

ASX ANNOUNCEMENT

9 May 2019

OTTO TAKES 100% OF VR 232

- **Otto acquires Byron’s 50% interest and operatorship in VR 232 at no cost**
- **Cumulative production of 2 Bcf of gas and 30 Mbbls of oil has been recovered from VR 232 which is adjacent to Otto’s 50% owned SM 71 producing field**
- **Otto has 3D seismic coverage over the SM 71 and VR232 area and is evaluating prospect potential of the area**

Otto Energy Limited (ASX:OEL) (“Otto” or the “Company”) is pleased to advise that it has acquired the remaining 50% working interest in the VR 232 license from Byron Energy Inc, a wholly owned subsidiary of Byron Energy Limited (ASX:BYE) (“Byron”). The lease is subject to a 12.5% Federal Government royalty and the lease rental is US\$31,681 per annum. The lease expires in June 2023.

VR 232 is adjacent to Otto’s 50% owned South Marsh Island Block 71 (“SM 71”) oil field and production platform. The platform has capacity to produce up to 5,000 bopd from up to six wells.

Over 2 Bcf of gas and 30 Mbbls of oil have been produced from VR 232 between 1995 and 1997.

Otto has recently acquired a modern, high quality 3D seismic data set over the SM 71 area (including VR 232) and part of the work being done will focus on the prospectivity of VR 232 given its proximity to SM 71.

Otto Energy’s Managing Director, Matthew Allen, commented: *“Otto is pleased to take its interest in VR 232 to 100% and assume operatorship of the license. Otto’s geoscience team have significant experience in the area with strong local prospect calibration. There is the potential for any discoveries from VR232 to be within tie-back range of our SM 71 facility where there is with capacity for up to 5,000 bopd and six wells.*

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