

14 March 2013

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

By E-Lodgement

GALOC OIL FIELD RESERVES UPDATE

Highlights:

- Otto announces updated attributable Galoc oil field 1P Reserves of 3.4 MMstb and 2P Reserves of 4.3 MMstb.
- Galoc has Reserves Replacement Ratio of 115% on the Proved basis and 98% on the Proved & Probable basis.
- Galoc oil field Reserves are expected to maintain production beyond 2020.
- Otto expects increased production volume from Galoc Phase II in 2H 2013.
- [Galoc is one of three exploration events planned by Otto in CY2013 along with the Duhat-2 well and SC-55 prospect in the Philippines.]

Otto Energy Ltd ("Otto") (ASX: OEL) is pleased to provide an update on remaining oil reserve balances at the Galoc oil field in the Philippines as at 1 January 2013.

The operator of the Galoc oil field, Galoc Production Company WLL, is a wholly owned subsidiary of Otto. It has commissioned an annual review of remaining oil reserves from RISK, an independent consulting firm.

RISC has reviewed the Galoc oil field reserves in accordance with the SPE, WPC, AAPG and SPEE Petroleum Resource Management System definitions, guidelines and auditing standards.

The reported increases in reserves are attributable to better than expected reservoir performance to date and an extension of field life due to higher prevailing oil prices. The Galoc oil field is expected to remain in production beyond 2020 based on the Galoc Phase I and Phase II well configuration.

A detailed breakdown of Reserves is shown in Appendix A.

Otto's Chief Executive Officer Mr Gregor McNab said "Galoc continues to be a key asset for Otto, delivering valuable cashflow to fund future growth opportunities. I look forward to the delivery of continued reliable production from existing operations and increased production volume from Galoc Phase II in 2H 2013. I am proud of Otto's continued growth as an integrated exploration, development and production company focused on South East Asia and East Africa."

OTTO AT A GLANCE

- ASX-listed oil and gas company with a strategy to grow its integrated oil and gas business across exploration, development and production
- Focused on South East Asia and East Africa
- Operator of the producing Galoc oil field in the Philippines, which provides cashflow
- Opportunity rich with substantial exploration prospects and leads

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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Competent Persons Statement

The Reserve and Contingent Resource estimates outlined in this announcement have been compiled by Mr Nick Pink. Mr Pink is the Senior Reservoir Engineer of Otto and a full time employee. Mr Pink has more than 14 years of relevant experience and is qualified in accordance with ASX Listing Rule 5.11. Mr Pink has consented to the form and context that this statement appears.

APPENDIX A: GALOC OIL FIELD RESERVES UPDATE

Estimated Ultimate Recovery (EUR) and Reserves	1P Proved Reserves	2P Proved and Probable Reserves
	MMbbl	MMbbl
EUR at 1st July 2012	19.2	25.0
EUR at 1st Jan 2013	21.7	25.4
Change in EUR	13%	1%
Cumulative Production to 1st Jan 2013	9.9	9.9
Gross Field Reserves at 1st Jan 2013	11.7	15.4
PSC Contractor Entitlement Reserves at 1st Jan 2013	10.2	13.1
Otto Net Entitlement Reserves at 1st Jan 2013	3.4	4.3

PSC Entitlement Reserves	1P Proved		2P Proved and Probable	
	Gross	Net	Gross	Net
	MMbbl	MMbbl	MMbbl	MMbbl
Entitlement Reserves 1st July 2012	8.9	2.9	13.4	4.4
Entitlement Production	(0.8)	(0.3)	(0.8)	(0.3)
Acquisitions	0.0	0.0	0.0	0.0
Additions (Upgrade to Phase 1 & 2)	2.1	0.7	0.5	0.2
Entitlement Reserves 1st Jan 2013	10.2	3.4	13.1	4.3
Reserves Replacement Ratio	115%	115%	98%	98%

1. EUR numbers do not include G-1 EWT production in 1988