

ASX ANNOUNCEMENT  
18 December 2017

## SM 71 UPDATE - DRILLING AHEAD

- **SM 71 F2 drilling ahead at 4,895 feet MD after setting 10 3/4" surface casing at 3,685 feet MD**
- **Drilling is proceeding according to plan and the well will reach TD prior to the end of December**

Otto Energy Limited (ASX:OEL) ('Otto' or the 'Company') is pleased to advise that the OCS G-34266 #F-2 well ('SM 71 F2') within the South Marsh Island 71 ('SM 71') lease in the Gulf Of Mexico shelf reached a depth of 3,685 feet Measured Depth ("MD") on 10 December 2017 where 10 3/4" casing was set and cemented in place. As at 2.00 PM USA Central Time on 17 December 2017 the SM 71 F2 well was drilling ahead at 4,895 feet MD in 9 7/8" hole. It is anticipated that the well will be drilled to total depth and evaluated by the end of December.

SM 71 F2 has a planned MD of 8,965 ft/2,733 metres (7,555 ft/2,303 metres TVD) as previously reported to the ASX on 4 December 2017.



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Enco 68, Chet Morrison dive boat and SM71 F platform, Gulf of Mexico December 2017

Otto holds a 50% working interest (40.625% net revenue interest) in South Marsh Island Block 71 through a wholly owned subsidiary Otto Energy (Louisiana) Inc. The operator, Byron Energy Limited (ASX:BYE), holds the remaining 50% working interest.

Otto intends to report on well progress as material milestones are achieved. For further information on the well, please see the Company's announcement on 4 December 2017.

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