

ASX ANNOUNCEMENT

18 January 2019

WINX-1 PERMIT TO DRILL GRANTED

- **Permit to Drill Approved for Winx-1 exploration well**
- **Ice road construction progressing well with rig mobilisation planned for early February**
- **Spud remains on schedule for mid-late February 2019**

Otto Energy Limited (ASX:OEL) (“Otto” or the “Company”) is pleased to provide the following update on its oil and gas operations on the North Slope of Alaska.

The Permit to Drill for the Winx-1 exploration well was approved by the Alaska Oil and Gas Conservation Commission (AOGCC) on the 16th January (AK time). This is the final major permit required for commencement of drilling.

Construction of the ~11 mile ice road to the Winx-1 exploration well location is proceeding as planned. Once complete, the ice pad will be constructed, and the rig will be mobilised for drilling. Rig mobilisation is expected to commence in early February 2018.

Winx-1 is located ~4 miles east of the Horseshoe-1/1A well that significantly extended the highly successful Nanushuk play fairway to the south. Winx-1 will target gross best estimate prospective resource of 400 million barrels of oil (75 million barrels Otto’s 18.75% net revenue interest) across multiple stacked objectives, including the Nanushuk, which is the primary target of the well.

Cautionary Statement: The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons. Refer to the ASX release of 25 June 2018 for further information.

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