

4 November 2013

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

By E-Lodgement

**GALOC PHASE II RIG DEMOBILISATION AND
 COMMENCEMENT OF OFFSHORE SUBSEA INSTALLATION**

Highlights:

- **Ocean Patriot drilling rig successfully demobilised completing all drilling activities of the Phase II development**
- **Skandi Skansen construction vessel arrives in the Galoc field to commence offshore subsea installation activities**

Otto Energy Limited (“Otto”) (ASX:OEL), as operator of the producing Galoc oilfield joint venture offshore the Philippines, provides the following update on the Galoc Phase II project in SC14C.

Progress

During the period from 0600 hours (AWST) on 21st October 2013 to 0600 hours (AWST) on 4th November 2013, the Galoc-6H well was secured and the drilling rig Ocean Patriot pulled anchors, demobilised to Singapore and is now off-hire. This marks the successful completion of all drilling activities of the Phase II development.

Forward Plan

The construction vessel arrived in the Galoc field area on 1st November 2013 and has commenced installation activities to connect the Galoc-5H and Galoc-6H wells into the FPSO Rubicon Intrepid. It is expected that these offshore installation activities will be completed before the end of November 2013 resulting in the first oil being produced from the FPSO Rubicon Intrepid. A further update will be provided upon the completion of the installation and commissioning activities in the field.

--Ends--

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 East Africa
- Operator of the producing Galoc oil field in the Philippines, which provides cashflow
- Opportunity rich with substantial exploration prospects and leads

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

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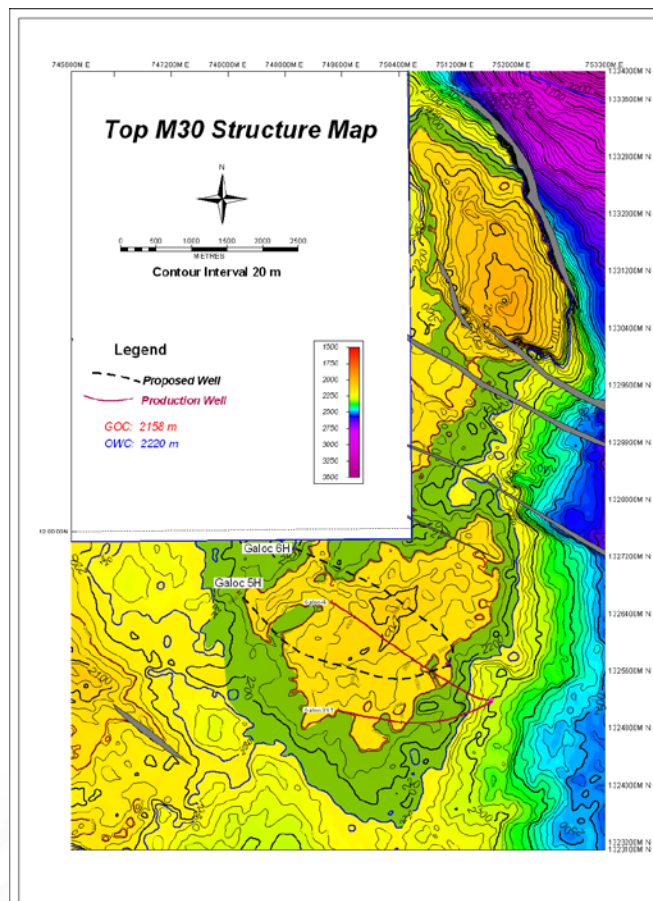
Location and Proposed Depth

The Galoc field is located in Service Contract SC14C (Galoc Sub Block) in 290 metres of water approximately 65km North West of Palawan Island and 350km south of Manila in the Republic of the Philippines. The Galoc-5H and Galoc-6H development wells were drilled within the existing producing field that has delivered over 11 MMbbls of production since the field was commissioned in 2008.

The Galoc-5H and Galoc-6H development wells have been drilled to a total vertical depth of 2,190 metres with 1,777 metres of horizontal section in the G-5H well and 1,389 metres of horizontal section in the G-6H well.

After drilling of both Galoc-5H and Galoc-6H is completed, the DOF operated Skandi Skansen construction vessel has commenced installation of the subsea equipment and complete the hook-up of both wells to the FPSO Rubicon Intrepid.

First oil from the Phase II wells is expected in November 2013.



APPENDIX A: SUMMARY

SC14C Galoc-5H and Galoc-6H Development Wells	
Location	Palawan Basin, Philippines
Permit	SC14C
Well Type	Horizontal development wells
Target	Turbiditic sandstone in Miocene Galoc Classic Unit
Water Depth	Approximately 311 metres
Planned total depth	Approximately 2,190 metres vertical Total drilled length of 4,497 metres for the G-5H well Total drilled length of 3,958 metres for the G-6H well

Note: Depth is measured in total metres drilled below the rig rotary table or drilling floor

Joint Venture Partners:

<u>Participant</u>	<u>Participating Interest %</u>
Galoc Production Company W.L.L. (Operator) (Wholly owned subsidiary of Otto Energy Ltd (ASX: OEL))	33.00000
Galoc Production Company No. 2 Pte Ltd (Wholly owned subsidiary of Kuwait Foreign Petroleum Exploration Company)	26.84473
Nido Production (Galoc) Pty Ltd (ASX: NDO)	22.87952
Oriental Petroleum & Minerals Corporation and Linapacan Oil Gas & Power Corporation	7.78505
The Philodrill Corporation	7.21495
Forum Energy Philippines Corporation	2.27575