



# **Investor Presentation**

## **September 2011**

## **DISCLAIMER, FORWARD LOOKING STATEMENTS**

This presentation includes “forward-looking statements” as that term within the meaning of securities laws of applicable jurisdictions. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company’s control. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding Otis Energy Ltd’s future expectations. Readers can identify forward looking statements by terminology such as “aim,” “anticipate,” “assume,” “believe,” “continue,” “could,” “estimate,” “expect,” “forecast,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “risk,” “should,” “will” or “would” or other similar expressions. Risks, uncertainties and other factors may cause the Company’s actual results, performance, production or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results, performance or achievements). These factors include, but are not limited to, the variations in global demand and price for oil and gas; fluctuations in exchange rates between the U.S. Dollar, the Euro and the Australian dollar; failure to delineate any resources on the projects; the failure of the Company’s suppliers, service providers and partners to fulfil their obligations under drilling and other agreements; unforeseen geological, physical or meteorological conditions, natural disasters or cyclones; changes in the regulatory environment, industrial disputes, labour shortages, political and other factors; the inability to obtain additional financing, if required, on commercially suitable terms; and global and regional economic conditions. Further, investors should conduct their own research and only invest in the Company’s shares at their own risk. Readers are cautioned not to place undue reliance on forward-looking statements. We assume no obligation to update such information.

## **COMPETENT PERSON STATEMENT**

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](http://spe.org).

**Otis Energy:**

- US oil and natural gas focus
- Focus on drilling the Avalanche Project
- Current production of approx 18 net BOPD from Catahoula Lake Project
- Strong management with over 70 years of experience

**Objectives:**

- Continue to execute significant impact exploration and production projects
- Continue to develop the Catahoula Lake Project to a position of strong cash flow from developmental and wildcat drilling
- Generate early stage exploration and exploitation projects using management experience and capabilities

**OTIS CAPITAL STRUCTURE**

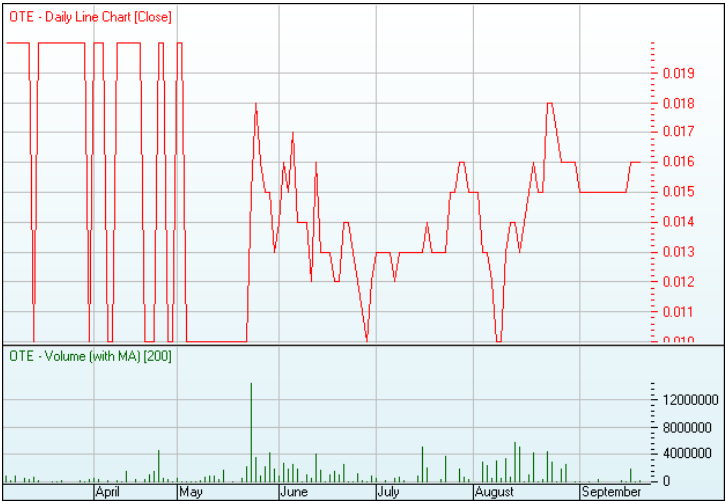
ASX CODE	OTE
SHARES ON ISSUE	~490M
OPTIONS ON ISSUE	~232M
MARKET CAP	~A\$7.3M

Source: OTE as at 29 September 2011



Source: OTE

**6 MONTH SHARE PRICE**



## AVALANCHE PROJECT

- 10% Working Interest (7.3% NRI)
- First well potential of 3.3MMBO-41MMBO and 9.9BCFG-123BCFG
- Project potential 126MMBO and 379BCF
- First test well to spud October 2011
- Approximately 24,000 acres leased and optioned
- 75% covered by the 3D seismic survey
- 22 prospective targets identified

## CATAHOULA LAKE PROJECT

- 25-50% Working Interest
- Current 53BOPD production (18BOPD net to OTE)
- Stable production from 4 wells
- Full season of drilling from barge rig expected in 2012

## SAN JACINTO 3D PROJECT

- Earning 10% Working Interest
- 60sq mile 3D Seismic Survey in San Jacinto County, Texas
- 38,000 leased and optioned acres

## ATOCHA PROJECT

- 50% Working Interest
- 3,376 acres in the TMS and Austin Chalk Play, East Baton Rouge
- Currently seeking JV Partner

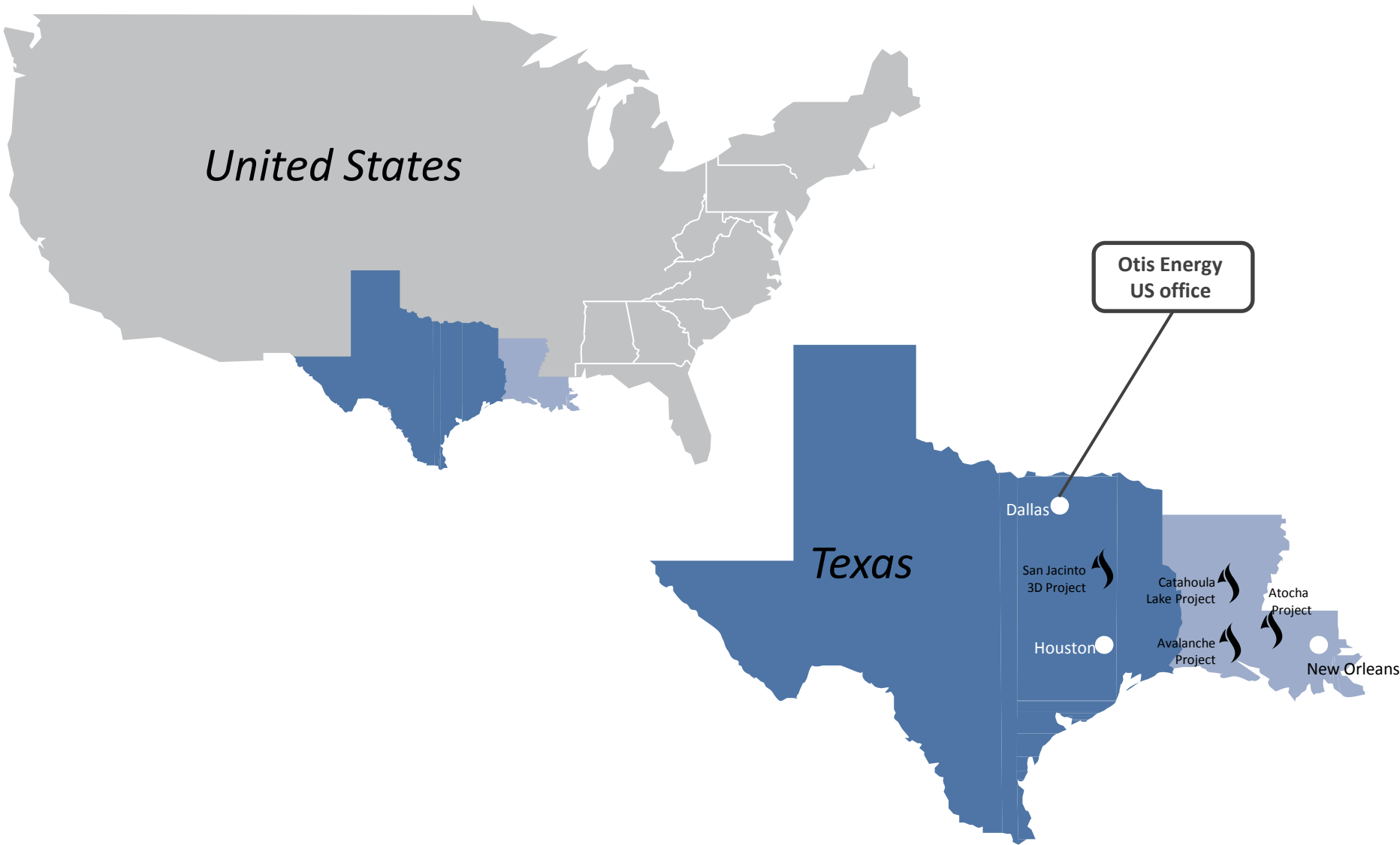
## NEW US OPPORTUNITIES UNDER REVIEW



Source: OTE



Source: OTE





**Ownership****Location****Acres****Seismic****Initial Well****Potential Reserves**

10% Working Interest

South Central Louisiana, USA

Approximately 24,000 leased and optioned acres

75% covered by 3D survey

Expected spud date - October 2011

**126 MMBO (oil) and 379 BCF (gas)**

- Otis Energy recently completed a 10% farm-in to the Avalanche Project located in South Central Louisiana.
- 42 sq mile proprietary 3D seismic survey has identified four major prospective depositional packages/fairways bounded by canyon erosion surfaces
- Mapping of independent seismic events has identified 22 prospective targets
- Prospect areas characterized by stacked structurally and stratigraphically trapped sand events, some displaying Class I and III AVO response
- Reserve potential estimated at 126 MMBO and 379 BCF



Source: OTE



Source: OTE

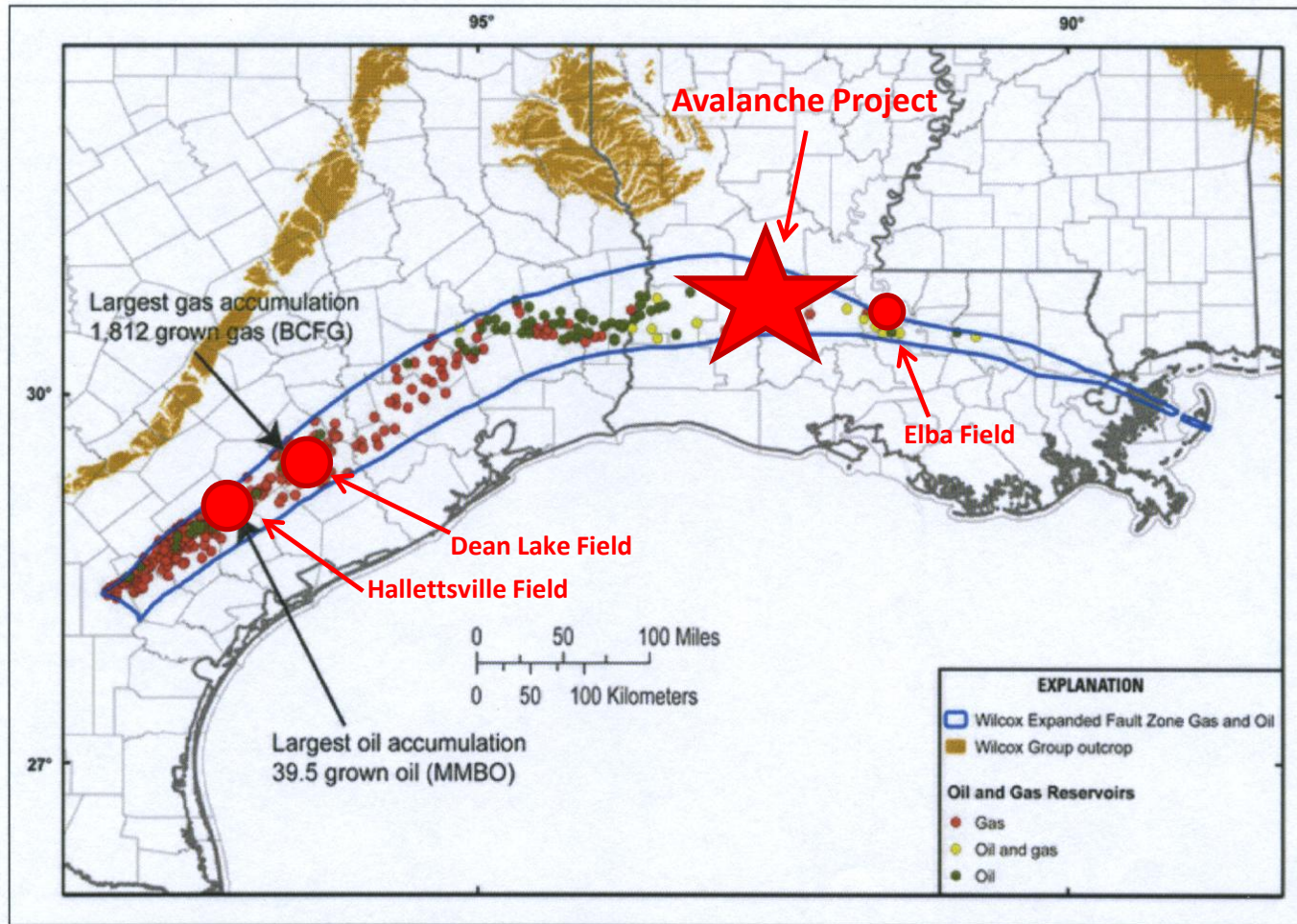


Figure 14. Wilcox Expanded Fault Zone AU, showing oil and gas fields. Largest oil and gas accumulations are shown. Data from Warwick et al. (1997); Nehring Associates, Inc. (2006); Warwick et al. (2007a); and T.R. Klett, USGS, written personal communication (2006).



## FIRST WELL

- Otis Energy to fund approx US\$730,000 towards first well
- Ensign Energy Services Inc has been contracted to drill the first well at Avalanche – estimated 50-60 days to drill to target depth from spud date
- The Ensign Energy's Land Rig 751 is expected to be on site to spud the initial well in October 2011
- 22 prospective targets identified

ENSIGN ENERGY LAND RIG



Source: OTE ASX release 14 September 2011

## POTENTIAL IMPACT

Target	Outcome	Total Potential Gas (bcf)	Total Potential Oil (mmbo)	OTE Interest	Total Potential Revenue (US\$m)	Potential OTE Revenue (US\$m)	Potential OTE Revenue per share (fully diluted)
Initial Well	Low	9.9	3.3	10%	335	33	US\$0.05
	Mean	66.5	22.2	10%	2,246	225	US\$0.31
	High	123.0	41.0	10%	4,157	416	US\$0.58
<b>Total Project</b>	<b>Mean</b>	<b>379.0</b>	<b>126.0</b>	<b>10%</b>	<b>12,780</b>	<b>1,278</b>	<b>US\$1.77</b>

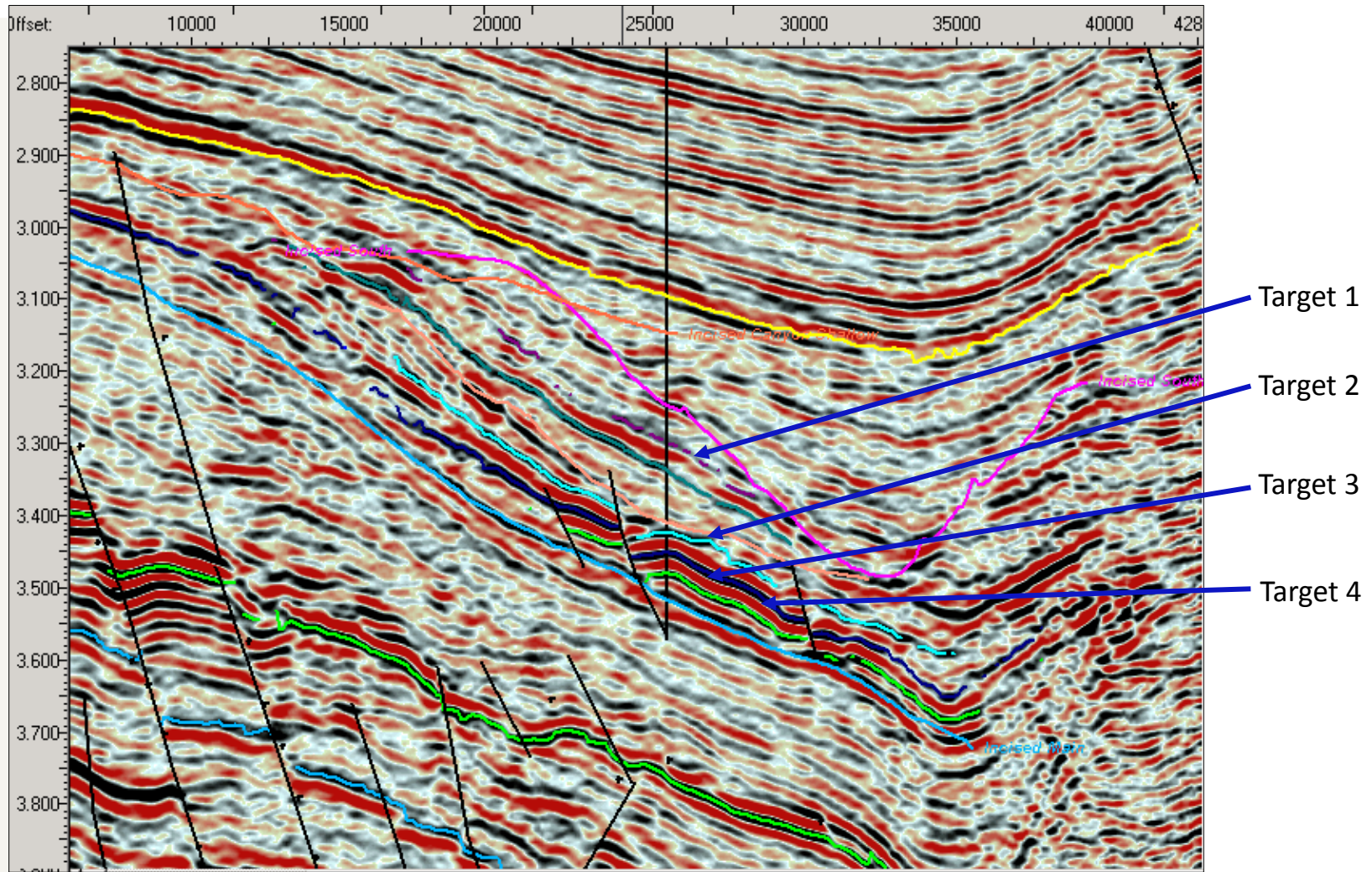
The figures presented in the above table in no way are to be regarded as a "forecast reserve classification" for the Avalanche project. The data provided above is based on the hypothetical value of a successful well being drilled and completed at the project and in no way represents an indication of a forecast reserve qualification. Calculations in the above table are inserted only to give shareholders and potential investors an idea of the potential reserve values should a successful well and or wells be completed on the project.

Assumptions

1. Oil price of US\$90/bbl
2. Gas price of US\$3.80/mcf
3. All wells successful



## AVALANCHE PROJECT DIP LINE



# CATAHOULA LAKE PROJECT

**Ownership**

**Location**

**Acreage**

**JV Partner**

**Potential Oil Recoveries**

**Jan-June 2011 Production**

**Current Production Rate**

25-50% Working Interest

LaSalle Parish, Central Louisiana, USA

7,996 mineral acres

Pryme Energy Limited

**50,000 – 250,000 barrels for each  
successful well**

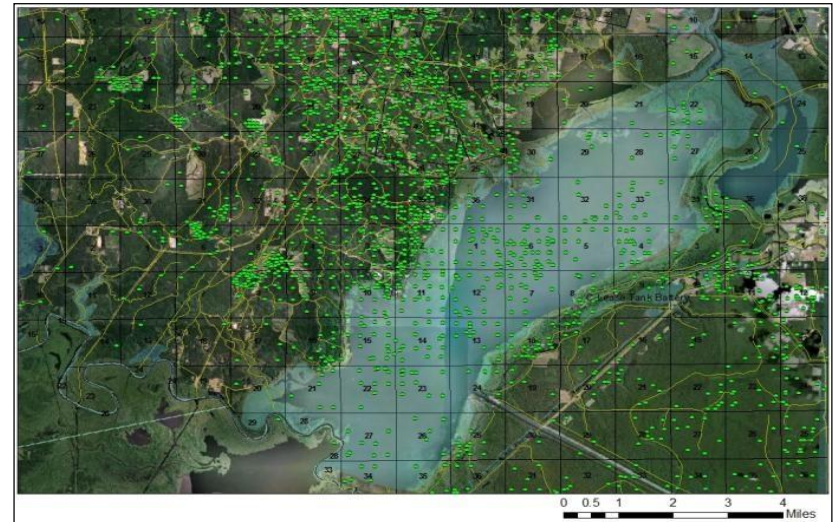
**2,611 bbl (net to OTE)**

**17.5 BOPD (net to OTE) ~ US\$1,570 pd**

- Catahoula Lake Field located in LaSalle Parish, the heart of the prolific Central Louisiana Wilcox trend
- Ownership through Pryme Lake Exploration LLC (PLX) which is 50% owned by Otis Energy
- PLX has reached agreement in principle with other Catahoula Lake operator Sanchez Resources to merge both parties' interest
- Typically long life wells on average producing for over 20 years. Ultimate oil recoveries estimated at 50,000 through to 250,000 barrels for each successful well



Source: Pryme Oil and Gas



Source: OTE



- Multiple “stacked” oil zones throughout the Middle-Wilcox formation in a much less drilled environment
- Potential to elevate use of technology to improve success ratio and ultimate recovery per well
- Potential to drill at least one well from a land rig in 2011 subject to weather conditions and lake levels
- Less than 12 month payback on successful wells
- Long life (average 21 years) low maintenance wells



Source: OTE



Source: OTE

## **Ownership**

## **Location**

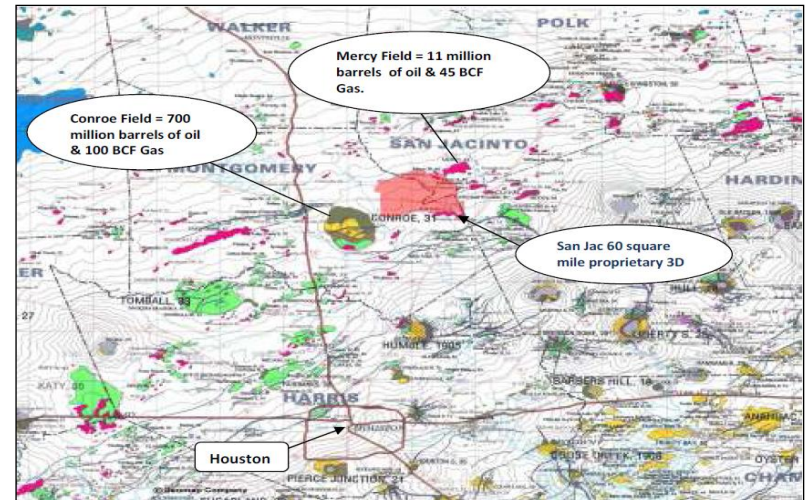
## **Acreage**

## **JV Partners**

## **Resource Potential**

Earning 10% Working Interest  
San Jacinto County Texas, USA  
38,000 leased and optioned acres  
Liberty Bell Energy, Drill Partners LLC  
**7.5 MMBO (Oil) and 63 BCF (Gas)**

- The San Jacinto Project was acquired in January 2011 from Liberty Bell Energy LLC and Drill Partners LLC
- 60 sq miles of proprietary 3D seismic and leased acreage with five drill ready prospects
- 5 identified drill ready prospects within the Wilcox formations
- Greater than US\$15 million USD spent on the project prior to acquisition
- ~2 miles west is the Conroe Dome Field, which has produced over 700 MMBO (Oil) and 100 BCF (Gas)
- Otis Energy and JV partners are evaluating potential drilling targets within the acreage following the drilling of 2 dry wells



Source: OTE



Source: OTE



# ATOCHA PROJECT

**Ownership**

50% Working Interest

**Location**

East Baton Rouge Parish, USA

**Acreage**

3,376 leased acres

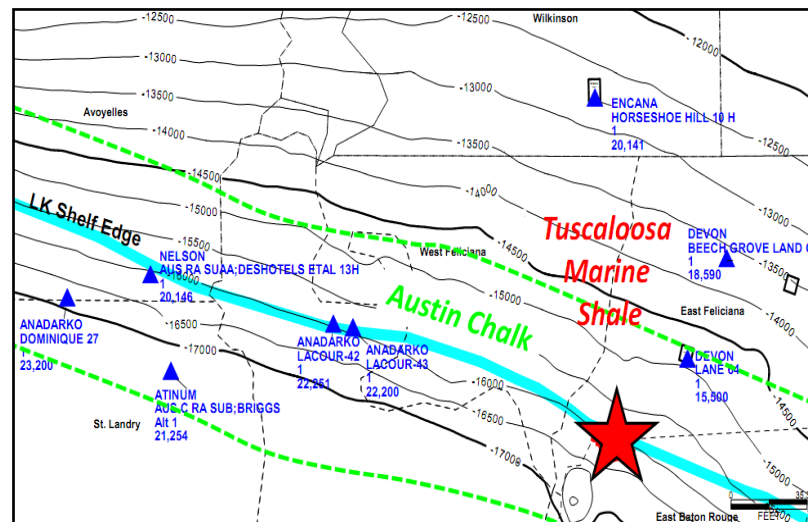
**JV Partner**

Amelia Resources/Promesa

**Future**

Assessing JV partners

- The Atocha Project was acquired in October 2009 from Pryme Energy and covers 3376 Net acres
- Prospective for the Tuscaloosa Marine Shale and Austin Chalk – active permits and drilling in progress
- Located in the highly prospective Tuscaloosa Trend, originally discovered in 1975 by Chevron (currently produced 2.8 TCF of natural gas and 120 MMBO of condensate to date)
- Otis Energy is currently seeking a JV partner to develop the Atocha project



Source: Amelia Resources



Source: OTE

Chairman	<p><b>Mr Harry Hill</b></p> <p>Mr Hill is a Certified Practicing Accountant and a Fellow of the Chartered Institute of Secretaries. He has over 35 years experience having been a director of several Australian publicly listed companies involved in minerals exploration, mine development and oil and gas operations, where he was involved in restructuring corporations and re-purposing businesses and initial public offerings.</p>
Managing Director	<p><b>Mr Barnaby Egerton-Warburton</b></p> <p>Mr Egerton-Warburton has over 20 years of trading, investment banking, international investment and market experience. He has held positions with investment banks in Perth, Sydney, New York and Hong Kong including JPMorgan, BNP Equities (New York) and Prudential Securities (New York).</p>
Non-Executive Director Company Secretary	<p><b>Mr Winton Willesee</b></p> <p>Mr Willesee is an experienced Director and Company Secretary in the small capitalisation sector of ASX. Mr Willesee brings a broad range of experience in company administration, corporate governance, company public listings, merger and acquisition transactions, reconstructions and corporate finance from his background with listed and unlisted public companies.</p>
Manager of Geology	<p><b>Mr David Brewer</b></p> <p>Mr Brewer is a petroleum geologist with over thirty years of oil and gas industry experience focused on exploitation and exploration. Mr Brewer worked for Hunt Petroleum Corporation of Dallas for almost twenty-eight years.</p>
Manager of Engineering	<p><b>Mr Steven Burr</b></p> <p>Mr Burr is a petroleum engineer with over thirty years of experience both in the U.S. and internationally. Mr Burr has held positions with Netherland Sewell &amp; Associates, Inc., an international petroleum consulting firm in Dallas.</p>
Senior Geologist	<p><b>Mr Truitt Matthews</b></p> <p>Mr Matthews has 25 years of industry experience in both developmental and exploration activities, primarily in the Permian Basin of West Texas/Southeast New Mexico, the Gulf Coast regions of Texas, Louisiana and Mississippi with additional work in the Mid-Continent regions of Illinois, Arkansas and Oklahoma</p>
Manager of Land	<p><b>Mr Russell Harlow</b></p> <p>Mr Harlow has 30 years of proven, well-connected, experience in the oil and gas industry in Texas and across the United States. Mr Harlow previously ran the land division for Wynn-Crosby Energy, Inc., prior to its sale to Petrohawk. Prior to this Mr Harlow held positions with Headington Oil Company, Ltd. and Enserch Exploration, Inc.</p>
Senior Landman	<p><b>Mr Scott Wilpitz</b></p> <p>Mr Wilpitz is a Certified Professional Landman (CPL) with over 30 years of land management experience in the domestic U.S. oil and gas business, with extensive experience in exploration, acquisition/divestiture, production and other mineral management responsibilities</p>

## Australian Office

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

Ph: +612 8003 3438  
Fax: +618 9389 3199  
US: +1 214 377 1396

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

## United States Office

7557 Rambler Road, Suite 918  
Dallas, Texas 75231

Ph: +214 369 2020  
Fax: +214 369 2058



Source: OTE