

## SM 71 UPDATE – TOOL RECOVERED FROM F3 WELL

- **Key portions of the stuck completion tools were recovered today**
- **SM 71 F3 well to be completed and ready for production late next week**

Otto Energy Limited (ASX:OEL) (“Otto” or the “Company”) provides the following update on the operator’s (Byron Energy Limited (ASX: BYE)) efforts to recover stuck completion tools from the SM 71 F3 well.

Earlier today Otto announced the Operator had received positive indications that fishing operations had recovered the stuck completion tools from the SM 71 F3 wellbore. At approximately 7pm USA Central Daylight Time on 21 March 2018, the Ensco 68 drill rig finished pulling drill pipe and confirmed that the key service tool portion of the stuck completion assembly has been recovered. The recovery of the service tool intact is an important step as go-forward operations become more routine in nature.

The recovery of the service tool is significant as it facilitates the ability to recover the retrievable gravel packer with a standard pulling tool which is currently on location. The washpipe portion of the tool was left in the hole and will be recovered in the following operations.

Once the packer is recovered, the remaining portion of the assembly can be washed over and recovered along with the washpipe. After that, new gravel pack equipment will be placed in the hole and the perforated interval will be repacked using sand control techniques appropriate for a low skin completion.

The remaining work should take about one week and then production tubing can be run as per original plan. The Ensco 68 rig will then be released and production will begin from the SM 71 F3 well. The F1 and F2 wells are anticipated to already be producing at this stage.

Otto holds a 50% working interest (40.625% net revenue interest) in South Marsh Island Block 71 through a wholly owned subsidiary Otto Energy (Louisiana) LLC. The operator, Byron Energy Inc., a wholly owned subsidiary of Byron Energy Limited (ASX: BYE) holds the remaining 50% working interest.

Otto’s Managing Director, Matthew Allen, commented: *“We are pleased to now have a clear path to the SM 71 F3 well coming on line very soon after the F1 and F2 wells which are expected to start producing in the coming week.”*

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