

ASX ANNOUNCEMENT
29 November 2017

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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www.ottoenergy.com

Ladies and Gentlemen,

2017 has been a successful year of transition. When we met here last year we spoke about Otto's new strategic direction - ie building a portfolio of low risk high potential exploration and development projects with a geographic focus on the USA, primarily in the Gulf of Mexico.

During 2017 we were able to effectively divest all non-US interests.

More importantly, having made our first commercial discovery in the Gulf of Mexico in 2016, management's primary focus in 2017 has been on bringing SM 71 into production. This is now imminent with first oil being expected in early 2018.

However, we have also spent significant time and energy in building our portfolio of prospects for the future. For a non-US company such a strategy can only be successful based on a network of deep relationships with strong local partners. We have been successful in building such partnerships with a number of Houston-based companies with a long and successful track record in the Gulf of Mexico. Our philosophy is that it is better to share the upside than to fully own the failure. As a result we are now seeing an increasing number of exciting opportunities. However, rest assured that before committing to new investments, we will continue to apply the same level of analytical rigour that we applied before making our current successful investments. The focus remains on projects with a minimum 40% probability of success. As you know we are currently drilling a second project, ST 224, which fits into this profile. The results of the drilling at ST 224 should be known relatively soon.

I am very excited about the future prospects of Otto Energy. After we conclude the formal parts of this meeting Matthew Allen, our MD, will give a more detailed presentation about our business.