

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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Third Well to Spud at Comanche

Highlights

- **Drill Pad currently being prepared.**
- **Rig anticipated to move in on March 29th**
- **5,600 foot vertical well**
- **Six stage fracture stimulation of entire MFL section**

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

The third test well, the Lott Unit #1, which is expected to spud in the first week of April, will be completed over a 350 foot vertical section of the Marble Falls Limestone (MFL).

The well will undergo a 6 stage fracture stimulation procedure scheduled for the third week of April and will subsequently be flow tested. Forecast completed well cost is US\$769,145 (Otis = 12.5%).

Recent drilling activity continues to indicate the MFL is conducive to modern completion technology, and recent results from vertical fractured wells are encouraging.

About the Comanche Project;

The Comanche Project is a liquids rich limestone play utilizing modern drilling technology within a proven oil field containing substantial vertical completions and production.

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)

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 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>	12.5%	12.5% BPORI	North Central Texas
<i>Avalanche Project</i>	10%	7.5%	South Central Louisiana
<i>Catahoula Lake Project</i>	20%	14.5- 17%	Central Louisiana
<i>Charro Project</i>	5.5%	4.29%	New Mexico
<i>Sombrero</i>	5%	3.75%	New Mexico
<i>Stagecoach</i>	10%	7.4%	Texas

For more information contact;
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The information in this announcement has been reviewed by Truitt Mathews (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. Mathews 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

BOE – BARRELS OF OIL EQUIVALENT (Calculated at 6MCF = 1B0)
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
TD – TARGET DEPTH
DHC – DRY HOLE COST