

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

Third Well Underway at Comanche

Highlights

- **Lott Unit #1 Well Spud**
- **8 days forecast to target depth**
- **5,600 foot vertical well**
- **Three 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, has spud. The well is currently drilling ahead at 5,190 feet. The well will be drilled vertically to approximately 5,600 feet and will be completed over a 350-400 foot vertical section of the Marble Falls Limestone (MFL). The well will test the Ellenberger as well as the Mississippian Lime formations which sit below the MFL. Logging data and micro fracture surveys will be acquired over the potential production zone.

The well will undergo a three stage fracture stimulation procedure scheduled for the end of April and will subsequently be flow tested. Forecast completed well cost to Otis is approximately \$96,000.

Recent drilling activity continues to indicate the MFL is conducive to modern completion technology, and recent results from multi-staged fracture stimulated vertical wells are encouraging.

About the Comanche Project;

The Comanche Project is a liquids rich limestone play utilising 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).

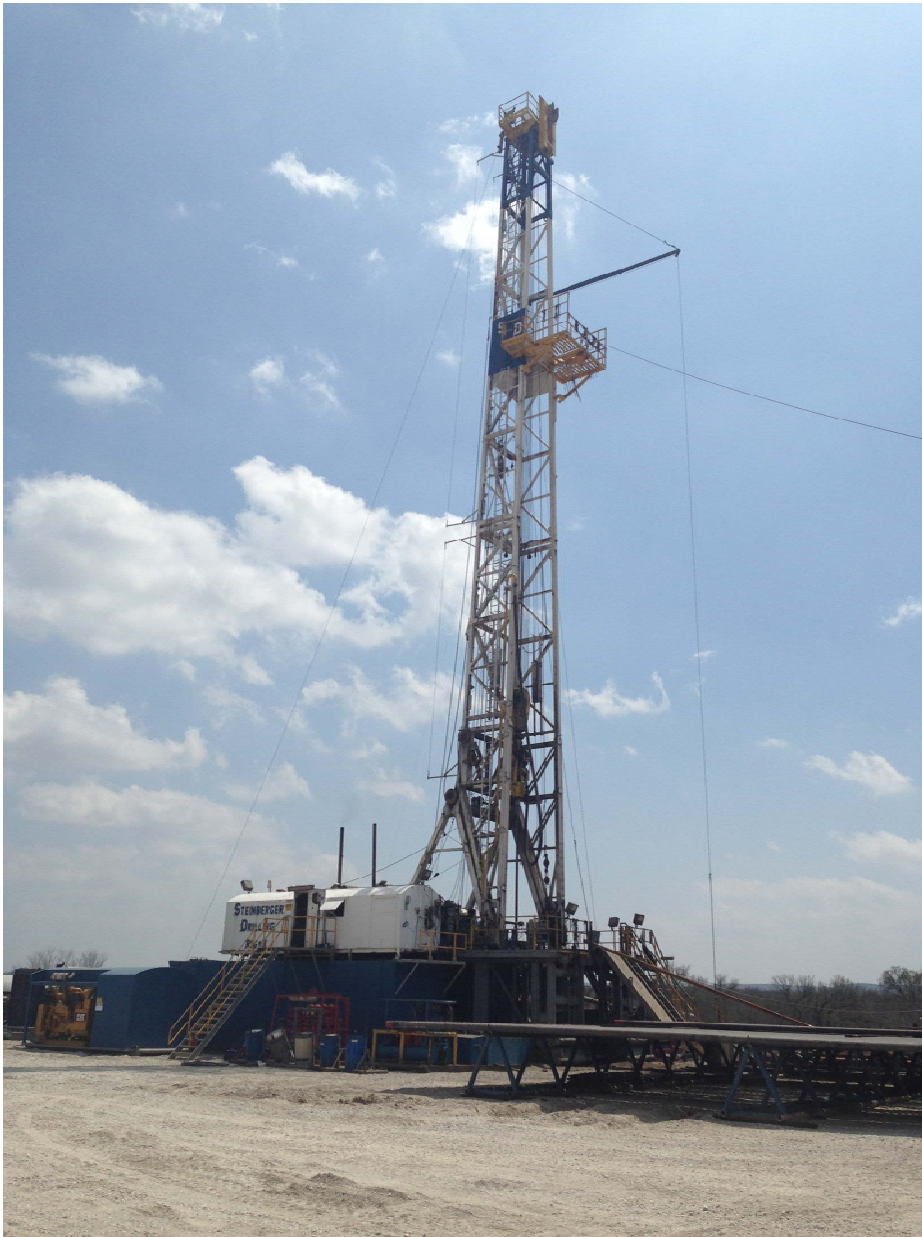


Figure One: Steinberg Drilling Rig # 3 drilling ahead at the third well at Comanche.

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