

**ASX ANNOUNCEMENT**  
17 December 2018

## ALASKA OPERATIONS UPDATE – WINX-1 WELL

- **All major permits (excluding Permit to Drill) granted for the drilling of the Winx-1 exploration well**
- **Permit to Drill on schedule for submission prior to year-end, approval expected January 2019**
- **Preparations for ice road and pad construction underway, build start planned January 2019**
- **Spud of Winx-1 exploration well targeting multiple objectives on schedule for February 2019**

Otto Energy Limited (ASX:OEL) (“Otto” or the “Company”) is pleased to advise that 88 Energy, in its capacity as Drilling Manager, has now received approval for all the major permits required for the drilling of the Winx-1 exploration well except for the “Permit to Drill”. As planned, the Permit to Drill is due for submission prior to the end of the year and approval is expected in January, prior to spud in February 2019.

The Winx-1 exploration well is located onshore North Slope of Alaska, ~ 4 miles east of the successful Horseshoe#1/1A well, which substantially extended the fairway for the successful Nanushuk oil play. The prospect has a best estimate unrisked prospective resource of 400 million barrels of oil (net to Otto 75 million barrels) over multiple stacked objectives, including the Nanushuk Formation (primary target).

Refer to the ASX release of 25 June 2018 for further details on the 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.

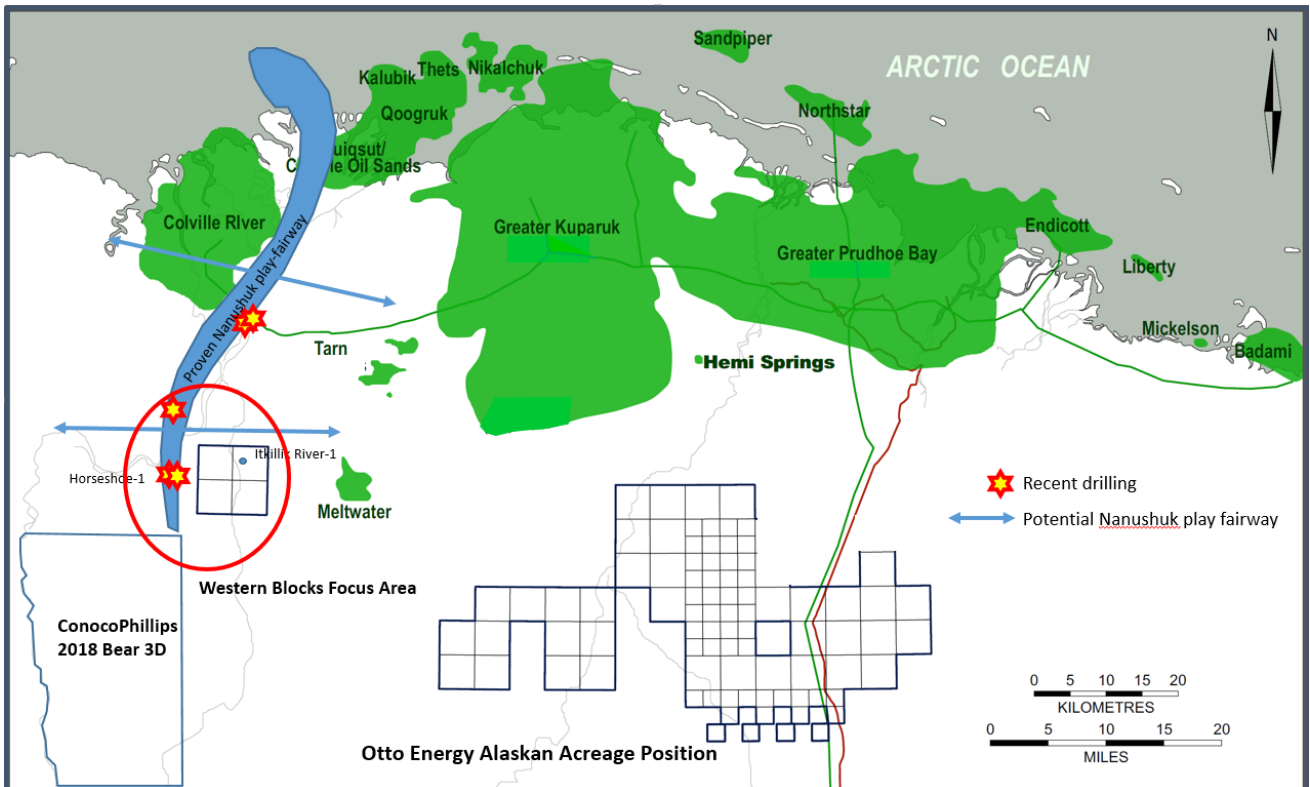
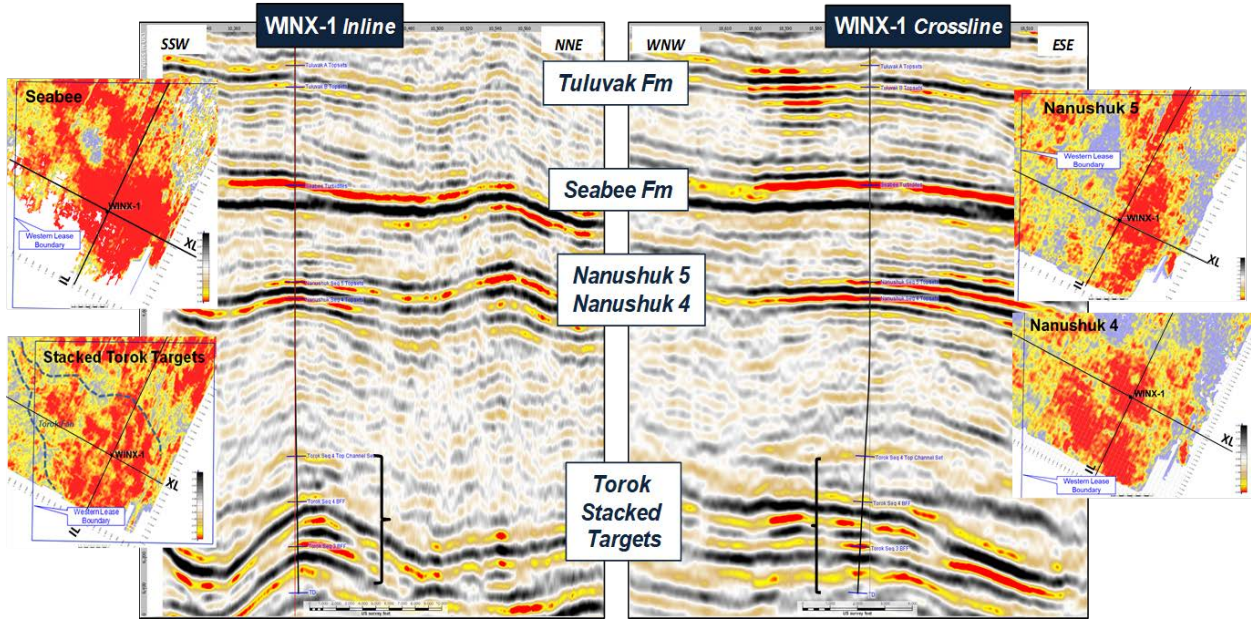
Otto is paying 25% of the well costs to earn its 22.5% working interest. Refer to the table attached for the schedule of joint venture participants.

Further details on the Winx-1 well related to the date of spud, drilling plan and contingent testing program will be released closer to commencement of drilling.

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### Stacked Targets with Strong Amplitude Support



Map of Otto's Interests in Alaska

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Alaska Western Bocks – Ownership Interests				
	Working Interest (before back-in)	Paying Interest (before back-in)	Net Revenue Interest* (before back-in)	Working Interest (after back-in)
Otto Energy	22.5%	25.0%	18.75%	20.0%
88 Energy (Drilling Management)	36.0%	40.0%	30.00%	32.0%
Red Emperor (ASX:RMP)	31.5%	35.0%	26.25%	28.0%
Great Bear Petroleum**	10.0%	-	8.33%	20.0%
State of Alaska	-	-	16.67%	
	100.0%	100%	100%	100%

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