MOVING TO DRILL
ALASKA NORTH SLOPE

INVESTOR PRESENTATION
Matthew Allen, Managing Director and CEO
September 2016
Compelling Investment Opportunity
Targeting 650 Million Barrel Prospective Resource (100%) with first 2 wells

- **Proven Light Oil in Conventional Reservoirs**
  Recent 3D seismic has delineated trapping mechanisms, and legacy wells confirm the presence of light oil in conventional and unconventional reservoirs. Modern recovery techniques such as horizontal drilling and fracture stimulation will assist commercialisation.

- **Large Prospect Inventory**
  Large inventory of conventional exploration and appraisal drilling candidates confirmed on first ever 3D seismic in this area. The 3D data has been acquired acreage-wide. Latest and largest 3D seismic survey expected to materially enhance the prospect inventory beyond what has already been delineated.

- **Imminent Drill Campaign**
  Preparing for Q1 2017 and 2018 multi-well campaign. Plan to drill 2-4 wells in 2017 with some wells containing up to 4 target intervals thereby reducing risk and increasing tested volume. Near-term drilling will be keyed off a legacy well which contained oil bearing sands in analogous discoveries nearby.

- **Low-risk Capped Cost Exposure**
  Otto exposure on first 3 wells limited to US$2.6M/well.

- **Infrastructure Access**
  Trans-Alaska Pipeline System (TAPS) runs directly through acreage as does the Dalton Highway.
Otto’s Position in Alaska
Adjacent Largest Oil Fields In North America

**Repsol/Armstrong**
East Alpine Oil Field delineation
2 wells 2015
Field Area 80 sqkm
Oil sands in excess 90’ thick
Depth 6500’ 15-25% porosity

**Repsol/Armstrong**
Nanushuk Development
650’ gross, 150’ net oil pay
Depth 4100’ 22% av porosity
Contingent reserve 0.5-3.7 Bbbls
Estimated production 120k bbls/d

2,387 square km of **prime acreage** adjacent north slope production.

**First 3D seismic** acquisition south of major oil fields.

volumes quoted: oil originally in-place

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8% Interest
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10.8% Interest
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Investor Update Presentation, September 2016
Progress Toward 2017 Drilling
Low-risk stacked prospects defined for drilling

- Focused strategy to drill 2-4 wells in conventional reservoirs in 2016-2017 season
- Operator working to secure long lead items and rig
- Obtain dedicated rig to drill primary wells and have option to test with a separate unit

2016 Q2 Q3 Q4 Q1 2017

DRILL IN 2016-2017 NORTHERN WINTER SEASON
Tier-1 Drilling Prospects

Stacked Exploration/Appraisal Opportunities

- 3D seismic used to develop entire prospect portfolio
- Targeting intervals proven as oil-bearing in 1988 well
- Vertically stacked prospects: Each well designed to test multiple plays
- Detailed well-planning underway
Tier-1 Prospects

Developed from extensive lead inventory

45 Leads Identified
- HC shows in legacy wells
- Reservoir presence in legacy wells
- Structural closures were present
- Seismic amplitude anomalies
- External morphologies
- Geological setting

30 Leads High-graded
- Rank into 3 tiers based on:
  - Shows/Reservoir Presence
  - Geologic context
  - Volume potential
  - Risk interdependence
  - Maturity of concept

8 Tier-1 Prospects
- Mature Leads into Prospects:
  - Minimize risk and uncertainty
  - Integrate all available data

2-4 Drilling locations
- Highest probability of discovery
- Optimise logistical strategy
- Test maximum volumes at minimal cost
- Test multiple prospects with a single well bore

Pipeline State-1 1988 well

Prospect Legend
- Avenger
- Blackbird
- Corsair
- Helio
- Helicat
- Mallard
- Raptor
- Skywagon

Tier-1 Prospects

Investor Update Presentation, September 2016
Pipeline State-1 Results
On-block legacy well de-risks the acreage

Pipeline State-1 was drilled as a stratigraphic test in February 1988 by Arco Alaska. The well reached a total vertical depth of 10,460 feet and encountered a number of oil-bearing intervals.

Several cores were taken from the well and showed promising results. However, technology at the time was insufficient to extract the discovered oil economically from these sands.

Pipeline State-1 was plugged and abandoned that same year.

Extraction techniques now far surpass what was available in the 1980’s. Recent advances, such as horizontal drilling and fracture stimulation, enable economic development of these types of reservoirs.

Otto Energy aims to test and unlock the value of these resources.
Tier-1 Prospects in Relative Stratigraphic Position On 3D Seismic

Seismic line with target reservoir intervals highlighted

Toolik Fed-2  
Pipeline State-1

Avenger  
Mallard

Corsair  
Raptor

Helio  
Blackbird

Skywagon  
Hellcat

Target Reservoir Interval

10 kilometers
First Two Wells - Possible Configuration

Increase chance of success by intersecting multiple independent reservoirs with each wellbore

Well A

- **Helio**: Stratigraphic pinch out of shallow water prograding sands
- **Blackbird**: Free oil to surface in Pipeline State-1 Shelf slope fan
- **Skywagon**: Deepwater slope apron fan. Strong oil shows in correlative sands at Pipeline State-1
- **Hellcat**: Deepwater toe of slope fan. Strong oil shows in correlative sands at Pipeline State-1

Appraise sands seen in Pipeline State-1 at Blackbird, Skywagon and Hellcat prospect levels and explore prospectivity at the Helio level

Well B

- **Corsair**: Submarine fans complex within the Brookian
- **Avenger**: Kuparak C strato-structural trap found oil bearing at Pipeline State-1

Appraise oil sands seen in Pipeline State-1 at Avenger Prospect sweet spot and explore prospectivity at the Corsair level
First Two Wells Targeting Large Conventional Plays

<table>
<thead>
<tr>
<th>Prospect</th>
<th>Low (MMbbls)</th>
<th>Best (MMbbls)</th>
<th>High (MMbbls)</th>
<th>Mean (MMbbls)</th>
<th>Mean Net WI (MMbbls)</th>
<th>POS*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blackbird</td>
<td>6</td>
<td>20</td>
<td>62</td>
<td>28</td>
<td>3</td>
<td>24%</td>
</tr>
<tr>
<td>Helio</td>
<td>17</td>
<td>49</td>
<td>144</td>
<td>66</td>
<td>7</td>
<td>30%</td>
</tr>
<tr>
<td>Hellcat</td>
<td>13</td>
<td>47</td>
<td>172</td>
<td>72</td>
<td>8</td>
<td>40%</td>
</tr>
<tr>
<td>Skywagon</td>
<td>13</td>
<td>40</td>
<td>126</td>
<td>57</td>
<td>6</td>
<td>24%</td>
</tr>
<tr>
<td>Avenger</td>
<td>20</td>
<td>65</td>
<td>227</td>
<td>96</td>
<td>10</td>
<td>23%</td>
</tr>
<tr>
<td>Corsair</td>
<td>56</td>
<td>216</td>
<td>758</td>
<td>332</td>
<td>36</td>
<td>10%</td>
</tr>
</tbody>
</table>

Gross Mean Prospective Resource Being Tested: 650 MMbbls, High Case 1489 MMbbls

Ready to test these opportunities
- Six independent play types
- Intersect multiple low risk intervals containing reservoir sands and oil shows/live oil in offset wells
- Test prospects with significant volumetric capacity

* Deterministic Prospective Resource

† Probability of Success estimate does not include reservoir effectiveness risk which can be addressed by horizontal drilling and fracture stimulation. The estimated quantities of petroleum that may potentially be recoverable by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.
Tier-1 Prospect Highlights

Built on robust 3D data

- Driven by quality 3D data and known analogues
- Several seen oil-bearing in previous wells
- Diverse opportunity set maximizes chance of success
**Hellcat**

<table>
<thead>
<tr>
<th>Location</th>
<th>Onshore within 5 miles of Trans Alaska Pipeline (TAPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trap Style</td>
<td>Stratigraphic pinch-out to west with fault seal against toe thrust elsewhere</td>
</tr>
<tr>
<td>Reservoir</td>
<td>Deepwater toe of slope canyon-focused sediment fairway. Two reservoir intervals expected</td>
</tr>
<tr>
<td>Probability of Success</td>
<td>40% (excluding reservoir effectiveness risk)</td>
</tr>
<tr>
<td>Gross STOIIP, mmstb</td>
<td>85 – 314 – 1149 (Low – Best- High)</td>
</tr>
<tr>
<td>Net Prospective Resource (*)</td>
<td>1 – 5 – 19 (Low – Best – High)</td>
</tr>
<tr>
<td>Development</td>
<td>Horizontal fracture stimulated completion tied into TAPS via short pipeline</td>
</tr>
</tbody>
</table>

- Substantially de-risked by Pipeline State-1 results
- Pipeline State-1 correlative sands demonstrated live oil to surface, and logs indicate presence of oil column
- Multi-reservoir potential

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Blackbird

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<tr>
<th>Location</th>
<th>Onshore within 5 miles of Trans Alaska Pipeline (TAPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trap Style</td>
<td>Stratigraphic pinch-out up-dip to the north and west</td>
</tr>
<tr>
<td>Reservoir</td>
<td>Deepwater, lowstand fill of local shallow basin. Strong shows in Pipeline State-1</td>
</tr>
<tr>
<td>Probability of Success</td>
<td>24% (excluding reservoir effectiveness risk)</td>
</tr>
<tr>
<td>Gross STOIIP, mmstb</td>
<td>42 - 130 - 416 (Low – Best - High)</td>
</tr>
<tr>
<td>Net Prospective Resource (*), MMbbl</td>
<td>1 – 2 – 7 (Low – Best – High)</td>
</tr>
<tr>
<td>*Represent Otto 10.8% WI</td>
<td></td>
</tr>
<tr>
<td>Development</td>
<td>Horizontal fracture stimulated completion tied into TAPS via short pipeline</td>
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</tbody>
</table>

Oil in mud at Blackbird interval

- Strong oil shows and oil in mud at correlative level in Pipeline St-1
- Well-developed turbidite sands
- Clear 3D seismic-supported stratigraphic pinchout

Free oil in mud and visible staining in Pipeline State-1.

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Skywagon

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</tr>
</thead>
<tbody>
<tr>
<td>Trap Style</td>
<td>Stratigraphic pinch-out up-slope to west with fault seal against toe thrust elsewhere</td>
</tr>
<tr>
<td>Reservoir</td>
<td>Deepwater slope apron and basin floor fan</td>
</tr>
<tr>
<td>Probability of Success</td>
<td>24% (excluding reservoir effectiveness risk)</td>
</tr>
<tr>
<td>Gross STOIIP, mmstb</td>
<td>84 - 265 - 839 (Low – Best- High)</td>
</tr>
<tr>
<td>Net Prospective Resource (*) , MMbbl</td>
<td>1 – 4 – 14 (Low – Best- High) *Represent Otto 10.8% WI</td>
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<td>Development</td>
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Demonstrated charge & reservoir

- Known oil charge (free oil observed in mud)
- Reservoir funnelled though multi-stage sand infill of collapsed slope
- Offset well control confirms presence of this reservoir sequence
- Reservoir observed to form a stratigraphic trap on 3D seismic

Over 100 feet of net sand were seen over 220 foot gross interval in Pipeline State-1 with strong oil shows.

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## Avenger

<table>
<thead>
<tr>
<th>Location</th>
<th>Onshore within 15 miles of Trans Alaska Pipeline (TAPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trap Style</td>
<td>Faulted monoclinally dipping sandstone reservoir thinning updip</td>
</tr>
<tr>
<td>Reservoir</td>
<td>Transgressive shallow marine sand seen to be oil bearing at Pipeline State-1</td>
</tr>
<tr>
<td>Probability of Success</td>
<td>23% (excluding reservoir effectiveness risk)</td>
</tr>
<tr>
<td>Gross STOIIP, MMbbl</td>
<td>133 – 432 - 1,512 (Low – Best - High)</td>
</tr>
<tr>
<td>Net Prospective Resource (*), MMbbl</td>
<td>2 – 7 – 24 (Low – Best – High)</td>
</tr>
<tr>
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<td></td>
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Yellow on seismic amplitude map indicates Avenger Kuparuk C sand and trap extent.

- Major stratigraphic trap identified on seismic and supported by well control
- Potential for large volume upside

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## Corsair

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<tbody>
<tr>
<td>Trap Style</td>
<td>Stratigraphic pinch-out to the north and west, erosional truncation to the south and east</td>
</tr>
<tr>
<td>Reservoir</td>
<td>Deepwater, lowstand fill of basin at toe of slope</td>
</tr>
<tr>
<td>Probability of Success</td>
<td>10% (excluding reservoir effectiveness risk)</td>
</tr>
<tr>
<td>Gross STOIIP, mmstb</td>
<td>375 - 1440 - 5050 (Low – Best – High)</td>
</tr>
<tr>
<td>Net Prospective Resource (*) , MMbbl</td>
<td>6 – 23 – 82 (Low – Best – High)</td>
</tr>
<tr>
<td></td>
<td>*Represent Otto 10.8% WI</td>
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### Largest identified trap in portfolio

- Significant deepwater fan complex identified on 3D seismic
- Clear definition on seismic
- Potential for a giant oil field

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Helio

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</tr>
</thead>
<tbody>
<tr>
<td>Trap Style</td>
<td>Stratigraphic pinch-out onto edges of accommodation space</td>
</tr>
<tr>
<td>Reservoir</td>
<td>Shingling shallow marine sands.</td>
</tr>
<tr>
<td>Probability of Success</td>
<td>30% (excluding reservoir effectiveness risk)</td>
</tr>
<tr>
<td>Gross STOIIP, mmstb</td>
<td>116 – 328 – 957 (Low – Best – High)</td>
</tr>
<tr>
<td>Net Prospective Resource (*) , MMbbl</td>
<td>2 – 5 – 16 (Low – Best – High) *Represent Otto 10.8% WI</td>
</tr>
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Previously untested stratigraphic interval

- Depositional geometry conducive to quality reservoir development
- Series of compensating lobes deposited during a regional sea level rise

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2017 Drilling Campaign Summary

- 3D seismic used to develop entire prospect portfolio
- 2-4 well locations identified based on 45 leads ultimately highgraded to 8 tier-1 prospects
- First Well – targeting 4 conventional play levels
- Second Well – targeting 2 conventional play levels
Unconventional Upside: Hue/HRZ

Optimal location for potential major shale play

- Optimal zone for Hue-HRZ shale oil recovery
- 99,300 gross acres in Otto acreage position

Recent drilling by 88 Energy at Icewine-1 well confirms Hue Shale potential in this region and second round drilling with horizontal flow test is planned.

88 Energy
Icewine-1
HRZ Shale Unconventional Play
180’ net pay, TOC av 3.5%
Effective Porosity 11%
Hydrocarbon saturation 70% +
Forward Activity

Positioning for high-impact growth

- Significant multi-well drilling program in early 2017
- Recently completed high-quality 3D seismic to underpin 2018 drilling sequence
2016 Seismic acquisition campaign completed

- Completed Q2 2016
- Otto fully carried on all 3D expenditure
- All 3D data to be seamlessly merged into one mega project

Acreage-wide 3D to:

1. Identify subtle stratigraphic targets as Repsol have successfully done to the north
2. Allow accurate placement of appraisal and development wells
3. Recently acquired data will be used to locate wells for the 2018 drilling season
Future Activity

Multi-well/Multi-year drilling program supported by extensive 3D seismic

- Focused strategy to drill 2-4 wells in 2016-2017 season
- Incorporate new seismic data into merged volume
- Develop 2017-18 drilling portfolio from merged seismic calibrated with 2016-17 drilling outcomes
Additional Information

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Facsimile: +61 8 6467 8801
info@ottoenergy.com
Corporate Snapshot

Capital Structure

<table>
<thead>
<tr>
<th>Capital Structure</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully paid ordinary shares</td>
<td>1.181b</td>
</tr>
<tr>
<td>Unlisted options¹</td>
<td>8.0m</td>
</tr>
<tr>
<td>Performance Rights</td>
<td>14.7m</td>
</tr>
<tr>
<td>Market capitalisation²</td>
<td>A$56m</td>
</tr>
<tr>
<td>Cash (June 2016)</td>
<td>US$20.3m</td>
</tr>
<tr>
<td>Debt (June 2016)</td>
<td>US$0m</td>
</tr>
</tbody>
</table>

Shareholders

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Molton Holdings</td>
<td>20.5%</td>
</tr>
<tr>
<td>Santo Holdings</td>
<td>20.5%</td>
</tr>
<tr>
<td>Directors &amp; Management</td>
<td>2.2%</td>
</tr>
<tr>
<td>Shareholders</td>
<td>4,246</td>
</tr>
</tbody>
</table>

12 Month Turnover = 63.66% of issued capital
Average daily volume last 12 months = 2.912 million shares/day

¹ Exercisable at 5.49 cents per share.
² Undiluted at 4.8 cents per share as at 26 August 2016
Experienced Board & Management Team

**Board of Directors**

- **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 Boserio** – Non-Executive Director. BSc (Hons)
  Executive Technical Director of Pathfinder Energy Pty Ltd. Former executive positions with Shell & Woodside in exploration roles.

- **Ian Macliver** – Non-Executive Director. BComm, FCA, SF Fin, FAICD
  Managing Director Grange Consulting. Non-Executive Chairman of Western Areas.

**Senior Management**

- **Matthew Allen** – Managing Director & CEO. BBus, FCA, FFin, GAICD
  Global exposure to the upstream oil and gas industry with over 15 years experience in Asia, Africa, Australia and Middle East. Previous senior roles with Woodside over 9 year period.

- **Paul Senycia** – Vice President, Exploration and New Ventures. BSc (Hons), MAppSc
  International oil & gas experience gained over 30 years. Specific focus on Australia, South East Asia & Africa. Previous roles at Oilex (Exploration Manager), Woodside Energy (Head of Evaluation) and Shell International.

- **Craig Hasson** – Chief Financial Officer. BCom, CA, AGIA
  Chartered Accountant with over 12 years experience in resources in Australia, Europe and Africa. Previous roles at Cairn Energy, Dragon Mining, Resolute Mining and Ernst & Young.

- **Matthew Worner** – Commercial Manager. BBus LLB
  Commercial lawyer with experience in international oil and gas venture acquisitions, government and JV liaison and commercial transaction across Africa, Australia and Asia. Previous roles at Pura Vida, Rialto, Tap Oil, Steinepreis Paganin and Phillips Fox.
This presentation does not constitute an offer to sell securities and is not a solicitation of an offer to buy securities. It is not to be distributed to third parties without the consent of Otto Energy Limited (the “Company”).

This presentation contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

The Company, its directors, officers and employees make no representation, warranty (express or implied), or assurance as to the completeness or accuracy of forward looking statements.

**Competent Persons Statement**

The information in this report that relates to oil and gas resources was compiled by technical employees of Great Bear Petroleum, the Operator of the Alaskan acreage, and subsequently reviewed 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 a full time employee of the Company, with more than 30 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.

**Prospective Resources**

Prospective resource estimates in this presentation are prepared as at July 2016. 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 unrisked and have not been adjusted for both an associated chance of discovery and a chance of development.

**Prospective Resource Cautionary Statement**

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