

25 May 2012

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

**By E-Lodgement**

**PHILIPPINES' DEPARTMENT OF ENERGY APPROVES EXTENSION OF SERVICE CONTRACT 55 SUB-PHASE 4**

**Highlights:**

- **Exploration Sub-Phase 4 extended by 12 months to 5 August 2013**

Otto Energy Limited (ASX: OEL) advises that the Philippines Department of Energy (DOE) has approved an extension to the current Exploration Sub-Phase 4 of SC55 by 12 months.

The revised permit timing is as follows:

Sub-Phase	Period	Work Program Commitment
Sub-Phase 4	5 August 2011 to 5 August 2013	Drill 1 well
Sub-Phase 5	5 August 2013 to 5 August 2014	Drill 1 well

BHP Billiton, Otto's joint venture partner in and Operator of SC55, requested the extension in order to secure an appropriate ultra deepwater rig with specialised well control equipment that will promote safe drilling operations on the proposed Cinco prospect within SC55. Availability of such rigs is currently limited and has been considered in the duration of the extension.

No specific date for commencement of drilling operations in SC55 can be given until a rig has been secured, however Otto maintains its longstanding view that SC55 holds significant hydrocarbon potential and the company looks forward to seeing the drilling programme executed as soon as is safely possible. Otto will continue to update shareholders of further developments relating to SC55.

The working interests in Service Contract 55 are:

Otto Energy (through wholly owned subsidiary NorAsian Energy Ltd)	33.18%
BHP Billiton Petroleum (Philippines) Corporation	60.00%
Trans-Asia Oil and Energy Development Corporation	6.82%

**OTTO AT A GLANCE**

- ASX-listed oil and gas company with significant growth potential.
- Production from Galoc Oil Field provides cash flow.
- High impact offshore exploration program in SC55.
- Opportunity rich with substantial exploration prospects and leads in Palawan and Visayan basins.

**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



Yours faithfully

**Gregor McNab**  
Chief Executive Officer

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