



Otis Energy Limited

A.C.N. 075 419 715
Registered Office;
Suite 25, 145 Stirling Hwy
Nedlands, Perth WA 6009

ASX Release

28 July 2011

**Otis Energy Limited
Quarterly Activities Report - June 2011**

Highlights:

- Acquires a 10% WI in the large Avalanche Oil & Gas Project in South Central Louisiana
- Completes assembly of its dedicated five man Oil and Gas project generation and execution team based in Dallas Texas
- Catahoula Lake workovers completed and production increased
- Name Change and Reconstruction of Capital Completed

Otis Energy Limited (ASX: OTE) is pleased to provide the following update on its activities for the June quarter.

Acquisition of a 10% Working Interest in the Avalanche Oil & Gas Project

During the quarter Otis Energy acquired a 10% Working Interest in the Avalanche Oil & Gas Exploration project. Avalanche is located in South Central Louisiana, covers close to 24,000 acres and is approximately 75% covered by a proprietary 3D seismic survey. The project represents a large potential reserve target with a potential 126 million barrels of oil (MMBO) and 379 billion cubic feet of gas. Otis paid a total of USD960,000 for entry into the project which includes 2D seismic, 3D seismic and 24,000 leased and optioned acres. It is expected that the first test well will be drilled late in the US fall at a cost to Otis of approximately USD654,000. The first well will test four potential zones for a reserve potential of between 3.3MMBO to 41MMBO and 9.9BCFG to 123 BCFG.

Five Man Project Generation and Execution Team

During the quarter Otis completed the assembly of a five man project generation, due diligence and execution team based in Dallas Texas. The team comprises two geologists, one reservoir engineer and two landmen with combined experience of over 140 years in the oil and gas business. The team members are past employees of some of the United States' most successful public and private oil and gas exploration, production and engineering firms including Exxon, Hunt Petroleum, Netherland Sewell, Wynn-Crosby and Bass.

The teams' role is to perform project generation, evaluation and acquisition with a focus on high return exploration and production assets that sit within the corporate strategy of Otis.

Change of Name and Reconstruction of Capital

During the quarter the Company completed the name change from Future Corporation Australia Limited to Otis Energy Limited. The Company also successfully completed a reconstruction of its capital on a one for ten basis bringing the number of shares on issue back to approximately 492 million.



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Project updates

Catahoula Lake (25-50% working interest)

During the quarter two workovers were completed on the Company's 50% Working Interest C-lease assets. (50% Otis Energy Ltd/50% Pryme Energy Ltd). The C-11 well was brought back on line at the end of June, which will impact July's sales. The C-10 well was also worked over and was recompleted in a shallower sand, which will also increase July's oil sales for the project. The two workovers resulted in an increase in oil production of 17 barrels of oil per day, which is an increase of 46% of the existing 37 barrels per day to bring production up to 54 BOPD.

Sales for the quarter (net to Otis) were 1,271 barrels of oil which is a 5% reduction over the previous quarter. The remainder of 2011 will be spent on detailed geological interpretation of the lake based on information from historical nearby onshore and offshore exploration which has been carried out over the past 60 years. The 2011 exploration program includes the proposed drilling of at least one new well in an onshore location on the edge of the lake. The Company is currently working on a comprehensive exploration program for the 2012 season designed to commence when the lake refills with water and the barge rig can be reutilised.

San Jacinto 3D Project (earning a 10% working interest)

In January of 2011 Otis entered into an agreement to acquire up to a 10% working interest in the San-Jacinto 3D. To date two wells have been drilled on the project and both have been unsuccessful. The project operator, Drill Partners, along with geophysical advisory group INEXS are currently re-working all the data on the survey and incorporating the results of drilling to gain a better understanding of the project. Otis Energy has also conducted a review of the seismic data and will await the results of the operators review before making our decision on ways to proceed.

Atocha

The Atocha Project (50% WI), located in the East Baton Rouge and East Feliciana parishes Louisiana, lies within the up-dip fairway of the Tuscaloosa trend. During the year Otis continued to seek a larger partner to farm into the acreage. Although several large companies have leased sizeable acreage positions to the east of Atocha no sale or farm-out has been achieved. Devon Energy Corporation, a large US oil and gas company is, at the time of writing, close to completion of a Tuscaloosa Marine Shale test well approximately nine miles to the north east of the Atocha project. The outcome of this well will be watched closely by the Company as a successful well could increase interest in Atocha.

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The information in this announcement has been reviewed by David Brewer (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 Brewer 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.