

Noosa Mining & Exploration Investor Conference

Gulf of Mexico oil and gas producer and explorer



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and New Ventures

19 July 2018

ASX : OEL

OTTO
ENERGY

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Overview of Otto Energy

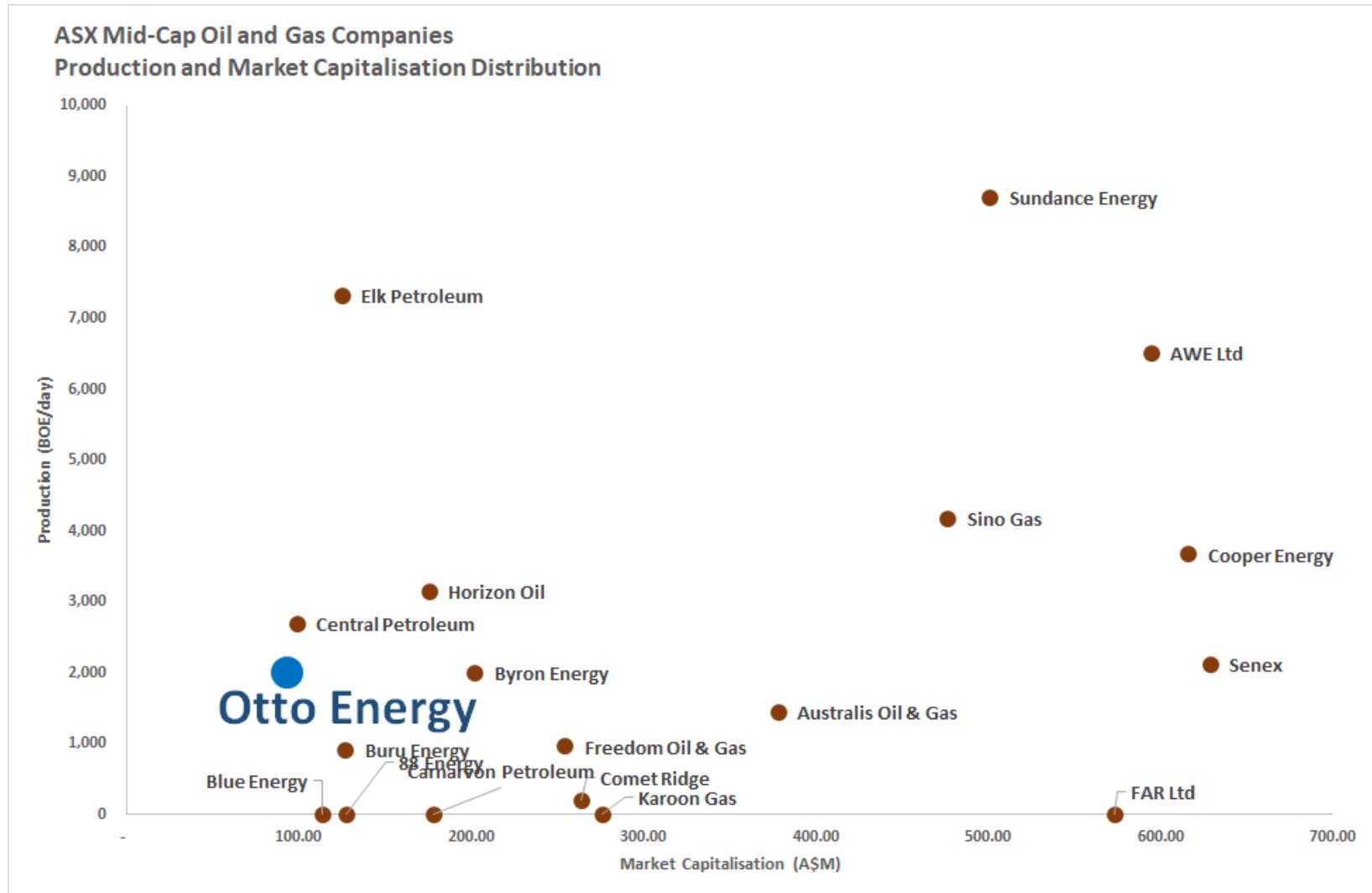
Otto's core strategic goal is to deliver 5000 boepd of production by the end of 2020



- We are a company with a clear strategy and an experienced team who understand risk and capital management in the oil and gas industry
- We are building a portfolio of US conventional production assets with a Gulf of Mexico focus and the capability to transition to an operator
- Undervalued against broker consensus valuations and relative to ASX listed peers
- A Company underpinned by strong production and cash flow from its flagship Gulf of Mexico SM 71 asset
- You are investing in a team who have many years of experience in successfully growing, operating and divesting oil and gas businesses globally
- We have an exciting pipeline of high-impact exploration opportunities taking place over the next 9 months

Why invest in Otto?

Compelling valuation metrics



Why Gulf of Mexico Shelf?

Proven, conventional oil and gas province – new discoveries utilizing modern technology

- Proven prolific hydrocarbon province where technologies such as RTM seismic processing continue to create new opportunities
- Low sovereign risk
- High margin oil with breakeven economics around US\$20/barrel
- Short cycle time from discovery to development 8-18 months
- Low cost drilling and development
- Relatively low risk exploration
- Deal flow is liquid and a full spectrum of opportunity size is available
- Otto has area expertise and well developed business relationships
- Otto has production in the area

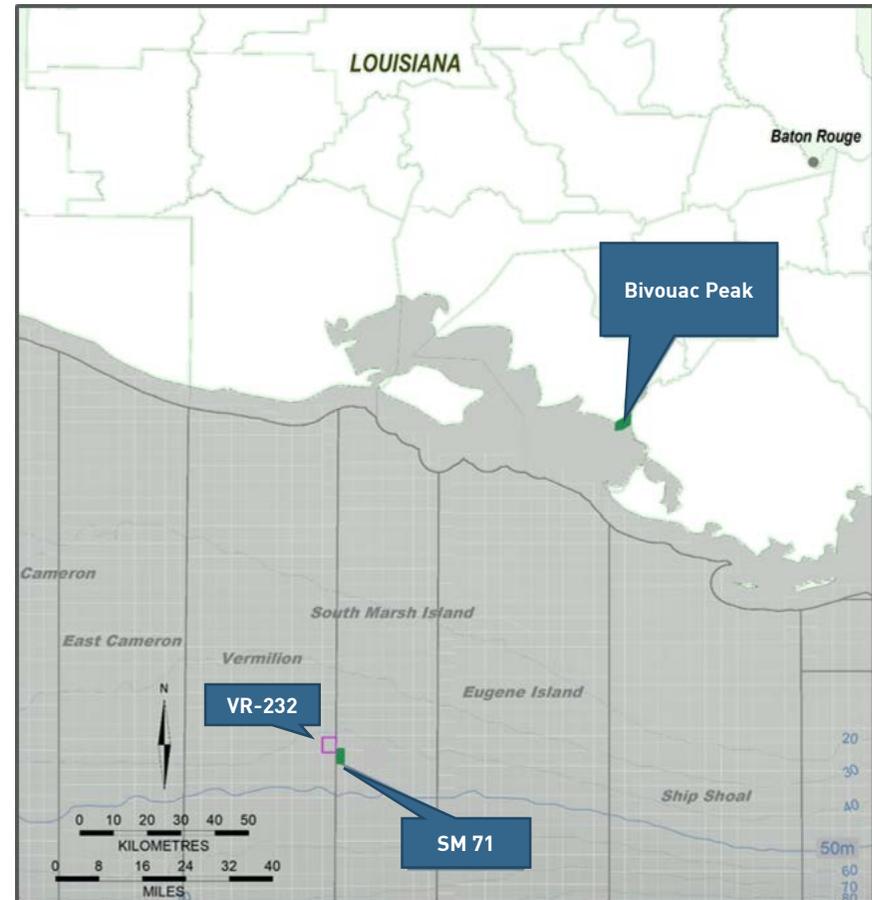


EnSCO 68 drilling rig adjacent to the SM 71 Production Platform (Gulf of Mexico)

South Marsh Island 71 (SM 71)

Generating over US\$3m in free operating cashflow each month

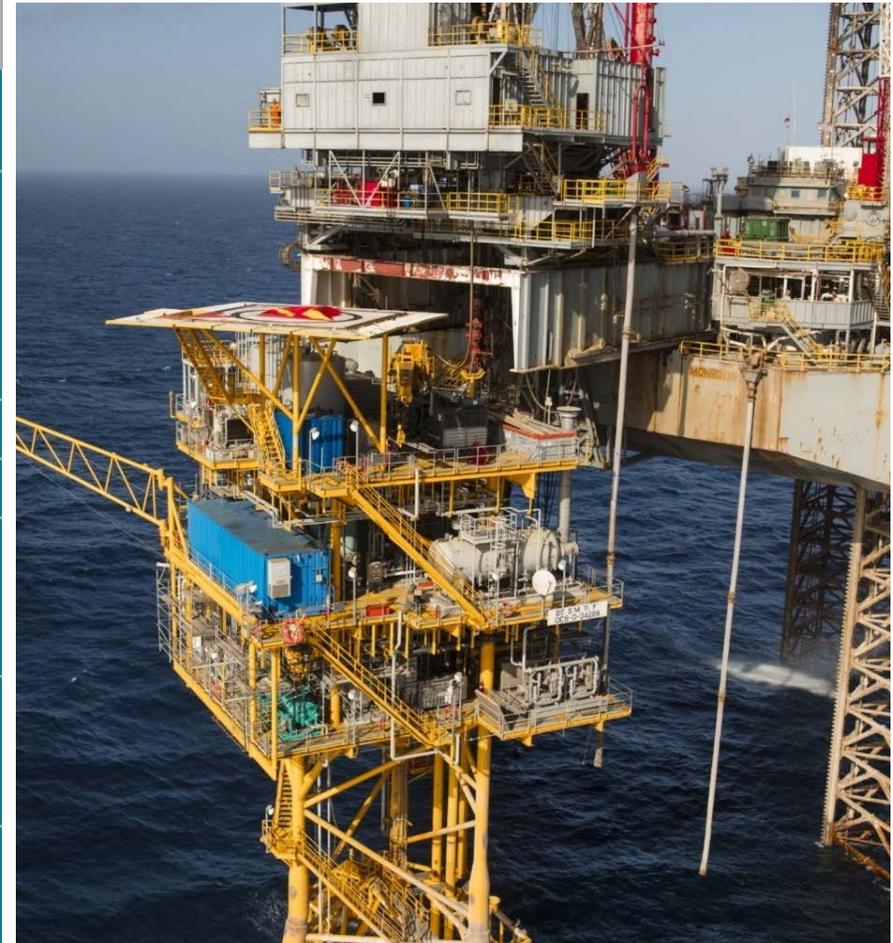
- Otto farmed into SM 71 in 2016 and participated in the discovery well drilled in April/May 2016 with production commencing March 2018
- Operated tripod platform with capacity for up to 6 production wells and 5,000 bopd (currently three wells are installed and the platform is close to handling capacity)
- Currently producing ~4,000 bopd of high-margin LLS oil into nearby pipeline
- At WTI of US\$68/bbl Otto realises ~US\$64.40/bbl net (after transport and before Federal royalties)
- Produced 360,000 bbls and 276 MMcf up to 30 June 2018 (100%)
- Otto has secured rights to participate in the Vermillion 232 (VR 232) lease which is adjacent to SM 71 and provides future incremental opportunities de-risked by the SM 71 drilling successes



South Marsh Island 71 Production

SM 71 production commenced on the Gulf of Mexico Shelf in late March 2018

SM 71 Key Details	
JV Partners	Byron Energy (ASX:BYE) (operator) 50% Otto Energy 50%
Production Wells	<ul style="list-style-type: none"> F1 D5 Sand 70' perforation F2 B65 Sand 72' perforation F3 D5 Sand 184' perforation <p>Future production wells will be drilled once capacity becomes available in SM 71 "F" Platform</p>
Objective Depth	Approx. 6,800 feet (TVD) to 7,500 feet (TVD)
Water depth	130 feet/ 40 metres
Reserves	Gross Reserves: 1.6 – 5.6 – 7.1 Mmboe** WI Reserves: 0.8 – 2.8 – 3.5 Mmboe** NRI Reserves: 0.6 – 2.3 – 2.9 Mmboe** (1P – 2P – 3P)
SM 71 "F" Platform Production	<ul style="list-style-type: none"> Current prod. is circa 4,000 bopd, 2,700Mscf/d (100%)
Crude Oil Sales	<ul style="list-style-type: none"> Oil is Louisiana light sweet crude. Crude is sold to Shell Trading at inlet point At WTI of US\$68/bbl Otto will realise ~US\$64.40/bbl net (before Federal royalties)*



SM 71 F Production Platform (Gulf of Mexico)

* Federal Royalties are 18.75%.

** Refer to ASX release of 28 September 2017.

Delivering future growth



Bivouac Peak

Commence drilling of the Louisiana near shore high impact Bivouac Peak prospect next month

Best Estimate Prospective resource 9.6MMboe (Otto 29.8% NRI)*



VR 232

Commence drilling planning for a exploration well at VR 232 block



New Ventures

Continue to screen and acquire value accretive opportunities leveraging Otto's current relationships, its production and knowledge gained from SM 71 and its new Houston based office capability.



Alaska

Commence drilling of the Western Blocks Nanushuk opportunity during Q1 2019

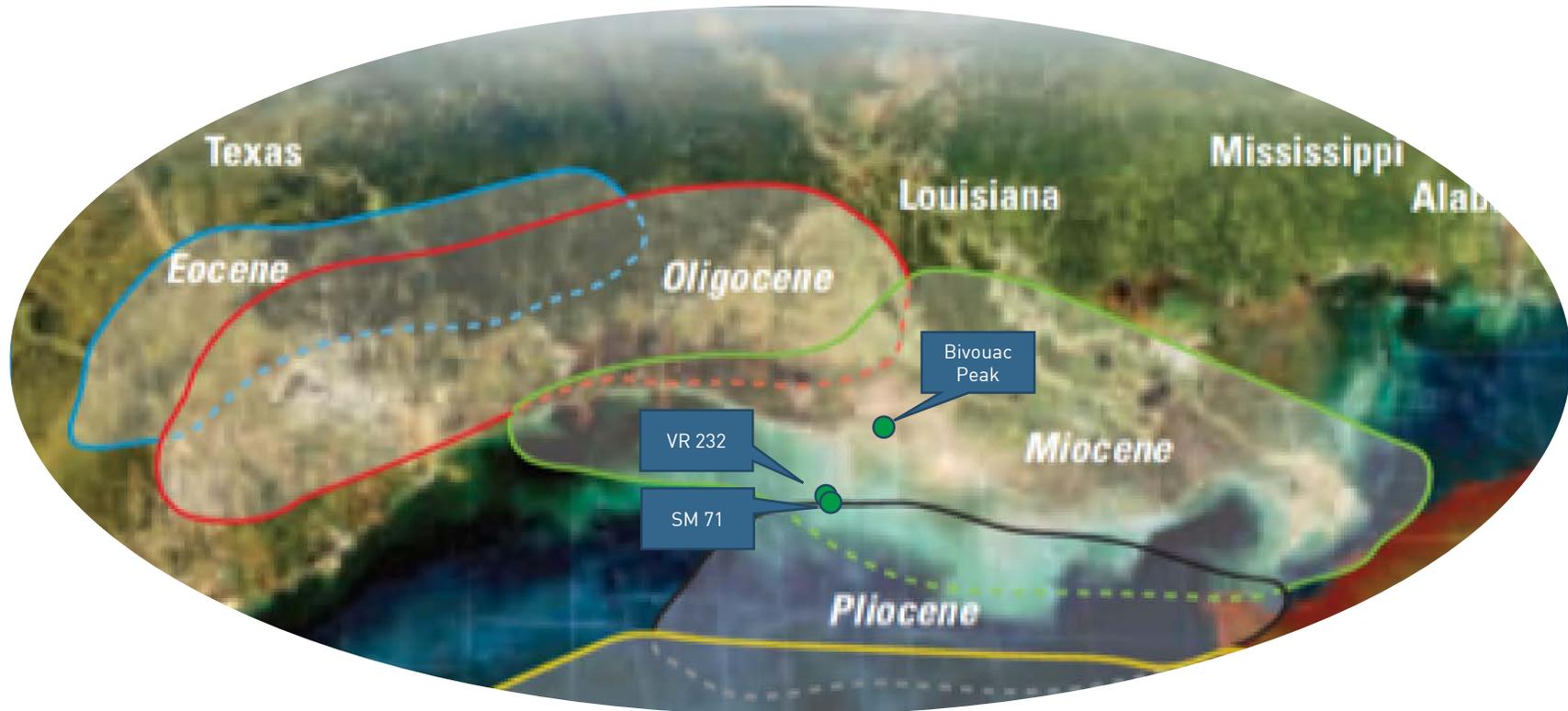
Best Estimate Prospective resource 75MMboe (Otto's 18.75% NRI)**

*As at 30 June 2017. Refer to ASX release dated 9 July 2018.

**As at 30 April 2018. Refer ASX release dated 25 June 2018.

Delivering future growth

Focused strategy of portfolio growth within clearly defined region



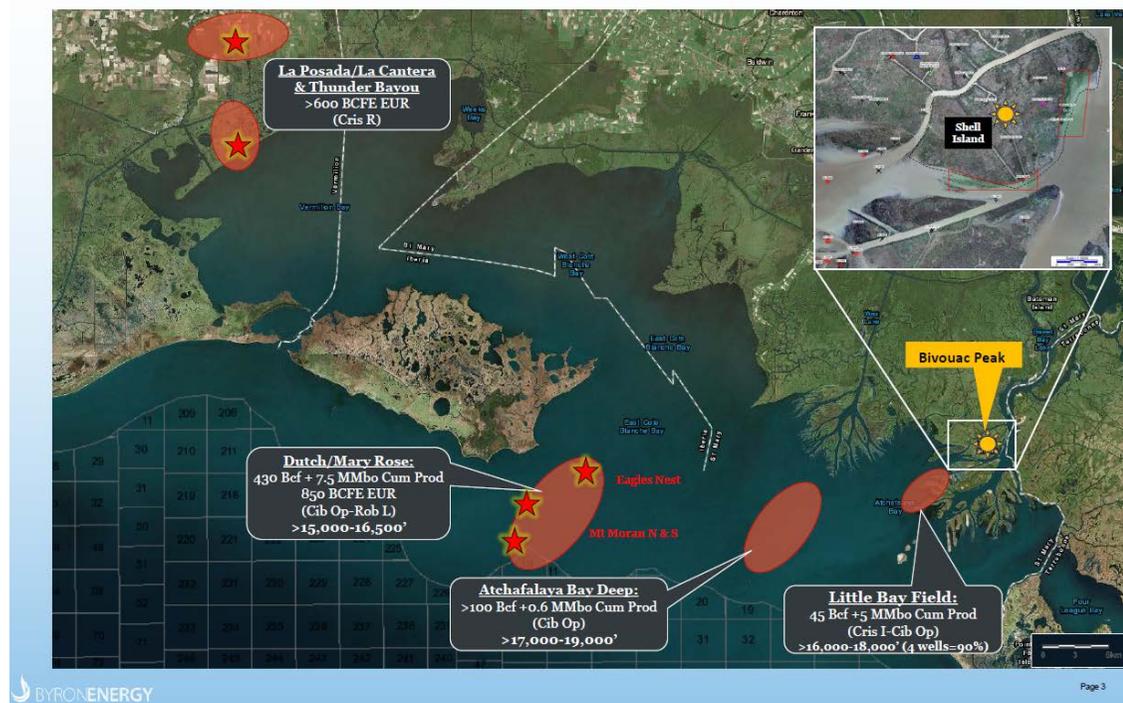
Otto's target area for new opportunities lies within the Pliocene Miocene and Oligocene reservoir systems of the US Gulf of Mexico

Bivouac Peak

32 MMboe¹ conventional gas/condensate prospect to spud late August 2018

- Otto to participate in drilling the high-impact Bivouac Peak gas/condensate prospect at 40% WI
- 32 MMboe¹ high quality, amplitude supported conventional gas/condensate prospect in the highly productive Atchafalaya Bay transition zone of Southern Louisiana
- 18,294 ft MD/18,000 ft TVD well targeting upper and middle Miocene reservoirs in East Prospect will cost US\$10.8m (100%)
- Drilling to commence late August 2018 and is expected to take approximately 75 days
- Estimated completion and development costs to bring a discovery into production are US\$9-11 million with the well on production within 8-10 months from initial discovery
- Future follow up Bivouac Peak Deep prospect ~20,000 ft (TVD). in a success case
- Otto to pay 53.33% to earn a 40% WI (up to a cap of US\$5.33m then pro-rata)

Bivouac Peak Regional Map - LA Transition Zone



BIVOUAC PEAK BEST ESTIMATE PROSPECTIVE RESOURCES¹

Prospect	GROSS			OTTO 40% WI			OTTO 29.8% NRI		
	Oil (MMbbl)	Gas (Bscf)	MMBOE (6:1)	Oil (MMbbl)	Gas (Bscf)	MMBOE (6:1)	Oil (MMbbl)	Gas (Bscf)	MMBOE (6:1)
East	11.3	125.6	32.2	4.5	50.2	12.9	3.4	37.4	9.6
Deep	4.7	52.1	13.4	1.9	20.9	5.3	1.4	15.5	4.0
Total	16.0	177.7	45.6	6.4	71.1	18.2	4.8	52.9	13.6

Joint Venture

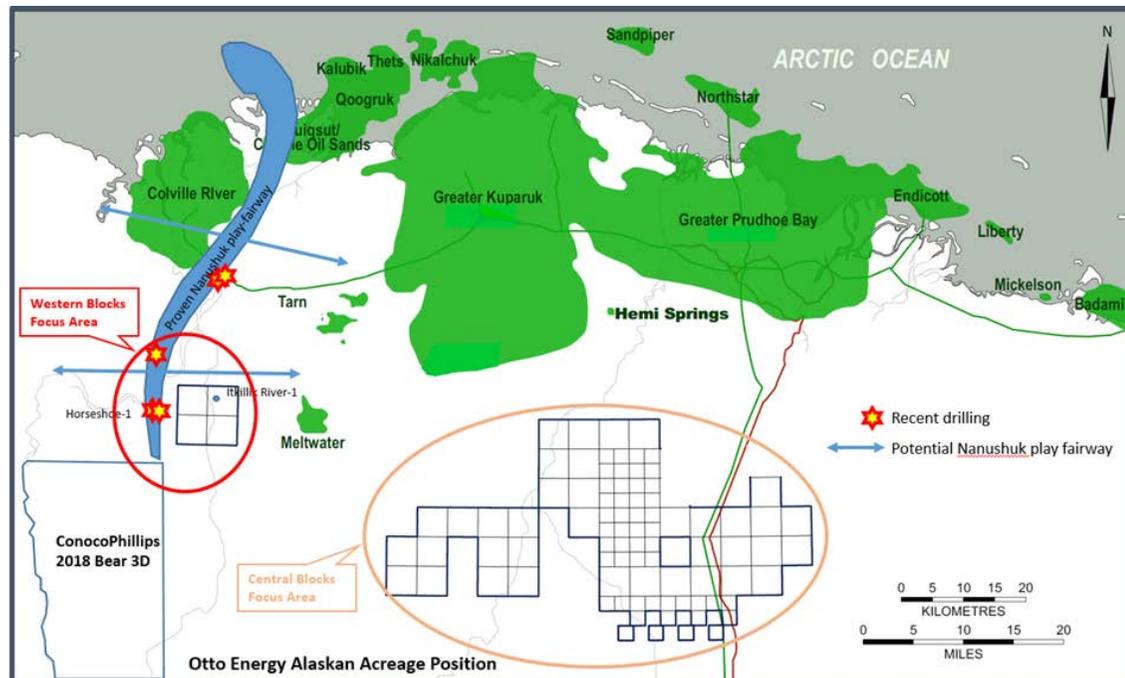
Otto Energy	40%
Byron Energy (ASX:BYE) (operator)	43%
Metgasco (ASX: MEL)	10%
Private US Entity	7%

¹ As at 30 June 2017. Refer Otto ASX release of 9 July 2018.

Alaska

Otto to Drill Large Nanushuk Oil Prospect on the Alaska North Slope in Early 2019

- Otto's technical team has generated a 400 MMbbl gross best estimate prospective resource target on the Alaska North Slope. Otto's 18.75% net revenue interest (before Great Bear 10% back in – refer table) would be 75 MMbbls#.
- Drilling target is a direct analogue to the Horseshoe-1/1A oil well drilled in 2017## located less than one mile to the west
- Horseshoe-1/1A is part of the billion barrel plus Nanushuk oil play-fairway, one of the largest, most exciting recent conventional oil discoveries on the Alaska North Slope##
- The well is estimated to cost approximately US\$15 million (100% dry hole cost) of which Otto's share will be US\$3.75 million. There is also a performance bond of US\$3 million (\$0.75 million Otto's share) to be posted to the Alaska DNR by 31 July 2018. The bond will be refunded if the well is drilled before 31 May 2019.
- With the Oil Search operated Pikka unit development activities occurring to the west and the Conoco-Phillips Meltwater unit facility some 10 miles to the east, any oil found within the Western Blocks will find a cost effective, commercially attractive route to market. Project economics will be further enhanced by the shallow nature of the oil pool.



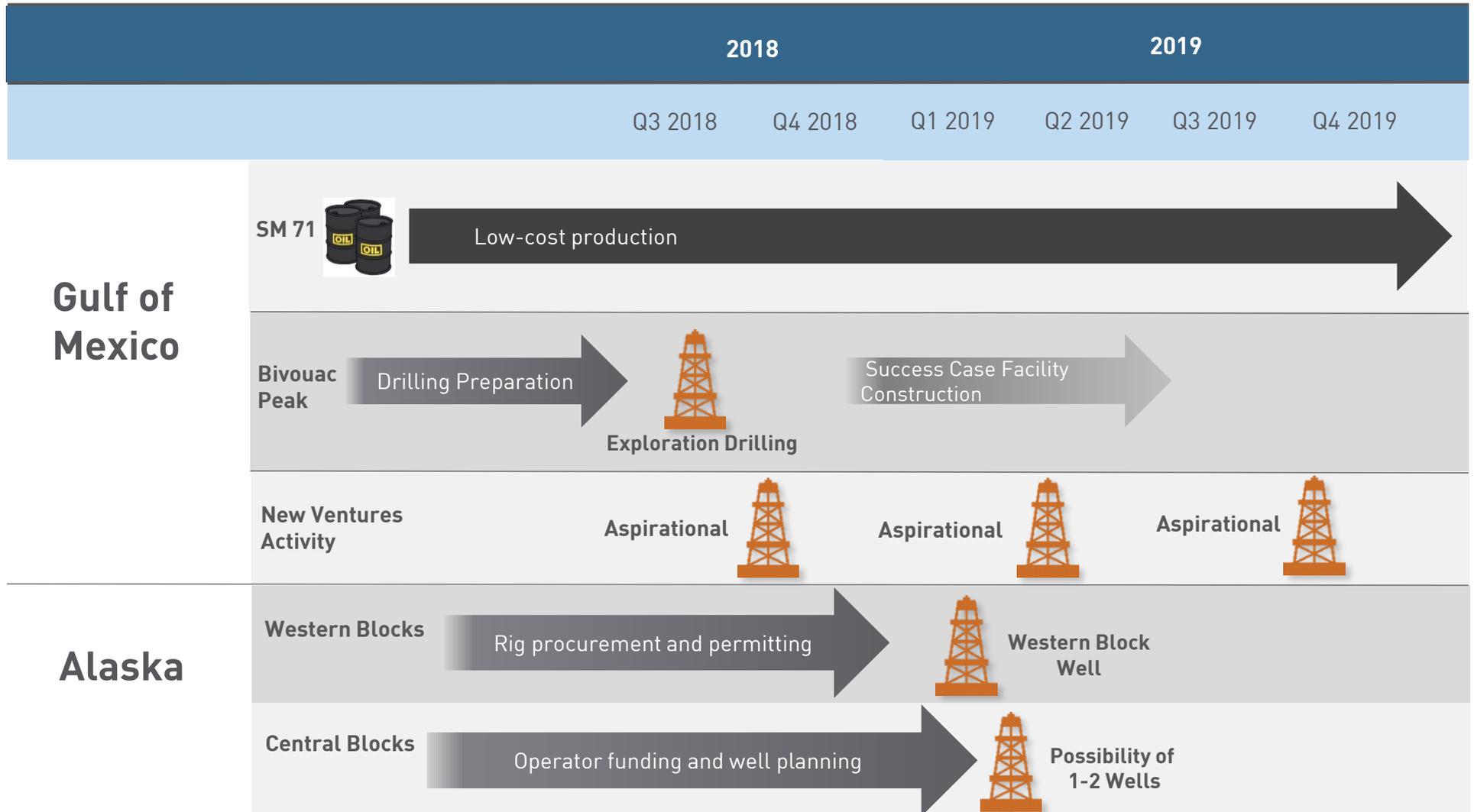
The relevant interests in the Western Blocks under the commercial agreements are as follows (subject to regulatory approval by the State of Alaska):

	Current Working Interest	Post-transaction			
		Working Interest (before back-in)	Paying Interest (before back-in)	Net Revenue Interest* (before back-in)	Working Interest (after back-in)
Otto Energy	10.8%	22.5%	25.0%	18.75%	20.0%
88 Energy (Drilling Management)	-	36.0%	40.0%	30.00%	32.0%
Red Emperor	-	31.5%	35.0%	26.25%	28.0%
Great Bear Petroleum**	89.2%	10.0%	-	8.33%	20.0%
State of Alaska	-	-	-	16.67%	
	100%	100.0%	100%	100%	100%

*Government royalty of 16.67%. **Currently Operator of record on leases.

Pipeline of Opportunities

Otto has assembled an exciting pipeline of upcoming activities

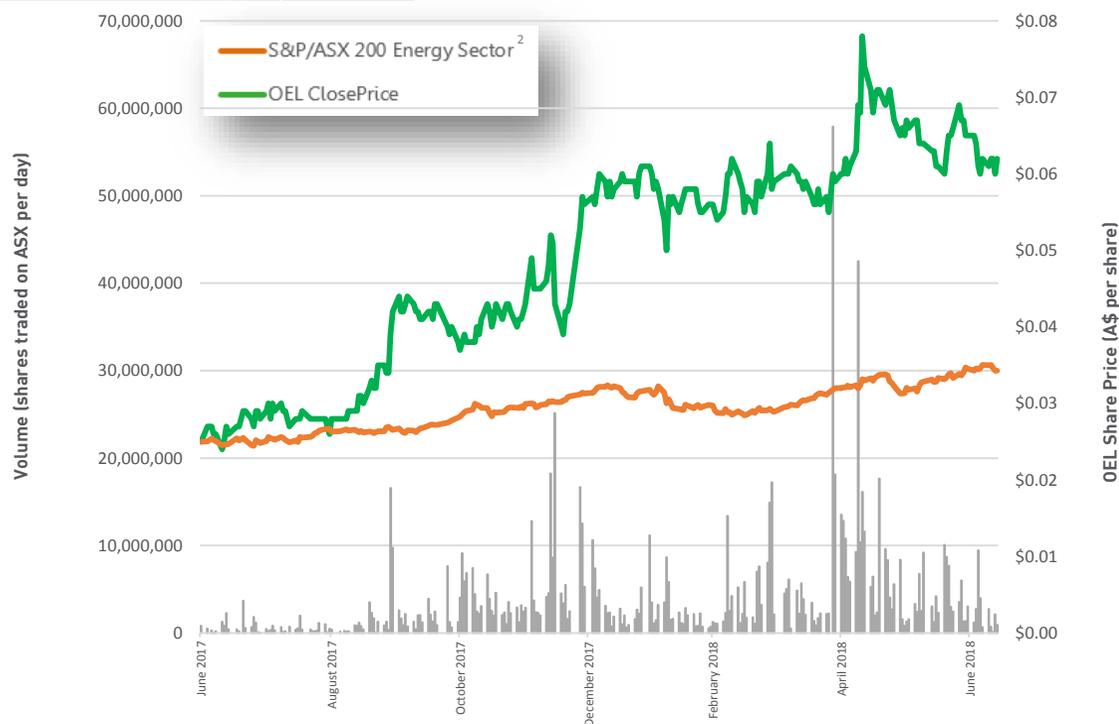


Additional Information



Corporate Snapshot

Capital Structure		Funding Position ⁴		Shareholders	
Fully paid ordinary shares	1.531b	Cash	US\$6m	Molton Holdings	20.0%
Performance Rights	18.8m	Convertible Note Liability (repayable 30 June 2019) ³	US\$8.2m	Perennial Value Management	7.9%
Convertible Notes (US\$1 per note) ³	8.2m	Debt	Nil	Directors & Management	2.5%
Market capitalisation ¹	A\$93m				



1. Undiluted as at 16 July 2018

2. ASX 200 Energy Index normalized to 30 June 2017 OEL share price

3. Convertible notes issued for US\$8.2m on 2 August 2017. Conversion price of 5.5 cps, maturity 30 June 2019. The notes have a face value of US\$1.00 and may be converted at A\$0.055.

4. As at 30 June 2018.

Board and Management



John Jetter – Non-Executive Chairman.

LLB, BEc INSEAD

Former MD/CEO J.P. Morgan Germany. Non-Executive Director of Venture Minerals and Peak Resources Ltd.



Ian Macliver – Non-Executive Director. BComm, FCA, SF Fin, FAICD

Managing Director Grange Consulting. Non-Executive Chairman of Western Areas.



Ian Boserio – Non-Executive Director. BSc (Hons)

Executive Technical Director of Pathfinder Energy Pty Ltd. Former executive positions with Shell & Woodside in exploration roles.



Matthew Allen – Managing Director & CEO.

BBus, FCA, FFin, GAICD

Global exposure to the upstream oil and gas industry with over 18 years experience in Asia, Africa, USA, Australia and Middle East. Previous senior roles with Woodside over 9 year period.



Paul Senycia – Exec Director, Exploration and New Ventures. BSc (Hons), MAppSc

International oil & gas experience gained over 35 years. Specific focus on Australia, USA, South East Asia & Africa. Previous roles at Beach, Woodside Energy and Shell International.



David Rich – Chief Financial Officer & Company Secretary. BCom. FCA, GAICD, Grad.Dip.CSP AGIA

Experienced public company CFO with the last 15 years as CFO of upstream oil and gas companies with international interests including in Australia, Asia and the USA.

Proven Oil and Gas Experience

Successfully operated/developed Galoc oil field and established a non-operated business

Acquired operatorship of Galoc oil field

Increased working interest to 33.0% and assumed operatorship of field. Purchase price equivalent to US\$11.50 per bbl (2P reserves) in the ground.

Drilling of multi-well sub-sea tieback at Galoc

Successfully drilled over 8,450 metres of length in two wells including lateral completions. Production increased to 14,000 bopd from 3,500 bopd.

Delivered AUD 6.4 cents per share to shareholder

Returned A\$74.5 million to shareholders via capital return and dividend.

Acquired interest in Alaska North Slope acreage

Prolific proven petroleum basin yielding new multi-billion barrel oil discoveries with new 3D seismic technology unlocking conventional play trends previously untested.

Secured staged multi-well farm in to Gulf of Mexico

Acquisition sets path for Otto to return to production during 2017/18 in assets which are robust even when viewed against the current backdrop of oil prices

Upgraded Galoc FPSO delivering top quartile uptime

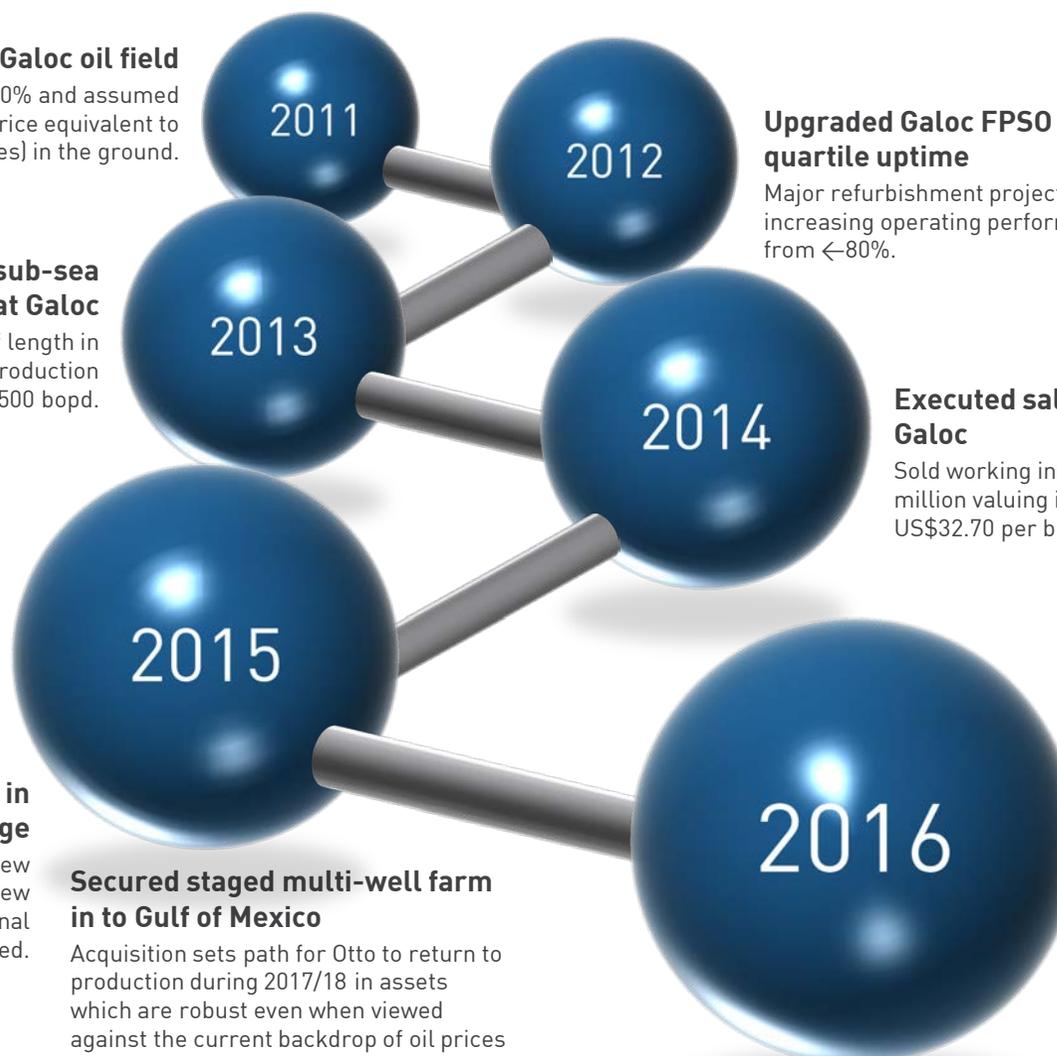
Major refurbishment project undertaken increasing operating performance to 99% uptime from <80%.

Executed sale of interest in Galoc

Sold working interest for US\$108 million valuing interest at US\$32.70 per bbl in the ground.

First discovery in SM 71 F1

May 2016 delivers 2.2 MMbbl net 2P reserves at finding cost of US\$2.11 per bbl.



Reserves & Prospective Resources

RESERVES AND PROSPECTIVE RESOURCES AS AT 30 JUNE 2017
OTTO ENERGY WORKING INTEREST (WI) %

Reserves	Oil (Mbbbls)	Gas (MMscf)	Mboe (6:1)
SM-71 (undeveloped), WI (50%)			
Proved (1P)	715	496	798
Probable Reserves	1,778	1,302	1,995
Proved and Probable (2P)	2,494	1,798	2,793
Possible Reserves	660	455	736
Proved, Probable and Possible (3P)	3,153	2,254	3,529
Prospective Resource (Undeveloped, Best Estimate, Unrisked)			
SM-71, WI (50%)	2,956	26,455	7,366
Alaska WI (10.8%)	70,000	0	70,000
Bivouac Peak WI (45%)	7,196	79,950	20,520

RESERVES AND PROSPECTIVE RESOURCES AS AT 30 JUNE 2017
OTTO ENERGY NET REVENUE INTEREST (NRI) %

Reserves	Oil (Mbbbls)	Gas (MMscf)	Mboe (6:1)
SM-71 (undeveloped), NRI (40.625%)			
Proved (1P)	581	403	648
Probable Reserves	1,445	1,058	1,621
Proved and Probable (2P)	2,026	1,461	2,269
Possible Reserves	536	370	598
Proved, Probable and Possible (3P)	2,562	1,831	2,867
Prospective Resource (Undeveloped, Best Estimate, Unrisked)			
SM-71, NRI (40.625%)	2,402	21,495	5,985
Alaska NRI (9 - 9.45%) *	58333 - 61250	0	58333 - 61250
Bivouac Peak NRI (33.525%)	5,361	59,562	15,288

* Precise weighted average royalty split unknown, volumetric range provided based on 12.5 to 16.67% royalty range.

The B65 interval, which was discovered in the SM 71 F2 well in December 2017, had a Prospective Resource at 30 June 2017 of 2.869 MMboe (Otto's 50% working interest share).

The F3 well also intersected the B55 and C10 zones which were not included in the above prospective resources at 30 June 2017.

Note that Otto's Bivouac Peak interest has reduced to 40% WI and 29.8%NRI. Refer ASX release 9 July 2018.

The Alaska prospective resources do not include the transaction or the 75 MMbbl prospect (Otto's 18.75% net revenue interest) as released to ASX on 25 June 2018.

Refer to Otto Energy's announcement to ASX on 28 September 2017 for full information on the SM 71 independent Reserves Report prepared by Collarini and Associates as at 30 June 2017.

Competent Persons and Cautionary Statements

Competent Persons Statement

The information in this report that relates to oil and gas resources in relation to Alaska was compiled by Mr Paul Senycia BSc (Hons) (Mining Engineering), MAppSc (Exploration Geophysics), who has consented to the inclusion of such information in this report in the form and context in which it appears.

Mr Senycia is an employee of the Company, with more than 35 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE). The resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/ American Association of Petroleum Geologists (AAPG)/ Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Senycia. Mr Senycia is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The reserve and contingent resource information in this report in relation to SM 71 and Bivouac Peak is based on information compiled by technical employees of independent consultants Collarini Associates, under the supervision of Mr Mitch Reece BSc PE. Mr Reece is the President of Collarini Associates and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Evaluation Engineers (SPEE), Society of Petroleum Engineers (SPE), and American Petroleum Institute (API). The reserves and resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/ Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves and resources information reported in this Statement is based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Reece. Mr Reece is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Prospective Resources

Prospective resource estimates in this report for SM 71 and Bivouac Peak are prepared as at 30 June 2017 and Alaska is prepared as at 30 April 2018. The resource estimates have been prepared using the internationally recognised Petroleum Resources Management System to define resource classification and volumes. The resource estimates are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at www.spe.org. The estimates are un-risked and have not been adjusted for both an associated chance of discovery and a chance of development. Otto is not aware of any new information or data that materially affects the assumptions and technical parameters underpinning the estimates of reserves and contingent resources and the relevant market announcements referenced continue to apply and have not materially changed.

Prospective Resources Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Reserves cautionary statement

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward looking estimates.

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