

## ASX ANNOUNCEMENT

27 April 2016

# OTTO ENERGY'S ALASKAN POTENTIAL UPGRADED

- **Alaskan North Slope continuing to yield major new discoveries**
- **Recently completed Icewine #1 well upgrades and de-risks unconventional Hue Shale play in Otto Energy's substantial acreage position, with a large portion identified to be within the "oil recovery sweet spot"**
- **Otto's acreage ideally positioned with multiple conventional plays identified using new 3D seismic**
- **Multi-well drilling campaign to start in 1H 2017 will test multiple conventional oil targets**

Otto Energy Ltd (ASX: OEL) ("Otto" or the "Company") is pleased to provide an update in relation to its Alaskan North Slope acreage position in which it holds an 8% - 10.8% working interest. Operator Great Bear Petroleum has made significant progress in preparation for a 1H 2017 multi-well drilling program.

Attached is a presentation package entitled "Alaskan North Slope Investment Update" which summarises the large integrated work program that Otto and Great Bear Petroleum have been undertaking ahead of the forthcoming multi-well drilling campaign.

Otto's Managing Director, Matthew Allen said: *"Otto is very pleased with the recent track record of the Alaskan North Slope which continues to deliver on both the conventional and unconventional fronts. The current activity in Otto's acreage is finalising the acquisition of a large 3D seismic campaign ahead of the commencement of a multi-well drilling program in early 2017 designed to test a number of conventional plays being developed by Otto and Great Bear Petroleum. The primary objective of the multi-well drilling campaign is to identify the most prospective of these conventional trends and sufficiently test their productive potential. In addition, recent drilling results immediately to the south of Otto's acreage confirms the unconventional Hue shale potential as an oil target across a significant portion of Otto's acreage."*

## Recent Developments

Otto's Vice President Exploration and New Business, Mr Paul Senyca, recently returned from visiting the Great Bear Petroleum team in Anchorage and the Company is pleased to advise that significant progress has been made in the development of a comprehensive conventional prospects and leads inventory. This included new insights into the regional depositional model helping the identification of material new conventional plays which will be tested in a drilling program scheduled for 1H 2017. Great Bear Petroleum is securing the required long lead items and a drilling rig to support the drilling program. The joint ventures focus is to test a series of large independent conventional opportunities.

The recently completed Icewine #1 well drilled immediately south of Otto's acreage provided insights into a number of key geological parameters required to commercialise the prolific unconventional Hue shale potential. This play, also tested in a number of wells on Otto's acreage, has now been partially de-risked as a substantial future unconventional target extending into the south of Otto's acreage position. Additional unconventional potential also exists in Otto's acreage at the Shublik and Kingak shale levels. These are mega plays that form the source intervals for multi-billion barrel conventional fields producing to the north of Otto's acreage position.

## Future Activity

Otto and Great Bear Petroleum are currently undertaking one of the largest proprietary 3D seismic programs acquired on the Alaskan North Slope. This acquisition program is 90% complete and will be processed, merged and interpreted in the coming months. Otto is free-carried on this 3D seismic acquisition.

Prospect selection from the existing comprehensive 3D seismic coverage is expected to be complete by mid-2016 leading to a multi-well conventional drilling campaign in early 2017. The campaign will target a number of independent conventional play types. Each well will potentially test one or more of these play types.

Otto shareholders are referred to the attached presentation material for further information on developments in the Alaskan acreage. Further updates will be provided as progress is made in preparing for the upcoming drilling campaign.

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