

18 January 2012

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

By E-Lodgement

Highlights:

- **CLARIFICATION ON COMMENTS IN RELEASE BY BIOPROSPECT LIMITED**

Otto Energy Ltd (ASX:OEL) wishes to clarify comments made in an ASX announcement by BioProspect Limited (ASX: BPO) on 18 January 2012:

- Otto holds no interest in Service Contract 52 Onshore Cagayan Valley in the Philippines, nor is it associated with any of the parties or activities in Service Contract 52;
- Frontier Gasfields Pty Ltd does not have any entitlement to acquire an interest in Service Contract 55 as a partner or concession holder. Provisions of the Joint Operating Agreement amongst the partners in Service Contract 55 preclude an equity participant holding less than 10% equity in Service Contract 55;
- Otto is not associated with Frontier Gasfields Pty Ltd nor is it associated with any of the related parties of Frontier Gasfields Pty Ltd;
- Trans-Asia Oil and Energy Development Corporation has an option to acquire 5% of the working interest held by Otto's subsidiary, NorAsian Energy Ltd, in Service Contract 55 by paying 5% of the direct drilling costs of the first well in SC55 and must be exercised within 180 of the completion of drilling of such well.

Yours faithfully



Gregor McNab
Chief Executive Officer

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 in 2012.
- 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

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