25 November 2010

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

By E-Lodgement

GALOC OPERATIONS UPDATE

Highlights:

- **Galoc oil field recommences production at circa 8,500 bopd**

Otto Energy Ltd (ASX:OEL) is pleased to advise that production has resumed at the Galoc Field at circa 8,500 barrels of oil per day. This follows reinstatement of the Mooring and Riser System (M&RS) which was disconnected on 22nd October as a consequence of Typhoon Megi.

In addition to re-instatement of the M&RS, the opportunity presented by the shutdown has been used to undertake maintenance of the FPSO which included refurbishment of the thrusters. This work was undertaken at Batangas in the Philippines.

Galoc Production Company ("GPC") also advises that arbitration proceedings have been initiated in order to resolve issues relating to a dispute with a contractor and costs arising from production shutdowns.

Off take #18 was undertaken on 5th November and 240,000 barrels were delivered on 11th November.

Yours faithfully

Paul Moore
Managing Director

Contact:
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OTTO AT A GLANCE

- ASX-listed oil and gas company with significant growth potential.
- Production from Galoc Oil Field provides cash flow.
- Edirne gas field in Turkey becomes second revenue-generating asset.
- Opportunity rich with substantial exploration prospects and leads in portfolio.

COMPANY OFFICERS

Rick Crabb	Chairman
Paul Moore	Managing Director
Jaap Poll	Director
Ian Macliver	Director
Rufino Bomasang	Director
John Jetter	Director
Ian Boserio	Director
Matthew Allen	CFO/Coy Secretary