

8 October 2013

Manager of Company Announcements
 ASX Limited
 Level 6, 20 Bridge Street
 SYDNEY NSW 2000

By E-Lodgement

OTTO ENERGY TO RELINQUISH STAKE IN SC69 IN THE PHILIPPINES

Highlights:

- **Withdrawal consistent with maintaining a financially disciplined approach to deliver a high quality portfolio of assets focused on SE Asia and East Africa.**
- **Near term investment will deliver completion of Galoc Phase II development, exploration drilling in SC55 and seismic acquisition in Tanzania.**

Otto Energy Limited (ASX:OEL) (“Otto”) advises that it has decided to relinquish its 79% stake in Service Contract 69, offshore the Visayas in the Philippines.

The decision to exit comes after extensive evaluation work carried out over the block, including 2D and 3D seismic acquisition and a comprehensive farm-out process that did not deliver an acceptable commercial outcome to Otto.

3D seismic data acquired over SC69 in 2011 confirmed the presence of three prospects- Lamos, Lamos South and Managau East. However, having reviewed the available data Otto believes that, without a farminee, the prospectivity risk associated with this frontier acreage was insufficient to warrant the high costs of drilling in 700m water depths.

Otto will continue to invest in its high quality assets in the Philippines and East Africa. These include the Phase II development of the producing Galoc field which is nearing completion, exploration drilling in SC55, and seismic acquisition in the Kilosa-Kilombero and Pangani production sharing agreements in Tanzania.

Otto Energy Chief Executive Officer Gregor McNab said: “The decision to exit SC69 is part of our disciplined approach of constantly reviewing our portfolio to ensure we invest in the highest potential opportunities”.

--Ends--

OTTO AT A GLANCE

- ASX-listed oil and gas company with a strategy to grow its integrated oil and gas business across exploration, development and production
- Focused on South East Asia and East Africa
- Operator of the producing Galoc oil field in the Philippines, which provides cashflow
- Opportunity rich with substantial exploration prospects and leads

COMPANY OFFICERS

Rick Crabb	Chairman
Ian Macliver	Director
Rufino Bomasang	Director
John Jetter	Director
Ian Boserio	Director
Gregor McNab	CEO
Matthew Allen	CFO/Coy Secretary

www.ottoenergy.com

Contact:

Matthew Allen
Chief Financial Officer
+61 8 6467 8800
info@ottoenergy.com

Media:

Dudley White
MAGNUS Investor Relations + Corporate Communication
+61 2 8999 1010
dwhite@magnus.net.au