26 June 2012

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

By E-Lodgement

Highlights:

- **PHILIPPINES' DEPARTMENT OF ENERGY APPROVES EXTENSION OF SERVICE CONTRACT 69 SUB-PHASE 3**

Otto Energy Ltd (ASX:OEL) advises that the Philippines Department of Energy (DOE) has approved an extension to the current Exploration Sub-Phase 3 of SC69 by 9 months.

The revised permit timing is as follows:

Sub-Phase	Period	Work Program Commitment
Sub-Phase 3	7 February 2011 to 7 May 2013	50 sqm 3D seismic or drill 1 exploration well
Sub-Phase 4	7 May 2013 to 7 May 2014	50 sqm 3D seismic or drill 1 exploration well
Sub-Phase 5	7 May 2014 to 7 May 2015	Drill 1 exploration well

- Recent 3D seismic data has confirmed the presence of 3 attractive potential drilling targets in the most prospective portion of the block, Lampos, Lampos South and Managau East
- An extension to the present permit term has been sought to allow sufficient time to complete detailed technical evaluation of the prospects and allow considered selection of the most attractive for drilling
- During the extension period, outstanding technical work will be completed, the prospect portfolio will be ranked and well planning will commence
- The results of the 3D seismic are encouraging and present a series of candidate targets for the first well in the block. In the event of success in the first well, significant follow up targets have already been identified

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.
- 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

The working interests in Service Contract 69 are:

Otto Energy (through wholly owned subsidiary Otto Energy Investments Ltd (previously NorAsian Energy Ltd))	79%
Frontier Gasfields Pty Ltd	15%
Trans-Asia Oil and Energy Development Corporation	6%

Yours faithfully

Gregor McNab
Chief Executive Officer

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