

OTIS ENERGY LIMITED

A.C.N. 075 419 715

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Third well to undergo completion and flow testing at Comanche

Highlights

- **Target Depth reached at 5,570 feet**
- **Multiple oil/ gas shows through MFL and Cado formations**
- **Fracture Stimulation booked for late April**
- **Well currently being cased and readied for testing**

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 reached target depth of approximately 5,570 feet. Based on positive mud and electric logs the well will be cased and prepared for fracture stimulation, completion and flow testing.

The well will undergo a 3 stage fracture stimulation procedure scheduled for the end of April and will subsequently undergo flow testing with initial flow back results expected mid-May.

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 (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 Project</i>	5%	3.75%	New Mexico
<i>Stagecoach Project</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