2 May 2013

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

By E-Lodgement

KUFPEC WELCOMED TO GALOC JOINT VENTURE

Highlights:

- **Otto Energy Ltd would like to congratulate KUFPEC on its entry into the Galoc Joint Venture**

Otto Energy Limited ("Otto") (ASX: OEL) on behalf of the Galoc Joint Venture Partners in the Philippines, announces that Kuwait Foreign Petroleum Exploration Company ("KUFPEC") has become a partner in the Galoc joint venture.

KUFPEC has assumed control of a 26.84473% working interest in the Galoc joint venture following the acquisition of Risco Energy Pte Ltd, the ultimate parent of Galoc Production Company No. 2 Pte Ltd. Otto continues to hold a 33% working interest and remains operator of the Galoc project.

The Galoc joint venture partners last year approved the Galoc Phase II development and is due to commence drilling in June 2013 and first oil is expected in Q4 2013. KUFPEC joins the Galoc joint venture during a critical period of investment that will extend production from Galoc beyond 2020.

Otto Chief Executive Officer Gregor McNab said: "The entry of a high quality partner such as KUFPEC into the Galoc joint venture is a testimony to the strength of the Galoc project overall. KUFPEC brings a wealth of technical and financial experience to the project at an important stage in the long term development of the field. On behalf of the joint venture, we would like to welcome KUFPEC and we look forward to working with them as we progress Phase II and build for the future of Galoc."

--Ends--

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

Contact: Matthew Allen Chief Financial Officer +61 8 6467 8800 info@ottoenergy.com	Media: Dudley White MAGNUS Investor Relations + Corporate Communication +61 2 8999 1010 dwhite@magnus.net.au

APPENDIX A: GALOC OIL FIELD SUMMARY

Joint Venture Partners:

Participant	Participating Interest %
Galoc Production Company W.L.L. (Operator) (Wholly owned subsidiary of Otto Energy Ltd (ASX: OEL))	33.00000
Galoc Production Company No. 2 Pte Ltd (Wholly owned subsidiary of Kuwait Foreign Petroleum Exploration Company)	26.84473
Nido Production (Galoc) Pty Ltd (ASX: NDO)	22.87952
Oriental Petroleum & Minerals Corporation and Linapacan Oil Gas & Power Corporation	7.78505
The Philodrill Corporation	7.21495
Forum Energy Philippines Corporation	2.27575

Location:

The Galoc field is located in Service Contract SC14-C (Galoc Sub Block) in 290m of water approximately 65km North West of Palawan Island and 350km south of Manila in the Republic of the Philippines.