

ASX ANNOUNCEMENT

30 April 2009

**QUARTERLY REPORT
FOR THE PERIOD ENDED 31 MARCH 2009**

QUARTER SUMMARY

- Total gross production from Galoc Oil Field for the Quarter was 494,871 barrels
- Remaining Galoc non-recourse development debt (net to Otto) is US\$4.9 million
- Cash at the 31 March 2009 was approx \$8.1 million
- Placement of 73.9 million shares at \$0.07 per share to raise \$5.17 million completed

OPERATIONS UPDATE

PHILIPPINES

Otto's working interests in all of its Filipino Service Contracts are held through Otto's 100% owned subsidiary, NorAsian Energy Limited ("NorAsian").

SC14C1 – Galoc Oil Field

Otto has a 31.38% shareholding in the Galoc Production Company W.L.L. ("GPC"). GPC is the Operator and holds 58.29% working interest in the SC14C1 license. This gives Otto an 18.28% indirect interest in the field. A subsidiary of the Vitol Group owns the remaining stake (68.62 %) of GPC.

Production from the Galoc Oil field recommenced on 25 February 2009, following a shutdown to repair and enhance the mooring and riser systems. Total gross production from the field for the quarter was 494,871 barrels.

At the end of the Quarter cumulative oil production, since start up in October 2008, had passed 1.3 million barrels. Since the recommencement of production in February the field has been producing at a rate of approximately 13,000 - 14,000 barrels of oil per day with a 95%-100% daily operating uptime. Benefits from infrastructure and operational improvements made during the shutdown include:

- Decreased operating expenditure through fuel cost savings;
- Increased production uptime; and
- A simpler process for more controlled disconnections (during typhoon season).

Otto Energy at a Glance

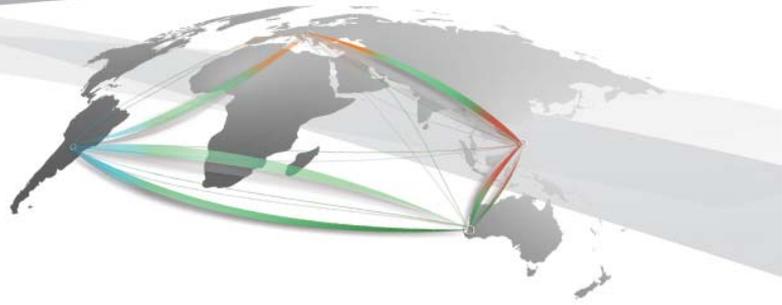
- ASX-listed oil and gas company with significant growth potential
- Strong Board & Management
- World class projects across four countries
- Production from Galoc Oil Field to provide cash flow for exploration
- Opportunity rich with 8 discoveries, 20+ prospects and more than 60 leads
- Upcoming events in 2009, including oil revenues, farm-outs and drilling program which offer significant value creation for investors.

COMPANY OFFICERS

Rick Crabb	Chairman
Jaap Poll	Non exec Dir
Ian Macliver	Non exec Dir
Rufino Bomasang	Non exec Dir
John Jetter	Non exec Dir
Alex Parks	CEO
Emma McCormack	Co Sec

INVESTOR / MEDIA INQUIRIES:

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It is important to note that although the operational improvements undertaken will increase the FPSO's stability during inclement weather, they will not remove the need for disconnection from the system to occur when typhoons cross the field.

During the Quarter, the total volume of oil lifted from the FPSO was 207,764 barrels (50,670 barrels net effective share to Otto). Four offtakes of crude oil have been successfully completed between October 2008 and March 2009 at an average price of approximately US\$44.40 per barrel. The fifth offtake is scheduled to take place in early May 2009.

Service Contract 55 (OEL 85%)

On 3 April 2009, Otto announced that the conditional heads of agreement ("HoA") to farm out 60% of its equity in SC55 to BHP Billiton Petroleum Pty Limited ("BHP Billiton") had lapsed. The HoA with BHP Billiton was conditional on a number of obligations including finalising farm-in and joint operating agreements and obtaining all necessary government and joint venture approvals by 31 March 2009. These necessary conditions and approvals were not achieved and consequently the HoA lapsed.

SC 50 – Calait Oil Fields (OEL 99% WI)

Otto continues its discussions with the Philippines Department of Energy in relation to seeking an extension on its current sub-phase commitments.

SC 51 (OEL 80% WI)

Otto continues its discussions with the Philippines Department of Energy in relation to seeking an extension on its current sub-phase commitments.

SC 69 (70% WI)

Otto has received the seismic data reprocessed for SC69, which is now being interpreted by Otto's Geoscience team.

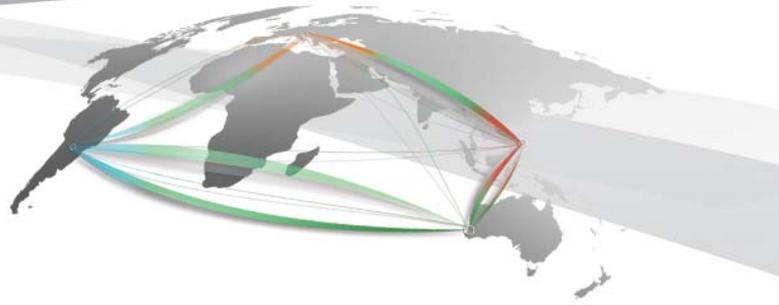
TURKEY (OEL holds 35% WI in the Edirne Licence)

Six commercial gas discoveries have been made to date with a number of prospective leads for follow up. During the Quarter, commercialisation of the project was progressed with Gas Sales Agreement negotiations underway. First gas sales are anticipated in Q4 2009.

During the Quarter Otto relinquished its interest in the Catalca and Ortakoy licences and the licenses were transferred to the Operator.

ITALY (OEL earning 50% WI)

Otto is earning a 50% Working Interest by funding one firm and one contingent well in the Cento-Bastiglia permits in the Po Valley, onshore Italy. The first exploration well Gazzata-1, is expected to spud mid May 2009. The Operator of the field is AIM-listed Ascent Resources Plc.



ARGENTINA (OEL earning 32.48% WI)

Otto is earning a 32.48% Working Interest by paying the first US\$1.4 million of exploration expenditure in the Santa Rosa Permit. Thereafter, Otto will be paying its working interest share of the agreed work program and budget in 2009 for up to two onshore exploration wells, targeting oil. Drilling is expected to commence in May/June 2009. The operator of the permit is TSE-listed Oromin Exploration Ltd.

CORPORATE

During the Quarter the Company completed an institutional placement of 73.9 million shares at \$0.07 per share to raise \$5.17 million.

The Company also secured an additional US\$2 million in debt funding from two of its major Shareholders, Santo Holding AG and Molton Holdings Ltd increasing the total Shareholder Loans to US\$7 million. Otto Directors also provided the Company with short term loan funds of \$1.53 million. The funds from the Shareholders and Directors loans are being used to meet short term expenditure commitments and will be repaid from the funds raised pursuant to the Entitlement Issue outlined below.

Subsequent to the end of the Quarter on 3 April 2009 the Company announced a restructured capital raising to raise up to \$26.3 million which comprised:

- a 3 for 4 pro-rata Entitlement Issue at \$0.05 per share to raise a maximum of approximately \$21.2 million; and
- a placement at \$0.07 per share to raise approximately \$5.1 million (subject to necessary shareholder approvals).

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

OTTO ENERGY LIMITED

ABN

56 107 555 046

Quarter ended ("current quarter")

31 March 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(2,478)	(9,908)
(b) development	-	-
(c) production	-	-
(d) administration	(1,520)	(4,890)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	273
1.5 Interest and other costs of finance paid	(1)	(4)
1.6 Income taxes paid - Turkey	(4)	(7)
1.7 Other – Deposit Refunded	-	1,566
Net Operating Cash Flows	(4,000)	(12,971)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospectus	-	-
(b) equity investments	-	-
(c) other fixed assets	(16)	(240)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Loans to associated entities	(4,684)	(10,426)
Net investing cash flows	(4,700)	(10,666)
1.13 Total operating and investing cash flows (carried forward)	(8,700)	(23,637)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(8,700)	(23,637)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	5,173	14,476
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	4,419	11,587
1.17	Repayment of borrowings	(4)	(11)
1.18	Dividends paid	-	-
1.19	Costs associated with issue of shares	(383)	(518)
	Net financing cash flows	9,205	25,534
	Net increase (decrease) in cash held	(505)	1,897
1.20	Cash at beginning of quarter/year to date	7,523	5,034
1.21	Exchange rate adjustments to item 1.20	41	1,138
1.22	Cash at end of quarter	8,069	8,069

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2 and 1.7	278
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Payments of Directors Fees	126
	Payments to Director Related Companies	152

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$'000	Amount used \$'000
3.1	Loan facilities (Shareholder Loan)	\$USD 7,000	\$USD 7,000
	Loan facilities (Directors Loan)	\$A 1,530	\$A 1,530
3.2	Credit standby arrangements	Nil	-

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	12,500
4.2	Development	200
Total		12,700

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	7,743	6,491
5.2	Deposits at call	326	1,461
5.3	Bank overdraft	-	-
5.4	Other – Term Deposit	-	-
Total: cash at end of quarter (item 1.22)		8,069	7,952

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil	None		
6.2	Interests in mining tenements acquired or increased	Nil	None		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>	Nil	Nil		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	Nil	Nil		
7.3	+Ordinary securities	566,574,942	566,574,942		
7.4	Changes during quarter (a) - Increases through issues	73,901,079	73,901,079		
	(b) Decreases through returns of capital, buy-backs	Nil	Nil		
7.5	+Convertible debt securities <i>(description)</i>	Nil	Nil		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	Nil		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i>	45,500,000 Unlisted	Nil	4,083,400 Exercise Price 20 cents 4,333,300 Exercise Price 30 cents 3,333,300 Exercise Price 40 cents 8,000,000 Exercise Price 34 cents 8,250,000 Exercise Price 30 cents 11,000,000 Exercise Price 30 cents 2,000,000 Exercise Price 35 cents 2,500,000 Exercise Price 60 cents 2,000,000 Exercise Price 60 cents	On or before 29 May 2011 On or before 29 May 2011 On or before 29 May 2011 On or before 30 Nov 2009 On or before 17 Dec 2010 On or before 25 Jan 2011 On or before 10 Apr 2012 On or before 01 Aug 2012 On or before 15 Dec 2010
7.8	Issued during quarter	Nil	Nil		
7.9	Exercised during quarter	Nil	Nil		
7.10	Expired during quarter	Nil	Nil		
7.11	Debentures <i>(totals only)</i>	Nil	Nil		
7.12	Unsecured notes <i>(totals only)</i>	Nil	Nil		
	Performance Based Shares	2,504,000	Nil	2,500,000 Issue Price \$0.0001 cents 4,000 Converting Performance Shares	2,500,000 Issue Price \$0.0001 cents 4,000 Converting Performance Shares
	Changes during quarter (a) Increases	Nil	Nil	Nil	Nil

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

- 2 This statement does give a true and fair view of the matters disclosed.



Alex Parks
Chief Executive Officer
30 April 2009

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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