

OTIS ENERGY LIMITED

A.C.N. 075 419 715

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

OTE: 1,154,564,508

OTEO: 186,049,962

OTEOA: 722,280,783

DIRECTORS

Mr Harry Hill

Chairman

Mr Barnaby Egerton-Warburton

Managing Director

Mr Winton Willesee

Non-Executive Director

Company Secretary

REGISTERED OFFICE

Suite 25,
145 Stirling Highway
Nedlands, Western Australia
Australia 6009

US OFFICE

7557 Rambler Rd, Suite 970
Dallas, Texas 75231

CONTACT DETAILS

Website: www.otisenergy.com

Email: bew@otisenergy.com

Aust Phone: +61 2 8003 3438

US Phone: +1 214 377 1396

Comanche Third Well Initial Production Update

Highlights

- **Initial flow rate as high as 733 MCFPD**
- **Oil flows starting to come in**
- **Tied in to production facilities**

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 Jack County Texas.

The Lott Unit # 1 well has now been flowing for 18 days. The average production rate for that period is 503 MCFPD with rates as high as 733MCFPD. The last seven days has seen the average steadily increase to 632 MCFPD. Oil has been flowing into the tanks over the last three days at an average of 1.7 BOPD. With approximately 14,000 barrels of 21,000 barrels of frac fluid now recovered we expect returns to continue to improve.

Fourth Well and 3D Seismic Survey

As previously announced Otis has elected to participate in a fourth well in the Comanche area, scheduled for June 2013 (Cost to Otis approximately \$US7,000).

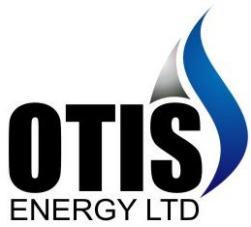
The well will be a re-entry and fracture stimulation in the Marble Falls Limestone (MFL). Otis working interest will be 1.25%. Primary purpose for participation is the addition of a primary point of information on the northern side of the Comanche acreage position and an increase in project size by an additional 565 acres.

Otis has also elected to participate in a small 3D seismic acquisition over 825 acres covering a Mississippian Reef surrounding the Lott Unit # 1 well location to determine if adequate reserves are present to justify drilling a well targeting this reef at a superior location. Estimated cost for the 3D seismic acquisition to Otis is US\$7,500.

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 USA 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.

For more information contact;
Barnaby Egerton-Warburton
Managing Director
Otis Energy Limited
+612 800 33438



ASX RELEASE

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