ASX : OEL

OTTO ENERGY

Investor Presentation

Singapore January 2012

Gregor McNab, Chief Executive Officer

Disclaimer

This presentation does not constitute an offer to sell securities and is not a solicitation of an offer to buy securities. It is not to be distributed to third parties without the consent of Otto Energy Ltd (the "Company").

This presentation contains forward-looking statements that are not based on historical fact, including those identified by the use of forward-looking terminology such as statements containing the words "believes", "may", "will", "estimates", "continue", "anticipates", "intends", "expects", "should", or the negatives thereof and words of similar import.

Management of the Company cautions that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by the statements. Management believes that the estimates are reasonable, but should not unduly be relied upon.

The Company makes no representation, warranty (express or implied), or assurance as to the completeness or accuracy of these projections and, accordingly, expresses no opinion or any other form of assurance regarding them. Management does not intend to publish updates or revisions of any forward-looking statements included in this document to reflect the Company's circumstances after the date hereof or to reflect subsequent market analysis.

The hydrocarbon reserve and resource estimates are based on information compiled by Mr Nick Pink.
Mr Pink has more than 12 years of relevant experience and is qualified in accordance with ASX Listing Rule 5.11. Mr Pink is a full time employee of Otto Energy as its Senior Reservoir Engineer and has consented to the inclusion in the presentation of the information in the form and context in which is appears.

Objectives of Today's Session

- Otto Energy Company Overview
- Outline Otto Strategy
- Introduce Otto Capability and Key Board/Management
- Portfolio Overview
- Outline 2012/13 Key Events and Milestones

OTTO ENERGY LTD
COMPANY OVERVIEW

Otto Fundamentals / Capital Structure

Capital Structure	
Fully paid ordinary shares	1.13b
Unlisted options[1]	37.75m
Performance Rights	27.00m
Market capitalisation[2]	100m
Cash (at December 2011)	US$38.7m
Debt (at December 2011)	Nil

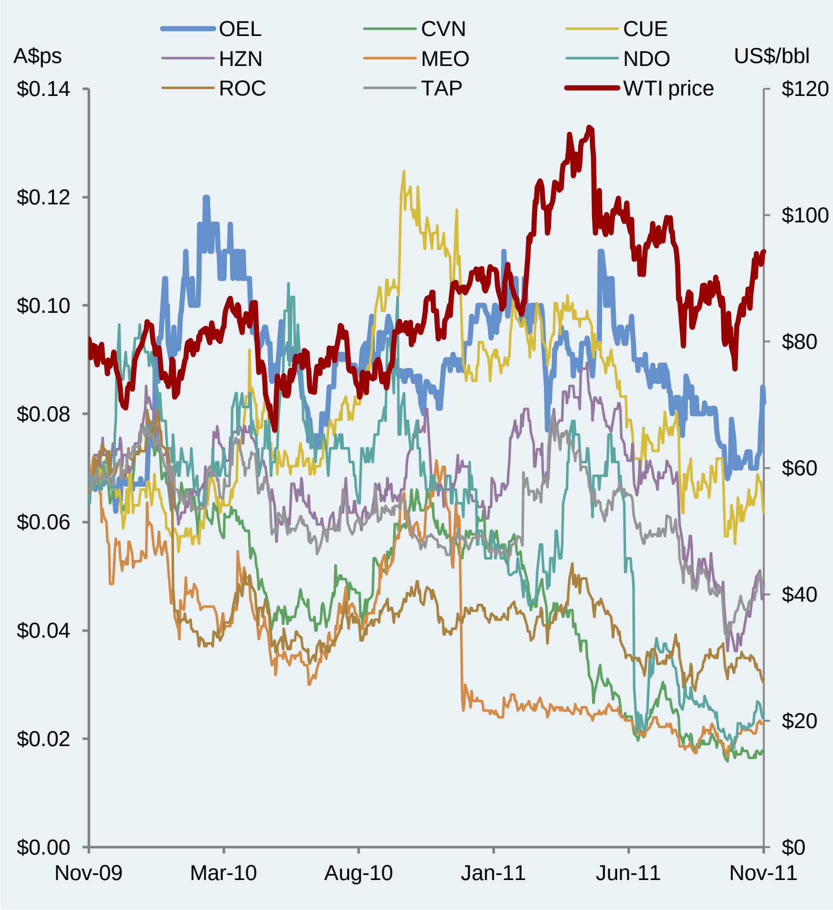
Shareholders	
Molton Holdings	21.3%
Santo Holdings	21.3%
Acorn Capital	7.4%
Directors	3.7%
Shareholders	3,191

1. Exercisable at prices between 12 and 60 cents per share.
2. Undiluted at 8.8 cents per share as at 23 January 2012

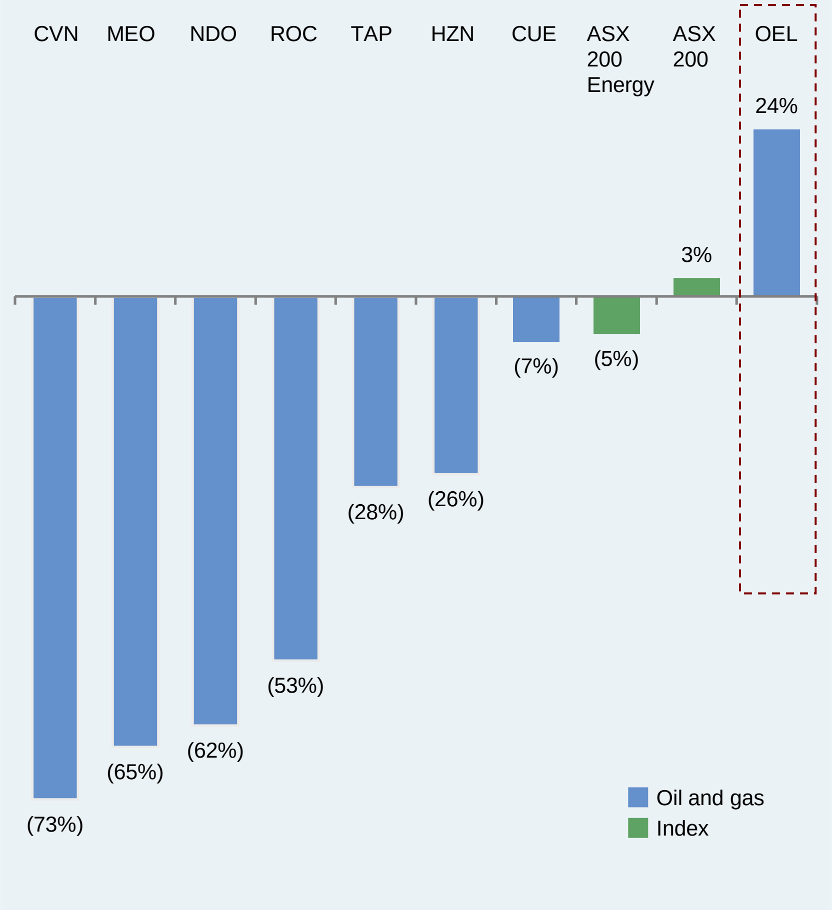
Strong Share Price Performance against Peers

Otto has maintained shareholder value within sector in a highly volatile external environment as it prepares for high potential impact exploration drilling

Relative stock price performance over past 24 months



Total shareholder return over past 24 months²



Source: IRESS as at 4 November 2011

1 Rebased to Otto's share price as at 4 November 2009

2 Includes all dividends and capital appreciation; assumes re-investment of dividends on the ex-dividend date, consistent with S&P methodology. Note that none of Otto's peers have paid dividends in the past 24 months

Strategy Outline

Element	Strategy
Geographic Focus	SE Asia – competitive advantage in the Philippines East Africa Rift Valley
Geological	Proven hydrocarbon basins and early in the exploration phase
Potential	Multiple options, running room and material equity
Commercial	Good fiscal terms supported by stable and transparent legislation
Entry	Manage financial exposure versus technical risk
Specialisation	Conventional Balanced onshore/offshore exposure
Capability	Full Exploration-Development-Production lifecycle Capture and execute with technical, commercial and financial discipline

Experienced Board and Management Team

NON-EXECUTIVE DIRECTOR
IAN MACLIVER
B.Com, CA, F Fin, MAICD
- MD of Grange Consulting
- NED of Stratel Limited, Mount Gibson Iron, Select Vacines

NON-EXECUTIVE DIRECTOR
RUFINO BOMASANG
BSc (Min.Eng), MBE
- Previously President/CEO of PNOC-EC
- Previously Undersecretary of Energy for Philippines DOE

CHAIRMAN
RICK CRABB
BJuris (Hons), LLB, MBA
- Chairman of Paladin Energy, Golden Rim, Ashburton Minerals

NON-EXECUTIVE DIRECTOR
IAN BOSERIO
BSc Hons (Geophysics)
BSc Hons (Geology)
- Previously with Shell and Woodside
- Experienced in Australia, North Sea, Middle East, India, Indonesia
- NED Nexus Energy

NON-EXECUTIVE DIRECTOR
JOHN JETTER
LLB and BEc, INSEAD
- Former MD/CEO of JP Morgan in Germany
- NED Venture Minerals

EXPLORATION MANAGER
PAUL SENYCIA
Bsc (Hons)
(Mining Engineering)
MAppSc
(Exploration Geophysics)
- Over 30 years international oil and gas experience in Australia, North and West Africa, South East Asia
- Previously 17 years with Woodside and Shell

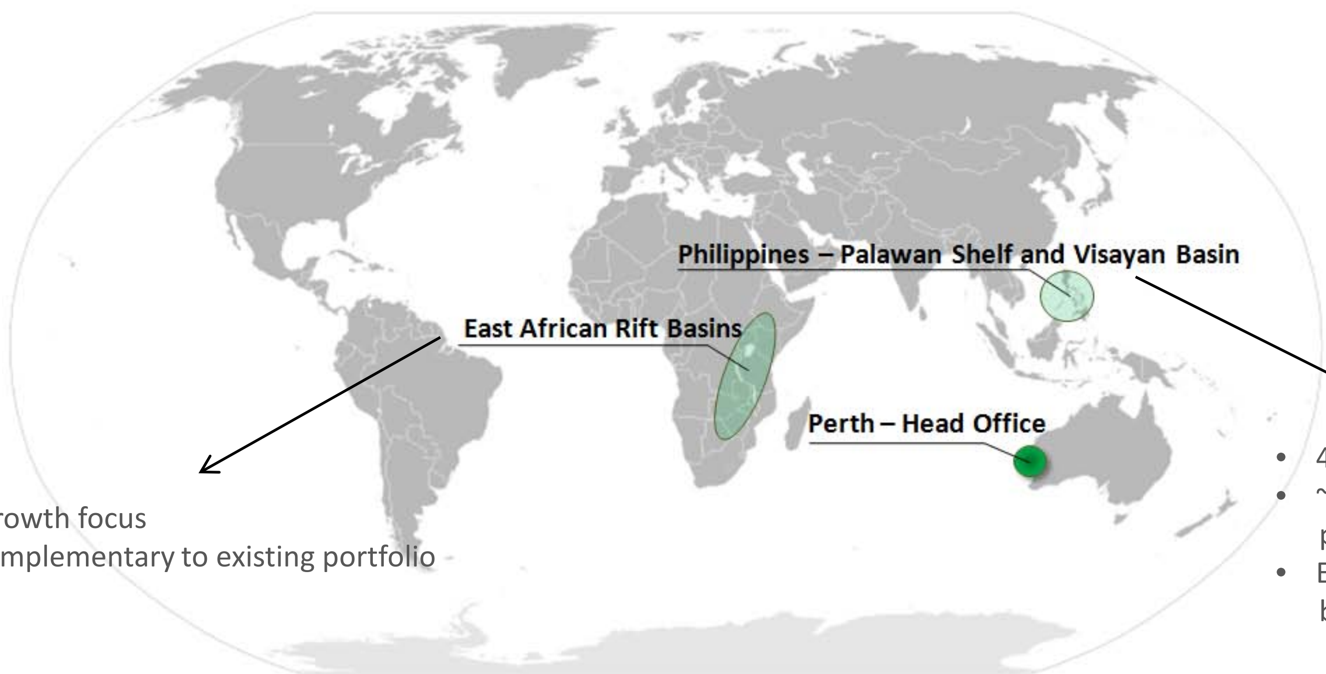
CHIEF EXECUTIVE OFFICER
GREGOR MCNAB
B.Sc (Hons)
(Offshore Engineering)
- 28 years experience in the oil and gas industry
- Previously 22 years with BHP Billiton, working in London, North America and Australia
- Previous experience with Bechtel and Shell

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY
MATTHEW ALLEN
B.Bus, CA, F.Fin, GAICD
- Previously 9 years with Woodside working Australia and North and West Africa
- Over 18 years finance and accounting experience

PHILIPPINES COUNTRY MANAGER
ROSS PRASSER
BE (Mining)
- Over 30 years experience with focus on development planning, drilling and completions, reservoir engineering and production operations

Otto Overview

- Listed 2004, Perth head office
- ~1.13 billion shares on issue, 37.75 million options and 27 million performance rights
- Market capitalisation of ~A$100 million at A$0.088
- Cash in bank at 31 Dec 2011 US$38.7 million
- High quality production and exploration asset portfolio in the Philippines
- Progressing growth into East Africa



- Growth focus
- Complementary to existing portfolio

- 4 operated PSC's
- ~ 17,000 km^2 gross of highly prospective acreage
- Equity production of over 2,200 bopd from Galoc field net to Otto

Financial Strength & Managing Risk

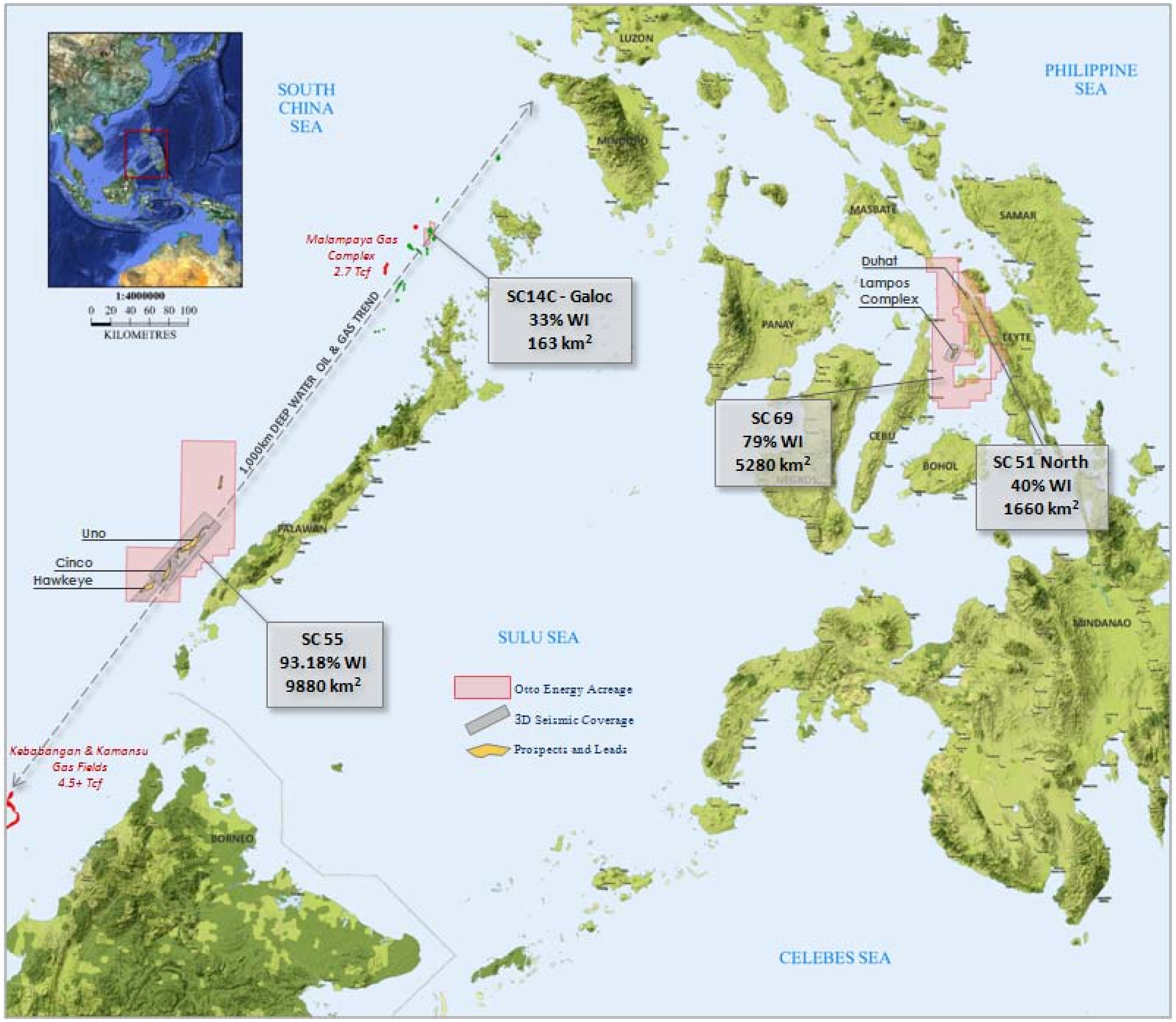
Strong financial position

- US$38 million cash on hand as at 31 December 2011
  - ~38% of market cap represented by cash position
- Sustainable revenue from Galoc 33% working interest
  - ~200,000 bbls production per quarter
  - Progressing plans for Phase II development drilling
- High cost deepwater exploration drilling in SC55 funded by joint venture partner
  - Holding initial high working interest has allowed promoted farmout to cover costs
- No debt
  - Forward commitments can be met from cash and production revenue

Building an integrated business with operating capability across life cycle

- Integration reduces risk profile
- Operator credentials competitive advantage in new opportunity capture

Philippines – Balanced Portfolio



Asset Portfolio

NEW BUSINESS → **EXPLORATION** → **APPRAISAL/ DEVELOPMENT** → **PRODUCTION**

PECR4:
- Actively screening opportunities

East Africa:
- Actively screening opportunities

South East Asia:
- Actively screening opportunities

Palawan Exploration:
- SC55:
  - Cinco-1 drilling 2012
  - Hawkeye drill ready

Visayan Exploration:
- SC51:
  - San Isidro 2D Seismic Q2 2012
- SC69:
  - Lampos 3D seismic interpretation

Galoc Oil Field Phase II:
- Planned 1-3 new wells in 2013 for 3-9 MMbbl recoverable
- 3D seismic acquisition completed
- FEED on schedule
- FID planned mid-2012

Galoc Oil Field:
- Production to date 8.5 MMbbl
- Remaining reserves 6.5 MMbbl (2P basis)
- FPSO Rubicon Intrepid Turret Upgrade in progress – planned reconnection late Q1 2012

INORGANIC NEW BUSINESS

Portfolio Overview

Production Asset

SC14C: Overview

Key Facts:

- Otto (through GPC) is Operator with 33% working interest
- 8.46 MMbbl gross produced to date
- Substantial remaining reserves to be produced through Phase I and potential for Phase II
- Cashflow funds further exploration activities
- Well matched asset with the skills of Otto
- 35^{o} API oil, low sulphur, water depth 290m

Fiscal Terms of Production Sharing Contract:

Factor	%
Cost recovery cap	70
Contractor profit share	37.5
Filipino Participation Incentive Allowance	7.5
Corporate Tax	30

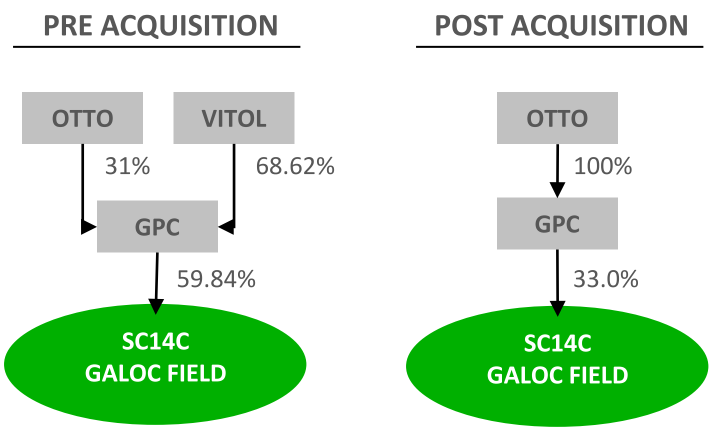
	Production (100%) bbls	Production (Otto %) Bbls (1)	Uptime %	Rolling 12 month average
1Q 2011	651,551	122,361	98	87
2Q 2011	618,224	204,021	100	88
3Q 2011	595,423	196,490	98	90
4Q 2011	317,972 (2)	104,931	95	98

(1) Net share of production and lifting's have been revised to new working interest, 33%, from 1 April 2011. Prior to 1 April 2011 Otto held an indirect 18.78% interest in the Galoc oil field.
(2) Production shut-in from 23 November 2011 for Turret Upgrade project in Singapore

SC14C: Recent Acquisition Overview

- Acquisition of remaining shareholding interest in Galoc Production Company WLL (GPC) from Vitol Group
  - Increasing GPC shareholding from 31% to 100%
- GPC has become a wholly owned subsidiary of Otto
- Otto has assumed control of operatorship of the Galoc Production Company, operator of the Galoc oil field
- Consideration of:
  - US$5.4 million on execution of sale and purchase agreement (US$1.87m net to Otto); and
  - US$48.6 million on completion (US$16.83m net to Otto)

Diagram of Holdings



Resulting SC14C Joint Venture Partners

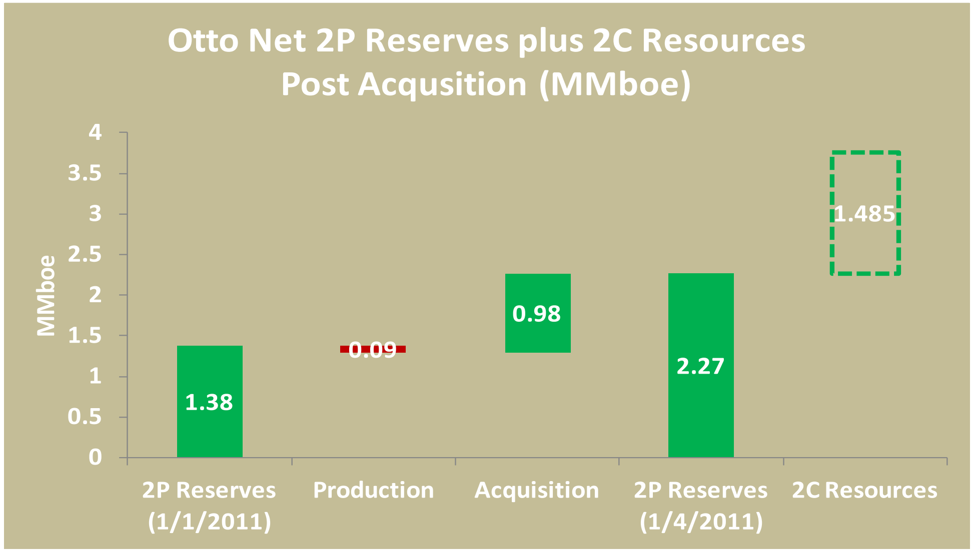
	Working Interest post Transaction
Otto	33.00%
Risco Energy	26.84%
Nido Petroleum	22.88%
Philodrill	7.21%
Oriental Petroleum	7.79%
Forum Energy	2.28%

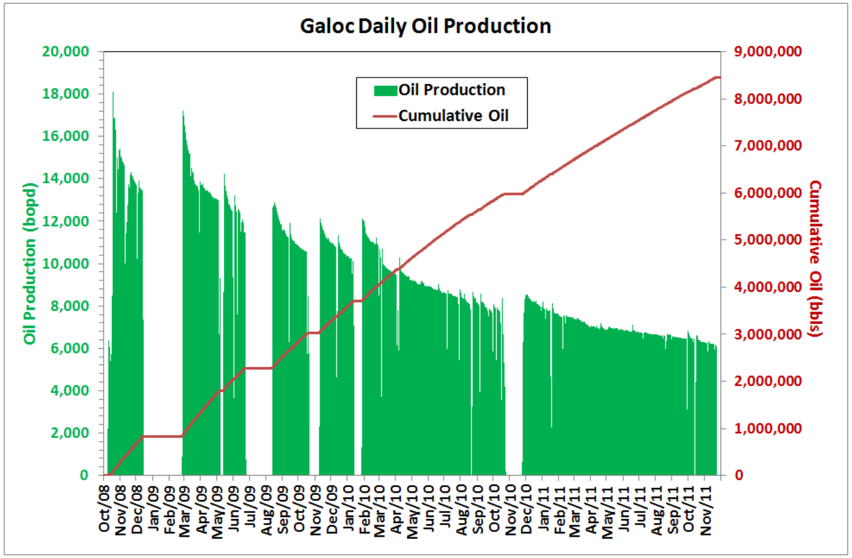
SC14C: Reserves upgrade and improved uptime

Production	
Current rate	~6,400 bopd
Production to date	8.46MMbbls

Revenue, Costs and Netback	US$
Last Cargo (Nov 2011)	115.20/bbl
Opex	24/bbl
Phase 1 Capex	13 /bbl
Netback (after costs/taxes/other charges)	~50 /bbl

Q4 2011 Update	Net OEL Share
Production	104,931 bbls
Liftings	231,745 bbls
Revenue	US$19.6million

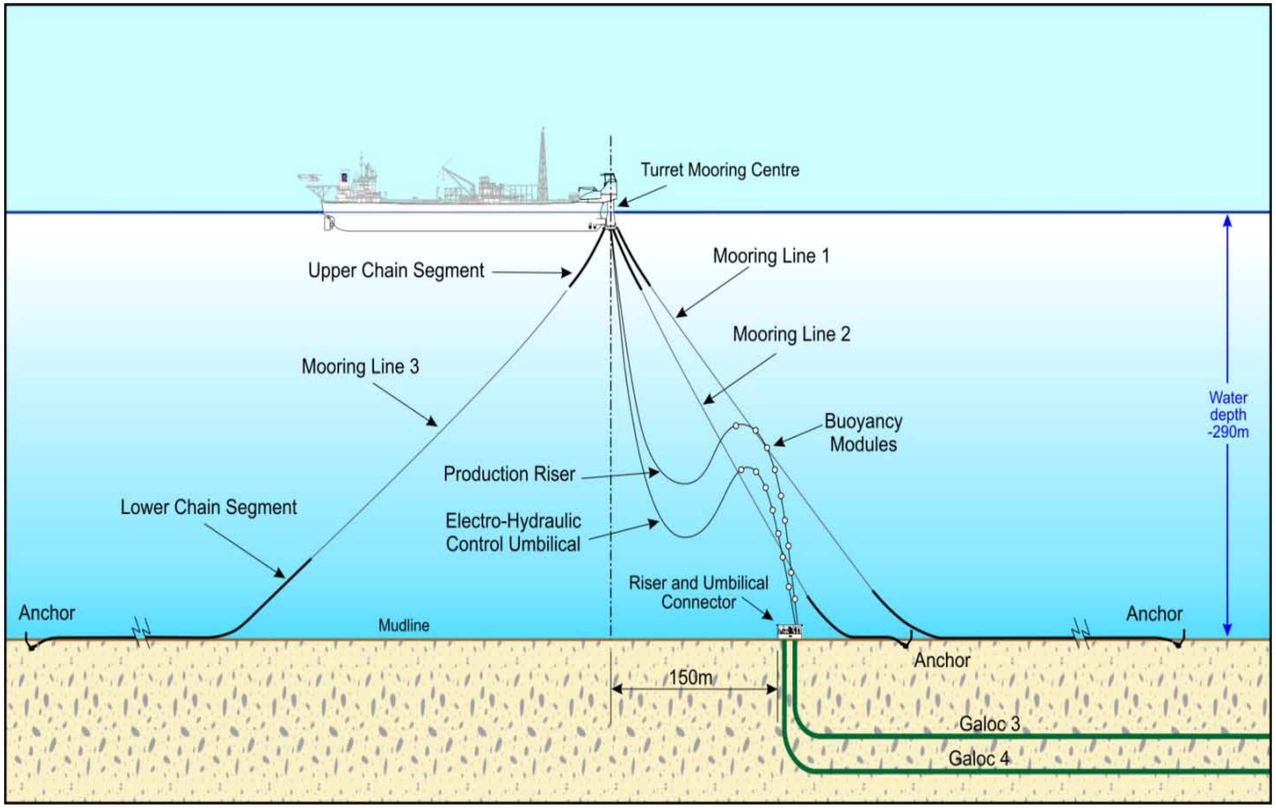




SC14C: Improved Mooring and Riser System

Project Outline:

- New system to substantially increase operating uptime to greater than 95%
- Field outage planned in Q4 2011, coinciding with the typical peak in the monsoon season
- Production to recommence late Q1 2012
- Crucial infrastructure to allow a Phase II development of the field



Turret Mooring Field Elevation

Portfolio Overview

Development Opportunities

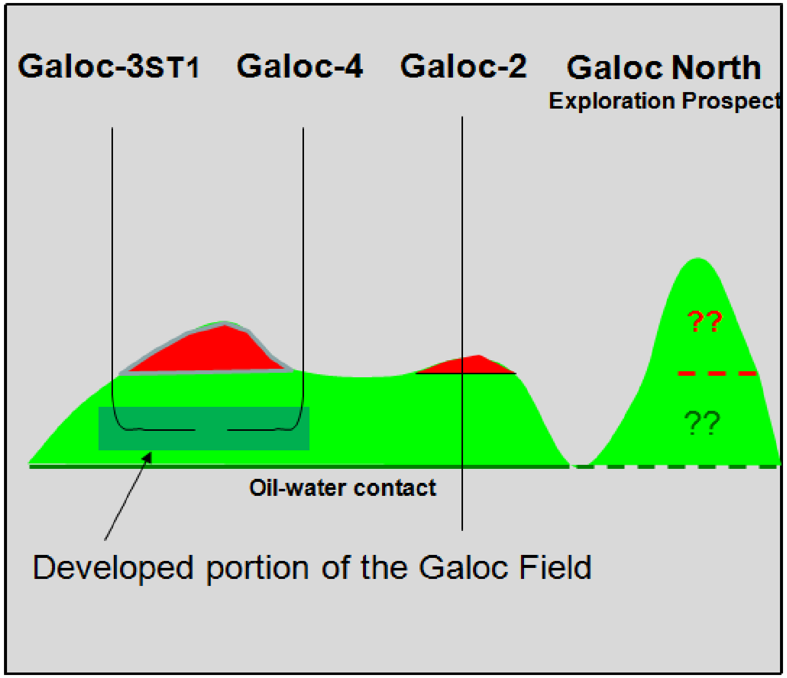
SC14C: Phase II Development

Phase II

- Phase II evaluation commenced with acquisition of new 3D seismic and FEED
- Potentially involves between 1 and 3 new wells Unlock 3 to 9 MMbbls of Contingent Resources

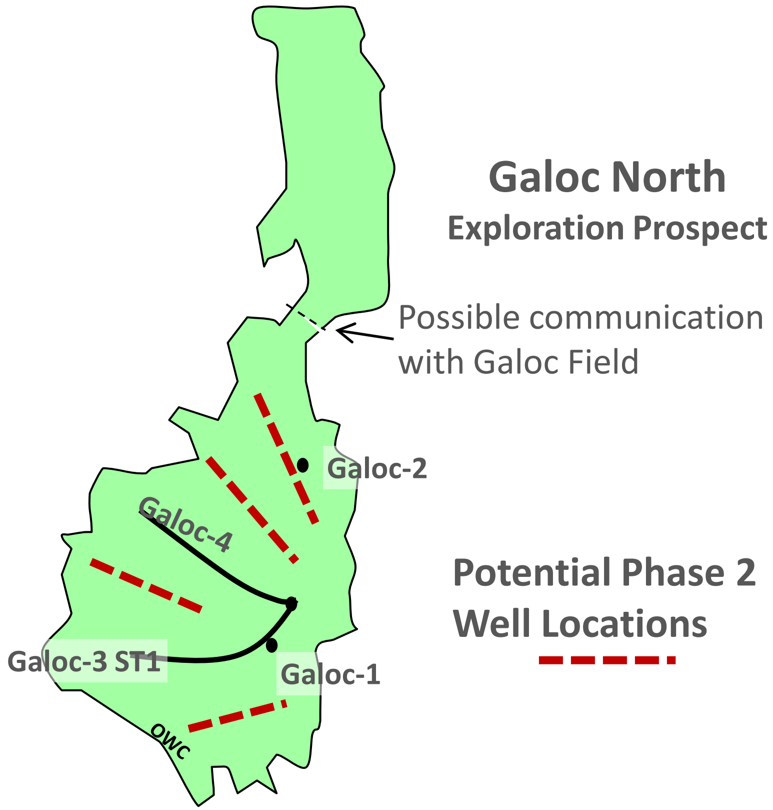
SC14C Exploration

- Near field tie back with potentially substantial oil column, possibly connected to Galoc field

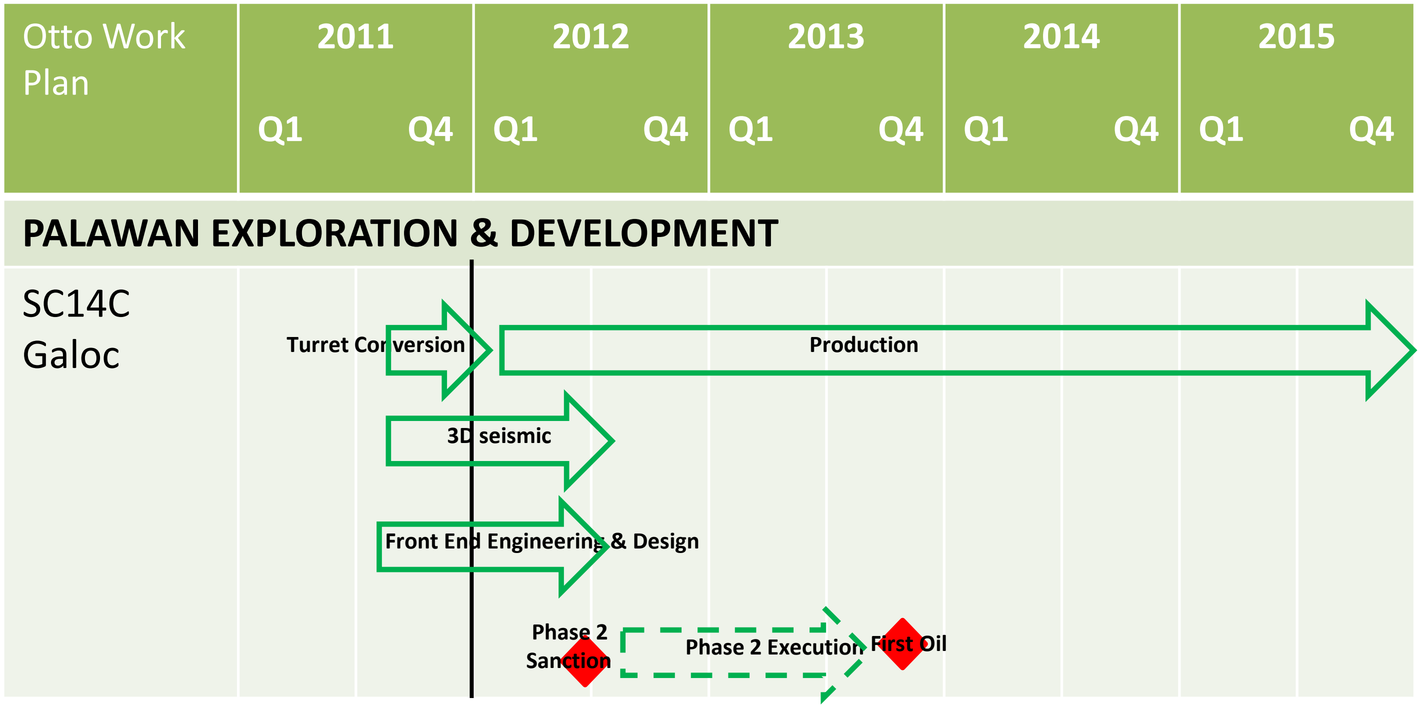


Galoc North Prospect:

- Areal Extent ~12km2
- Potential HC Column~240m
- 5km tie-back to existing facilities
- Key risk – reservoir thickness and presence
- STOIIP 9 to 66 MMbbls



SC14C: Phase II Development Timeframe

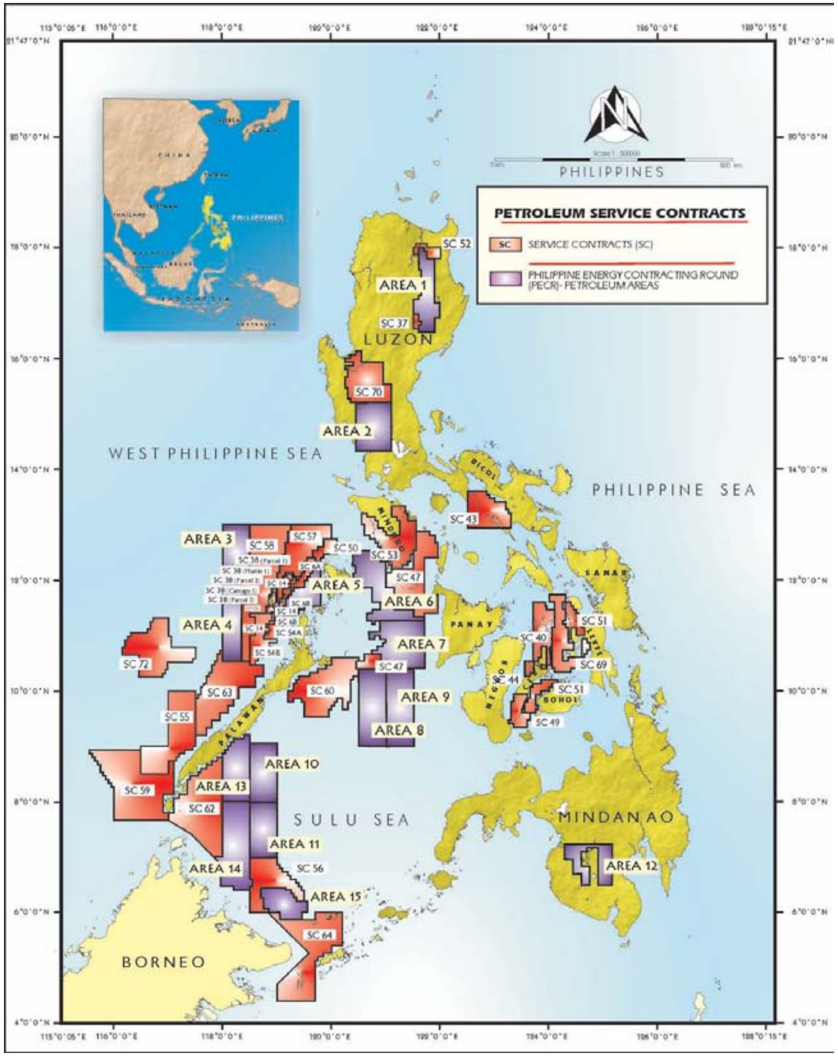


Portfolio Overview

Exploration

Philippines – Strong Drivers to Maintain as Focus Area

- Pragmatic and helpful government working to attract oil & gas investment.
- Established and competitive fiscal regime delivered through Service Contract structure
- Continuous opportunity flow with new acreage release underway through the Philippine Energy Contracting Round 4 (PECR4)
- Historical success includes the Malampaya gas and oil field but still relatively under explored
- Diverse geological plays across a proven hydrocarbon system
- Prospectivity attracting several major players including Chevron, Shell and BHP Billiton
- **Otto has an established presence and proven capability which can be leveraged**



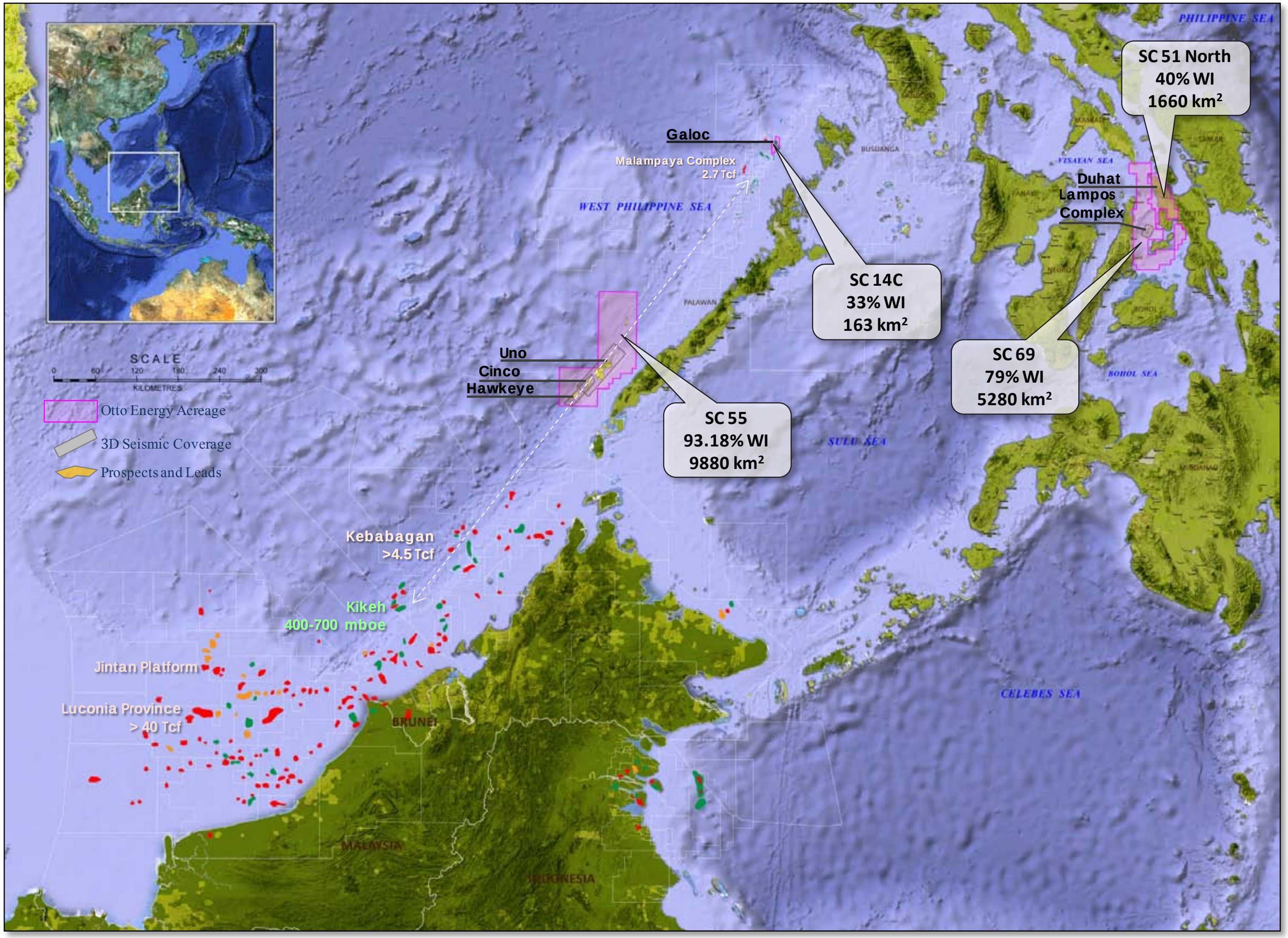
East Africa – Growth to Complement Existing Portfolio

OTTO ENERGY

East Africa represents a growth opportunity that complements our core business in the Philippines

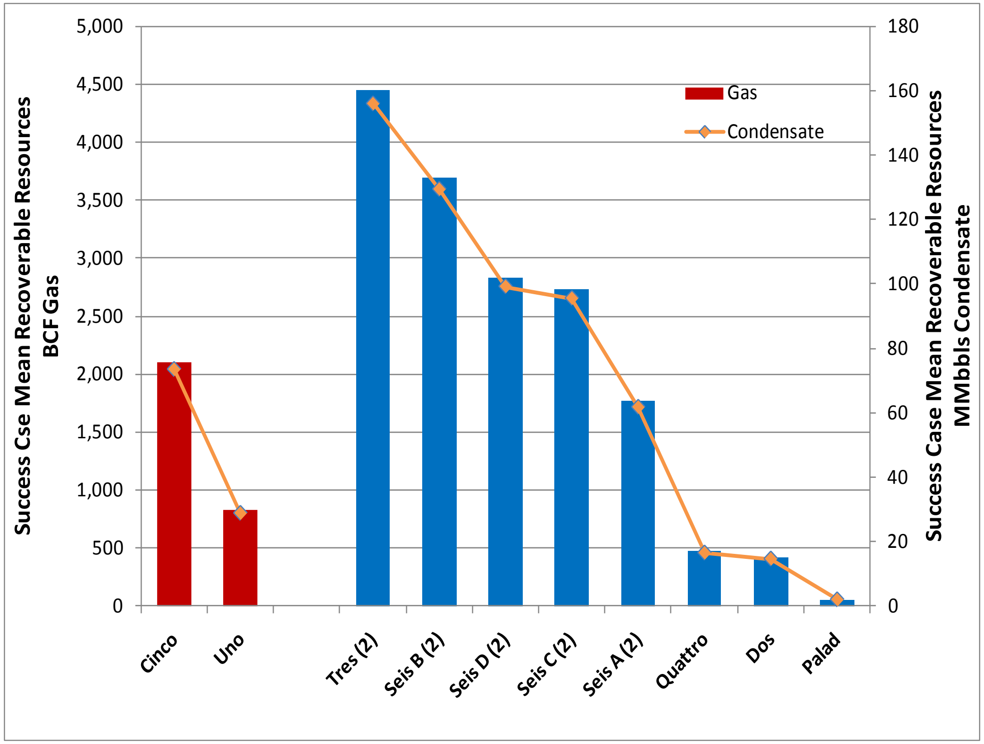
- Recent large oil and gas discoveries in the region particularly Mozambique, Tanzania and Uganda
- Play type complements Otto's existing portfolio
- Provides increased scope for onshore assets to complement existing offshore assets
- Managing risk versus financial exposure with scope for low cost ground floor exploration
- Strategic partnering with Swala has allowed us to screen multiple opportunities and capture an entry point into East Africa

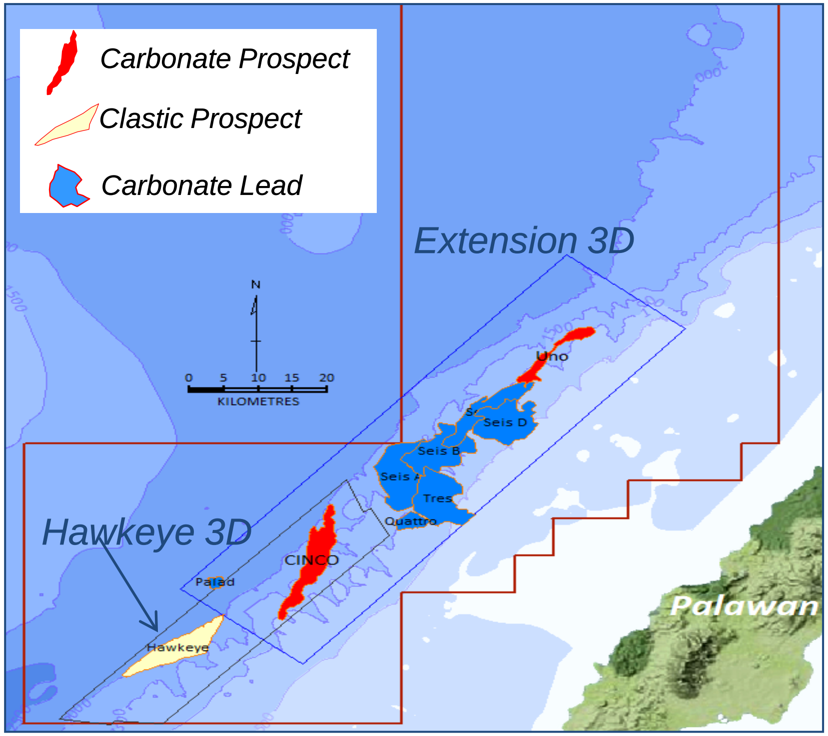
SC55: Overview



SC55: Carbonate Gas Prospect & Lead Portfolio

- An **impressive portfolio of gas and condensate targets**, aggregating into an emerging major regional offshore trend, parallel to the island of Palawan, Philippines
- **Total unrisked potential Mean Recoverable Resources (Nido level carbonates only)**:
    - Gas: 19 Tcf
    - Condensate: 670 MMbbls

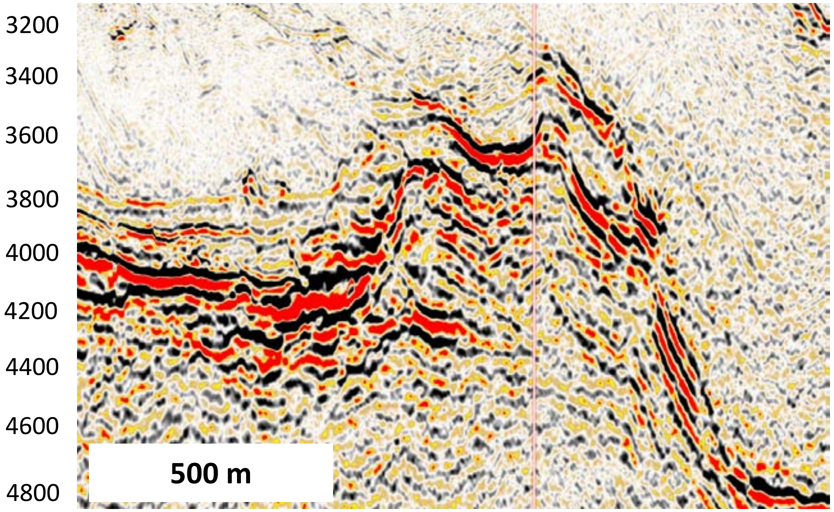


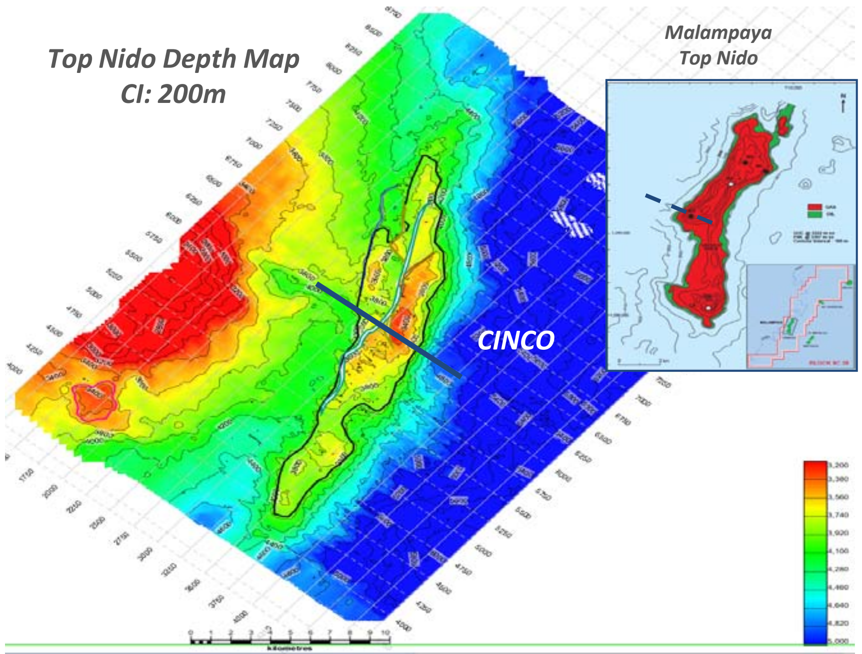


1) based on 35 bbl Condensate / MMSCF Gas
2) column height limited to 1,500 metres

SC55: Cinco - Leading Drilling Candidate

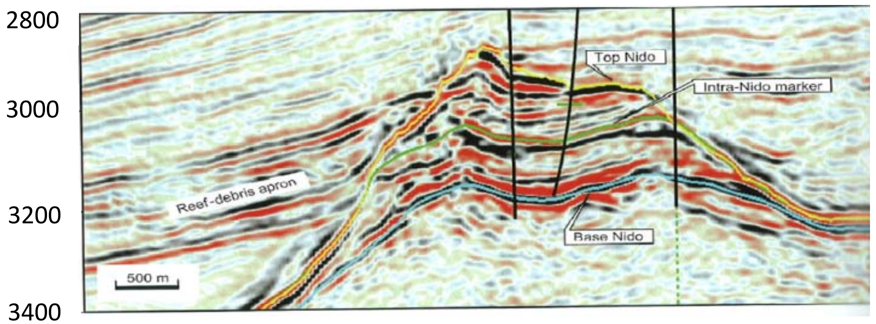
CINCO - A reefal /platform carbonate complex





Cinco Prospect (OEL WI post farm-down 33.18%)	
Area of Closure	53 km^2 Up to 500m column height
Water Depth	1,430 metres
Objective Depth	3,120 – 4,500 metres
Initial Success Case Gross Recoverable Resource Estimate	
Gas	0.47-3.8 Tcf (mean of 2.1 Tcf)
Condensate	16-132 MMbbls (mean of 74 MMbbls)

MALAMPAYA - Analogue

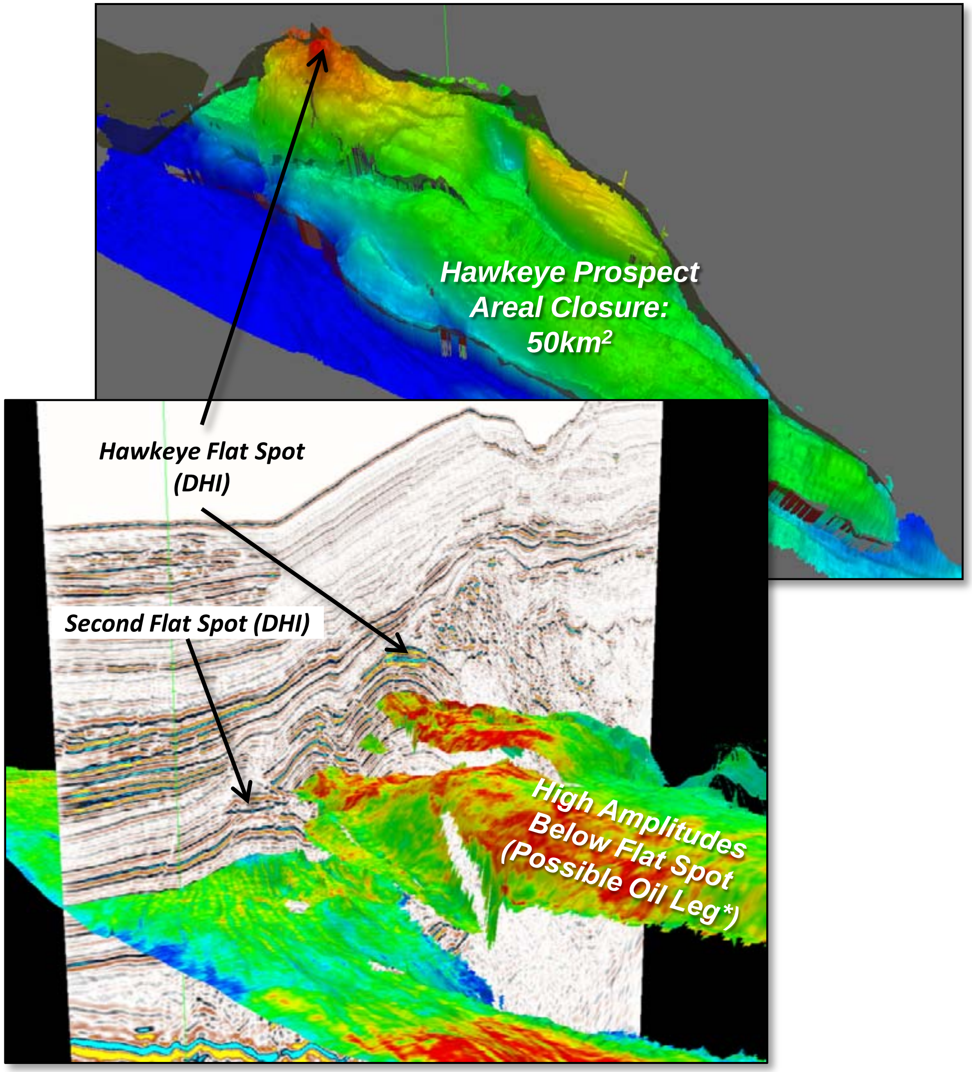


*Proven Reserves 2.5 Tcf Gas and 81 MMbbl Condensate

SC55: Hawkeye

Hawkeye Prospect (OEL WI post farm-down 33.18%)	
Location	Offshore, SW Palawan
Water Depth	1,690 Metres
Objective Depth	2,800 Metres
Area of Closure	50 km^2 Up to 500m column height
STOIIP (Success Case)	87-484-1539 (mean of 680 MMbbls)
GIIP (Success Case)	0.2-1.2-2.5 (mean of 1.3Tcf)

STOIIP means Stock Tank Oil Initially in Place
GIIP means Gas Initially in Place



**Rock physics work supports an oil phase below the gas cap (DHI)*

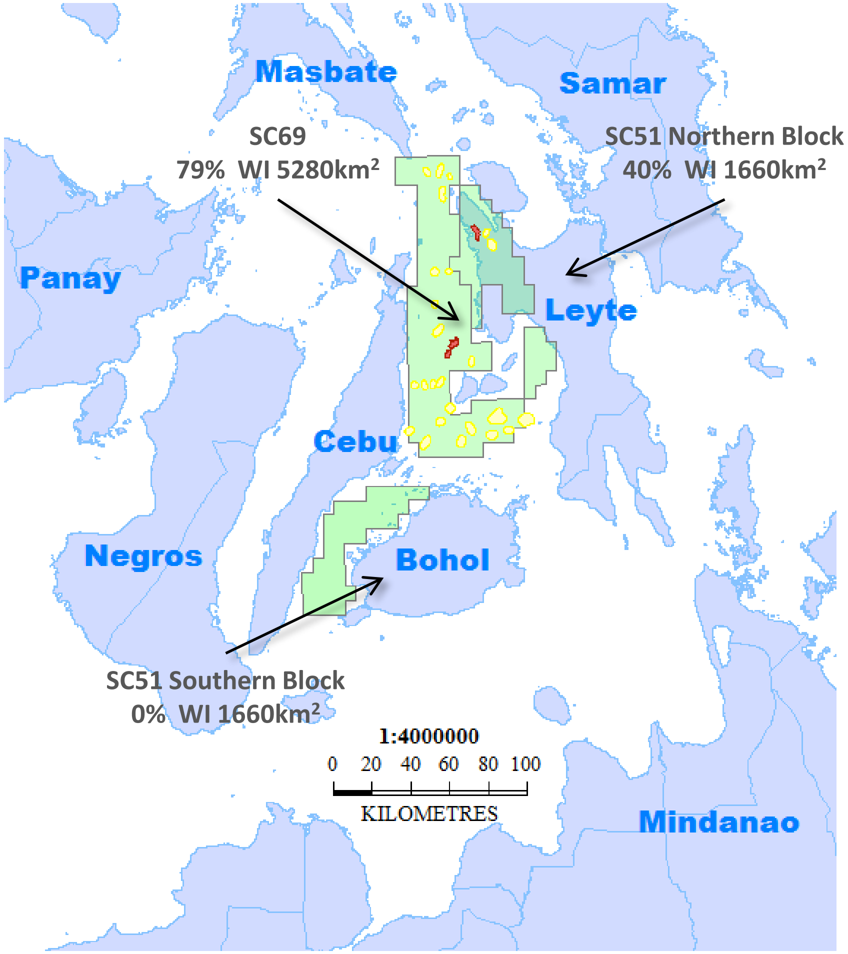
SC55: BHP Farm-in

BHP Billiton farm-in announced May 2011:

- BHP Billiton to acquire 60% net participating interest, including operatorship of SC55
- Otto to retain 33.18% participating interest after BHP Billiton farm-in
- Otto to receive:
  - Reimbursement of past costs
  - A carry on the cost of drilling two offshore deepwater wells
  - If BHP Billiton do not elect to drill the 2nd well, 30% participating interest and operatorship reverts to Otto Energy
  - BHP Billiton have also funded 1,800km^2 of 3D seismic

Philippines Visayan Exploration

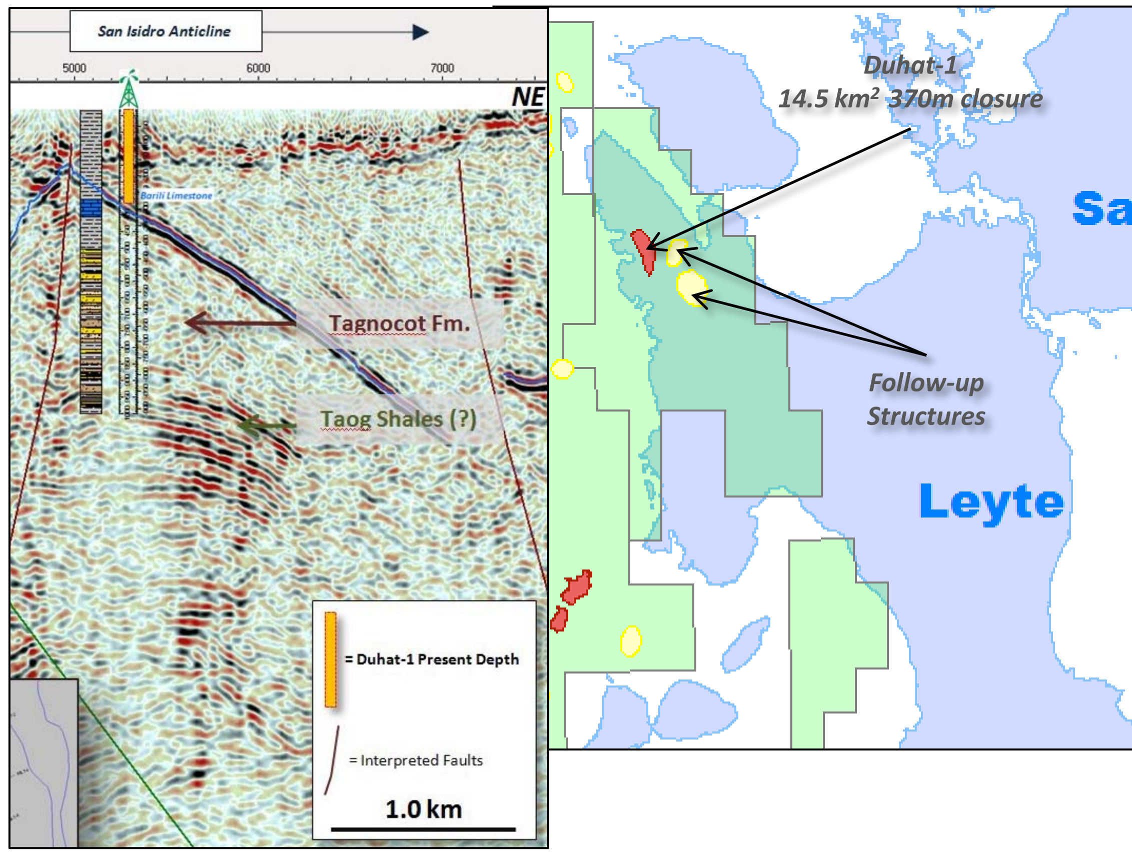
Licence	Activity	Interpretation/ Prospect Maturation
SC51	New 100km 2D Seismic	Follow-up of Duhat-1/1A drilling in Q2 2011
SC69	New 229km² 3D Seismic	Completed 3D seismic acquisition in June. Now interpreting



SC51: Duhat-1 follow-up

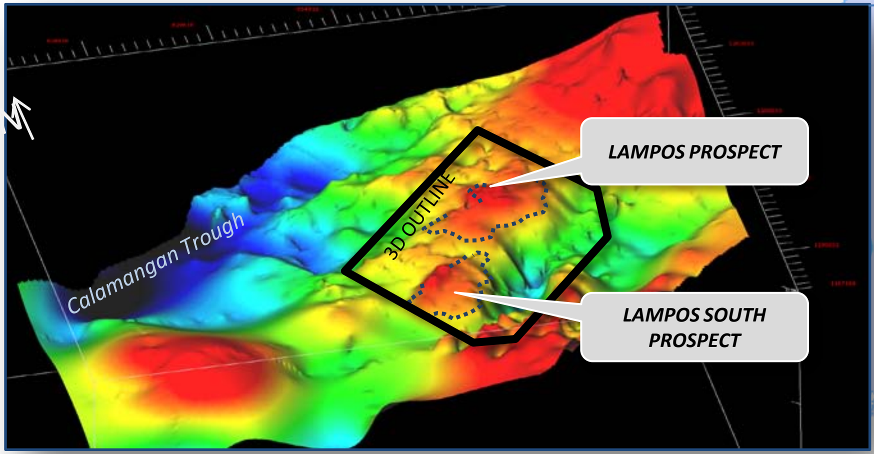
Duhat-1 is the **first valid structural test conducted on the island of Leyte**, an area of well-known and documented oil seeps.

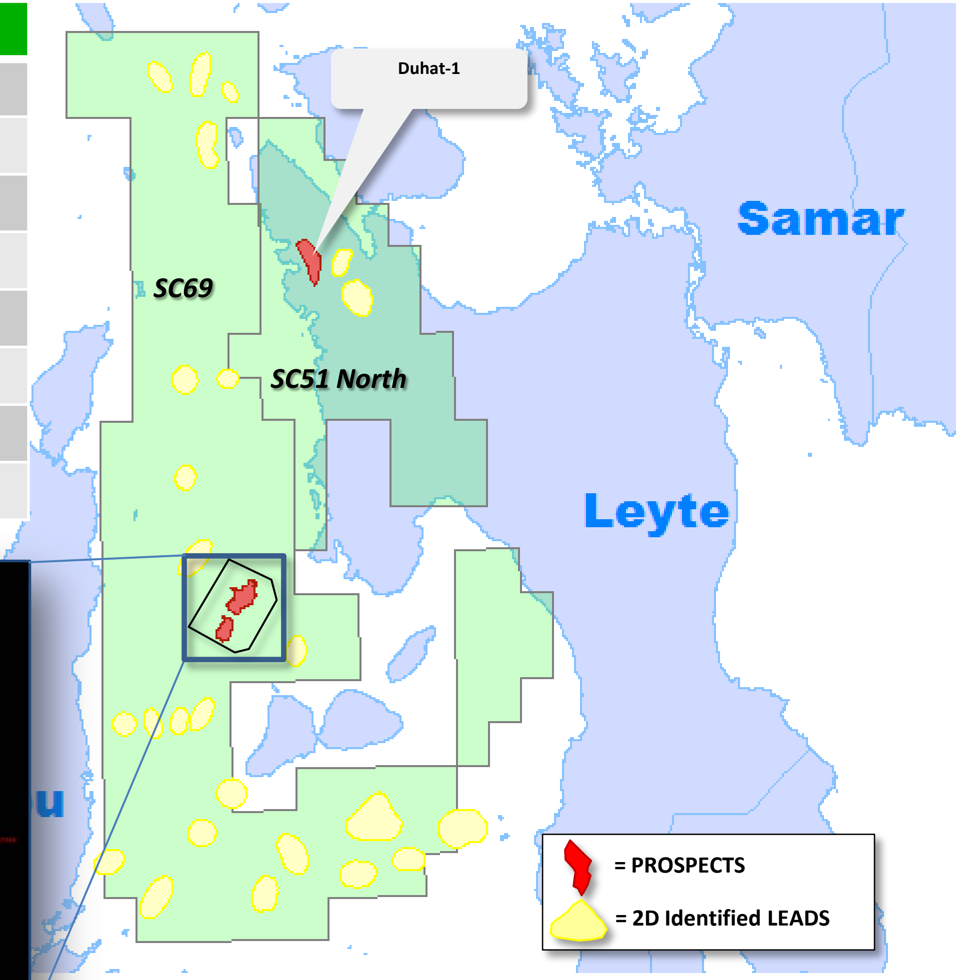
Duhat-1 Prospect: Drilling the San Isidro Anticline OEL WI 40% post farm-down	
Location	On-shore, NW Leyte
Proposed Well Depth	1000m
Area of Closure	14.5 km^2
STOIIP	12-76-263 MMbbls
Source	Upper Oligocene Taog shales (TOC >3%)
Spud Date	20 April 2011



SC69: Maturing to drillable status

OEL WI 79%	Lampos	Lampos South
Location	Off-shore Visayan Basin	
Water Depth	740 Metres	714 Metres
Objective Depth	1,250 Metres	1,350 Metres
Closure Area	14.2 km^2	9.8 km^2
Closure Height	300m	330m
STOIIP[1]	15-121-468 MMbbls	7-57-245 MMbbls
GIIP[2]	22-162-612 Bcf	10-76-326 Bcf
Source Area	Calamangan Trough	





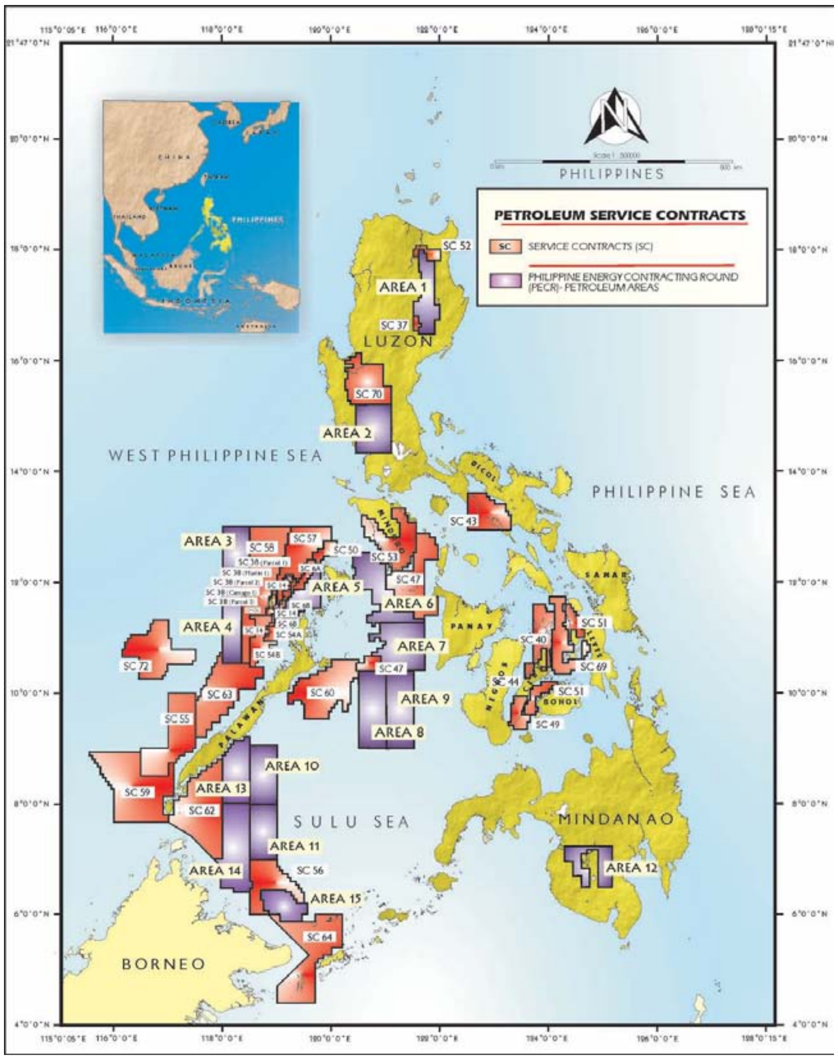
1. *Success case if trap oil filled*
2. *Success case if trap gas filled*

Otto Energy Ltd

Future Milestones

New Business

PHILIPPINE ENERGY CONTRACTING ROUND 4 (2011)



EAST AFRICA ONSHORE RIFT VALLEY

Asset Portfolio

NEW BUSINESS → EXPLORATION → APPRAISAL/ DEVELOPMENT → PRODUCTION

NEW BUSINESS

PECR4:
- Actively screening opportunities

East Africa:
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South East Asia:
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EXPLORATION

Palawan Exploration:
- SC55:
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  - Hawkeye drill ready

Visayan Exploration:
- SC51:
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APPRAISAL/ DEVELOPMENT

Galoc Oil Field Phase II:
- Planned 1-3 new wells in 2013 for 3-9 MMbbl recoverable
- 3D seismic acquisition completed
- FEED on schedule
- FID planned mid-2012

PRODUCTION

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- FPSO Rubicon Intrepid Turret Upgrade in progress – planned reconnection late Q1 2012

INORGANIC NEW BUSINESS

THANK YOU

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