19 March 2013

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

By E-Lodgement

SC55 DRILLING PREPARATIONS DELAYED BY KEY APPROVALS

Highlights:

- **Otto has been advised by BHPB that there is a delay in the issue of key regulatory approvals required to drill the Cinco-1 well**
- **Otto is investigating the potential impact on the timing of the SC55 work program**

Otto Energy Ltd ("Otto") (ASX: OEL) announces that it has received formal correspondence from BHP Billiton Petroleum (Philippines) Corporation (BHPB) (ASX: BHP), in its capacity as Operator, explaining that certain Philippines regulatory approvals necessary to fulfil the Service Contract 55 (SC55) work program have yet to be obtained.

Otto and the joint venture are in discussion regarding the impact of these events on the current August 2013 deadline. Otto is continuing to actively engage BHPB regarding various options which include potentially temporarily suspending SC55, the joint operating agreement and farm-in agreement under force majeure.

BHPB has reiterated that its objective remains to fulfil its contractual commitment to drill the Cinco well in SC55 at the earliest opportunity. BHPB has also advised that it has progressed activities to secure key services to drill the Cinco-1 well. These activities are well advanced but BHPB has advised that it cannot enter into binding agreements until all necessary regulatory approvals have been secured.

Otto will provide further updates as information is received from BHPB.

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 onshore 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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Otto Chief Executive Officer Gregor McNab said: “Otto remains committed to successful delivery of the work program in SC55. The company is currently investigating the impact of the delayed regulatory approvals and will keep shareholders updated as additional information is received.”

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