

RESERVES & CONTINGENT RESOURCES ESTIMATE

OTTO PROVED (1P) RESERVES as at 30 June 2009				
1P Reserves ² (Otto share) by Area				
	Crude Oil mmbbl	Sales Gas Bcf	Sales Gas mmboe	Total mmboe
Philippines - Galoc Field ⁵	0.93	0.00	0.00	0.93
Turkey - Edirne Licence	0.00	1.59	0.27	0.27
TOTAL	0.93	1.59	0.27	1.20

OTTO PROVED AND PROBABLE (2P) RESERVES as at 30 June 2009				
Proven plus Probable (2P) Reserves ³ (Otto share) by Project Area				
	Crude Oil mmbbl	Sales Gas Bcf	Sales Gas mmboe	Total mmboe
Philippines - Galoc Field ⁵	1.46	0.00	0.00	1.46
Turkey - Edirne Licence	0.00	2.47	0.41	0.41
TOTAL	1.46	2.47	0.41	1.87

OTTO CONTINGENT RESOURCES (2C) as at 30 June 2009				
2C Resources ⁴ (Otto share) by Area				
	Crude Oil mmbbl	Sales Gas Bcf	Sales Gas mmboe	Total mmboe
Philippines - Galoc Field ⁶	1.13	0.00	0.00	1.13
Philippines - Calait Field ⁶	4.85	0.00	0.00	4.85
Turkey - Edirne Licence	0.00	0.53	0.09	0.09
TOTAL	5.98	0.53	0.09	6.07

OTTO RESERVE ESTIMATES (30 JUNE, 2009)

Otto reports its petroleum reserve and resource estimates using definitions and guidelines published in the Society of Petroleum Engineers Inc./World Petroleum Congresses/American Association of Petroleum Geologists/Society of Petroleum Evaluation Engineers (SPE/WPC/AAPG/SPEE) Petroleum Resources Management System (March 2007).

In 2009, the Galoc 1P and 2P Reserves were independently audited by RISC (April, 2009). This audit was contracted by the Operator, the Galoc Production Company. Since then, Otto and the Operator have updated the reserve estimates of the Galoc Field with additional data available from down-hole pressure measurements in the two producing wells together with production data. Reserve and contingent resource estimates outlined above for the Galoc Field represent Otto estimates and not necessarily those of its joint venture partners.

Otto's reserve and contingent resource estimates for the gas fields in the Edirne licence in Turkey are based upon internal technical assessments incorporating results of the most recent drilling campaign in the Edirne licence.

MOVEMENT IN RESERVE AND RESOURCE CATEGORIES OVER THE PERIOD 30 JUNE 08 TO 30 JUNE 09						
Otto's Reserves & Contingent Resources Summary						
Galoc Field - SC14C (18.78%)	30-Jun-08	Production	Revisions & Exploration Success	Contingent Resources converted to Reserves	Acquisitions and Divestment	30-Jun-09
	mmboe	mmboe	mmboe	mmboe	mmboe	mmboe
2P Reserves	3.42	0.42	-1.58	0.00	0.04	1.46
2C Contingent Resources	0.00	-	1.10	0.00	0.03	1.13

Calait Field - SC51 (85%)	mmboe	mmboe	mmboe	mmboe	mmboe	mmboe
2P Reserves	0.00	0.00	0.00	0.00	0.00	0.00
2C Contingent Resources	4.85	-	0.00	0.00	0.00	4.85

Edirne Gas Project (35%)	mmboe	mmboe	mmboe	mmboe	mmboe	mmboe
2P Reserves	0.00	0.00	0.41	0.00	0.00	0.41
2C Contingent Resources	0.00	-	0.09	0.00	0.00	0.09

All Project Areas	mmboe	mmboe	mmboe	mmboe	mmboe	mmboe
2P Reserves	3.42	0.42	-1.17	0.00	0.04	1.87
2C Contingent Resources	4.85	-	1.19	0.00	0.03	6.07

Technical assessments to determine the 2C Contingent Resource estimates for the Calait Field were undertaken by qualified in-house technical specialists.

Otto reports reserves net of the petroleum required for processing and transportation to the customer, and in the case of Service Contracts (such as the Philippines), net of the "Government Share". Reserves reported are based on, and accurately reflect, information compiled by full-time employees of the Company who have the requisite qualifications and experience prescribed by the ASX Listing Rules.

RESERVES & CONTINGENT RESOURCES ESTIMATE (Cont'd)

Movements in Reserve and Resource categories over the period 30 June 2008 to 30 June 2009

Galoc

The Galoc gross 2P Reserve estimate at 30 June 2008, prior to production having commenced, was 23.4 mmstb. Of this, Otto assess that 18.7 mmstb is the "Contractor Share" (Gross) and 4.7 mmstb is the "Government Share" (Gross). As at 30 June 2009, Otto reports its effective working interest of the Contractor Share of the Reserves (2P = 1.46 mmstb).

2P Reserves have been reduced during the period as not all of the 2P Reserves reported in 2008 are now considered to be developed (-1.58 mmstb). However, work undertaken in-house during the period identifies (undeveloped) 2C Contingent Resources added as an upward revision (+1.1 mmstb). In addition, Otto's share of Galoc Reserves and Contingent Resources increased during the period due to the acquisition of part interests in Alcorn & PetroEnergy's working interests in the Galoc Field (0.07 mmstb).

Calait

Calait 2C Contingent Resources remain unchanged during the period at 4.85 mmstb.

Edirne Licence

As at 30 June 2008, Otto did not have any reported Reserves in the Edirne Licence. Additions to 2P Reserves during the period total 0.41 mmboe (2.47 Bcf) of gas. This 2P Reserve estimate is the arithmetic aggregation of the individual 2P Reserves of the following gas discoveries; Arpaci, Ikihooyuk, Kuzey Arpaci, Ortakci, Koyustu, Bati Umur. Additional 2C Contingent Resources of 0.09 mmboe (0.53 Bcf) are considered additions during the period as a result of the more recent Kirmizihoyuk and Kuzey Ikihooyuk gas discoveries. The resources of these two fields are considered contingent at this time as the results of the wells are very recent, studies are ongoing, and these wells are yet to be incorporated into the Edirne Gas Development Plan.

1. Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial, and remaining (as of the evaluation date) based on the development project(s) applied.
2. Proven (1P) reserves are those reserves that, to a high degree of certainty (90% confidence), are recoverable. There is relatively little risk associated with these reserves. Proven developed reserves are reserves that can be recovered from existing wells with existing infrastructure and operating methods. Proven undeveloped reserves require development.
3. Proven plus Probable (2P) reserves are those reserves that analysis of geological and engineering data suggests are more likely than not to be recoverable. There is at least a 50% probability that reserves recovered will exceed Proven plus Probable reserves.
4. Contingent Resources are those quantities of hydrocarbons which are estimated, on a given date, to be potentially recoverable from known accumulations, but which are not currently considered to be commercially recoverable. Contingent Resources may be of a significant size, but still have constraints to development. These constraints, preventing the booking of reserves, may relate to lack of gas marketing arrangements or to technical, environmental or political barriers. 2C Contingent Resources are where there is at least 50% probability that the quantities exceed this estimate. Contingent Resources do not always mature to Reserves and do not necessarily represent future Reserves bookings.
5. The Philippines "Government Share" of Galoc 1P and 2P Reserves has been deducted from Otto's indirect interest (18.78%).
6. The "Government Share" has not been determined for "2C Resources" as these resources are not subject to a development plan.
7. "mmbbl" means millions of barrels of oil at standard oilfield conditions of 14.696 psi (101.325kPa) and 60°Fahrenheit (15.56° Celsius).
8. "Bcf" means billions of cubic feet of gas at standard oilfield conditions of 14.696 psi (101.325kPa) and 60°Fahrenheit (15.56° Celsius).
9. "mmboe" means millions of barrels of oil equivalent. In common with international practice, dry gas volumes are converted to oil equivalent volumes via a constant conversions factor, for which Otto adopts 6 Bcf of dry gas to one mmboe.
10. Unless otherwise stated, Reserve and Resource estimates are net to Otto.

Notes to the Reserves Statement:

The Reserve Statement has been compiled by Mr. Craig Martin, Otto's Chief Operating Officer, who is a full-time employee of the Company. Mr. Martin has more than 20 years of relevant experience and is qualified in accordance with the ASX Listing Rule 5.11. Mr. Martin has consented to the form and context that this statement appears.

Governance