

**ASX ANNOUNCEMENT**

15 November 2018

**ANNUAL GENERAL MEETING  
CHAIRMAN'S ADDRESS**

Otto Energy Limited (ASX:OEL) ('Otto' or the 'Company') is conducting its Annual General Meeting today commencing at 10.00 am (WST). For the benefit of those shareholders and market observers who are unable to attend and listen to the meeting in person, the Chairman's Address given by Mr John Jetter is attached.

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**OTTO ENERGY LIMITED 2018 ANNUAL GENERAL MEETING  
CHAIRMAN'S ADDRESS**

Dear Shareholders, guests and friends of Otto Energy,

I would like to begin by thanking you both for your attendance and continued support of our company.

The last 12 months have been a period of highs and lows for us perhaps symptomatic of the inherent volatility of our industry. Fortunately the highs have outweighed the lows, and this is not a matter of mere luck, but reflection of a sound strategy rigorously executed. We began 2018 with the successful commissioning of SM 71, a near tripling of reserves at SM 71 at 30 June 2018 compared to the previous year and continued strong production. SM 71 continues to provide Otto Energy with a strong cashflow underpinning our growth strategy.

This year also saw the execution and commencement of a landmark exploration joint venture with Hilcorp, one of the largest and most successful companies in the USA. The agreement is for the drilling of 8 independent exploration wells over an 18 months period, with Otto Energy taking a 37.5% interest in each well. It goes without saying that the unsuccessful first well in this program was a disappointment, and coupled with the unsuccessful drilling of Bivouac Peak with Byron Energy, was a temporary setback. However, that is the nature of our industry, and does not in any way cause us to lose confidence in our strategy or to change course. Indeed one of the benefits of participating in a portfolio of independent prospects is that we are not dependent on individual well results.

Looking forward, we remain very excited about our drilling program over the next 15 months with 7 more wells to be drilled in our program with Hilcorp, and one well to be drilled in Alaska with 88E and Red Emperor. In addition we are in constant discussions with leading operators and prospect generators in the Gulf of Mexico about new additional opportunities for 2020 and beyond. Our strategy remains to build a portfolio of production assets based on participating in exploration wells with a minimum probability of success of 40%. Success will come with continued disciplined execution.

In the short term we will continue to participate in opportunities as non-operator, but we recognise that in the long run we will most likely become an operator in our own right to realise the full value from our opportunities. To that end we have opened an office in Houston, our MD Matt Allen has relocated to Houston, and we have begun the process of building an experienced local team. However, this process takes time and we have no intention of rushing into operatorship without first gaining the necessary local expertise.

I look forward to another exciting 12 months building our US business and thank you for your support, as well as the dedication and hard work of our team and my fellow directors.

John Jetter  
Chairman  
Otto Energy Limited