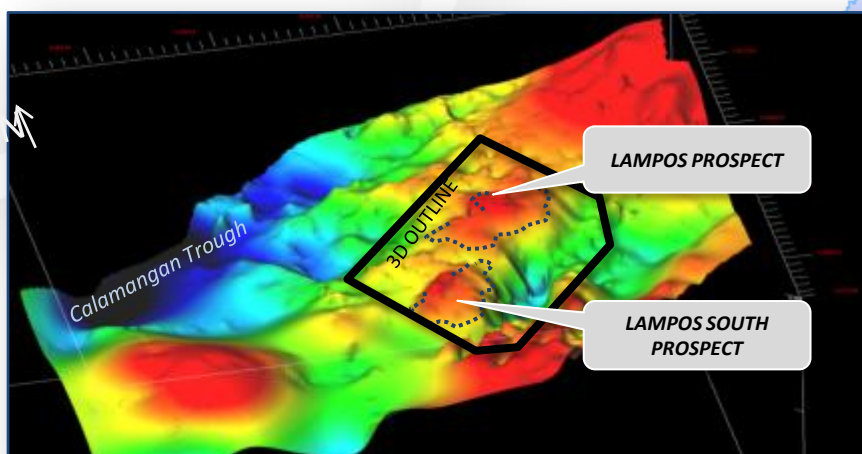


# Exploration – SC69 Maturing Prospects

## OEL 79% W.I. (Operator)



OEL WI 79%	Lamos	Lamos South
Location	Off-shore Visayan Basin	
Water Depth	730 Metres	670 Metres
Objective Depth	1,230 Metres	1,300 Metres
Closure Area	14.5 km <sup>2</sup>	14.5 km <sup>2</sup>
Closure Height	330m	500m
STOIP (Mean) <sup>1</sup>	191 MMbbls	312 MMbbls
GIIP (Mean) <sup>2</sup>	274 Bcf	446 Bcf
Source Area	Calamangan Trough	



1. Success case if trap oil filled
2. Success case if trap gas filled

# Onshore East Africa Discoveries since 2000



Gas Discovery  
Oil Discovery



# Exploration – Entering Year 2 Imminent OEL 50% W.I. (Swala Operator)



## KILOSA-KILOMBERO PSA

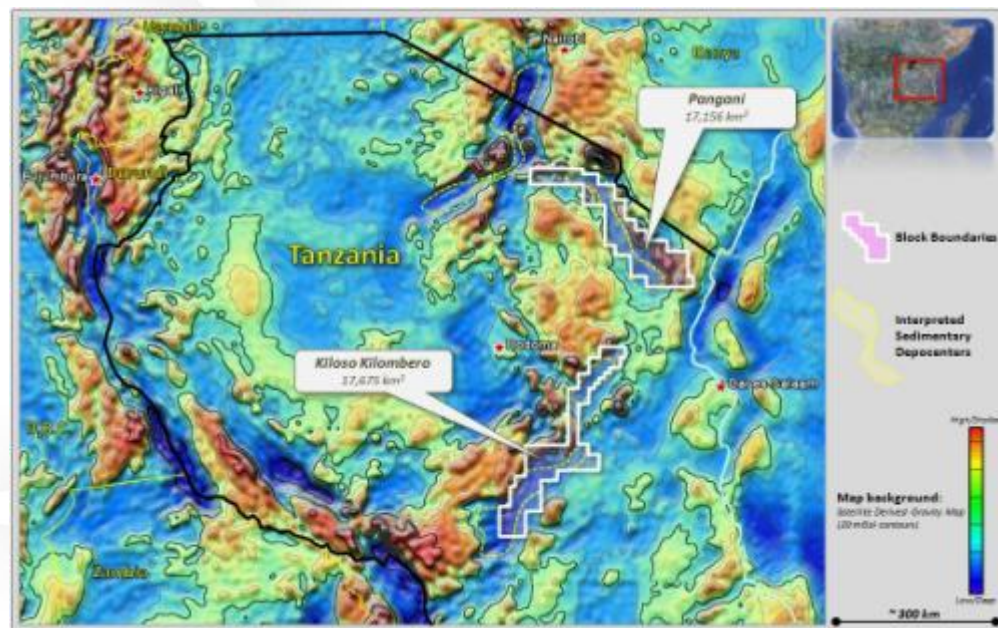
- 17,675 square kilometres
- The Cenozoic rifting may be linked with the greater (western) rift system of the East Africa Rift
- May contain several thousand metres of prospective sediment fill
- Work program completed in 2012: airborne gravity and/or magnetic surveying, satellite and photogeology works and geochemical sampling
- Work program in 2013: comprises onshore 2D seismic

## PANGANI PSA

- 17,156 square kilometres
- A potential arm of a triple point junction on the eastern branch of the East African Rift System
- Work program completed in 2012: airborne gravity and/or magnetic surveying, satellite and photogeology works and geochemical sampling
- Work program in 2013: comprises onshore 2D seismic

### Joint Venture Partners:

Name	%
Otto Energy (Tanzania) Pty Ltd	50.00%
Swala Oil and Gas (Tanzania) Limited (Operator)	50.00%



# Otto Energy - Summary



## Clear Strategy

Growing an integrated business across exploration, development and production. Focus on SE Asia and onshore East Africa.

## Strong Financials

Cash, production revenue, farm-in deal and debt facility deliver funding for committed programme.

## Operating Performance

Establishing track record for reliable production, maturing projects and opportunity capture.

## Multiple Value Triggers

Plan to drill 3 exploration and 2 development wells through 2013. Building portfolio balance between offshore and onshore.

## Strong Board and Management

Provides leadership and informed decisions through depth of technical and commercial experience.

# THANK YOU

**Otto Energy Ltd**  
32 Delhi Street  
West Perth  
Western Australia 6005

Telephone: **+61 8 6467 8800**  
Facsimile: **+61 8 6467 8801**  
**info@ottoenergy.com**