

**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](http://www.otisenergy.com)Email: [bew@otisenergy.com](mailto:bew@otisenergy.com)

Aust Phone: +61 2 8003 3438

US Phone: +1 214 377 1396

## Third Well Fracture Stimulation Complete

**Highlights**

- **3 stage fracture stimulation complete**
- **10 sections of potential pay targeted**
- **Tie-in to production facilities**
- **Re-entry of additional well planned**

**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.

**Fracture Complete**

Fracture stimulation of the third well drilled at the Comanche Project, the Lott Unit #1 well, is now complete. The well is now flowing back frac water and gas. Operations over the next 24 hours will involve tying the well into production facilities and readying for gas lift operations to flow back frac fluid and flow test.

Initial production rates are expected to be forthcoming over the next 7-14 days.

**Fourth Well to be Drilled**

Otis has elected to participate in a fourth well in the Comanche area, scheduled for June 2013.

The well, which will be a re-entry, is located just to the north of the Comanche Project outside the Company's currently held acreage position. The work program for the well will be a re-entry and fracture stimulation in the Marble Falls Limestone formation (MFL).

The working interest offered to the Comanche partners is 10%. Otis working interest will be 1.25% of the well and the associated 565 net acres.

The primary purpose for the investment by the Comanche working interest partners is to have an additional point of information on the northern side of our southern Comanche acreage position area along with adding the interest in the additional acreage associated with the re-completion.

Estimated cost to Otis is approximately US\$7,000.

Recent drilling activity continues to indicate the MFL is conducive to modern completion technology, and recent results from vertical fraced 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 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 USA with a particular focus on the Gulf States of Texas, New Mexico, Louisiana and Mississippi.

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

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

*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