3 May 2013

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

By E-Lodgement

SC55 OPERATOR LODGES FORCE MAJEURE NOTICE TO PRESERVE PERMIT RIGHTS

Highlights:

- **BHP Billiton, Operator of the SC55 permit, has lodged a notice of Force Majeure to suspend the timing of current permit obligations and preserve all permit rights**

Otto Energy Limited (OEL) (ASX: OEL) has been notified by BHP Billiton Petroleum (Philippines) Corporation (BHPB) (ASX: BHP), the Operator of Service Contract 55 (SC55) licence in the Republic of the Philippines, that it has lodged a formal notice of force majeure with the Philippine Department of Energy.

The declaration of force majeure comes amid delays in receiving the Strategic Environmental Plan Clearance ("SEP Clearance") for SC55 from the Palawan Provincial Council for Sustainable Development ("PCSD"), as detailed in Otto's previous ASX announcement dated 13th April 2013. The SEP Clearance would ordinarily have been expected to be received in September 2012 and the notice of force majeure seeks a suspension of permit obligations from this date until the receipt of the SEP Clearance.

The Sangguniang Panlalawigan (Palawan Provincial Board) has requested the submission by BHPB, as the Operator, of a comprehensive socio-economic development programme for the Province of Palawan prior to recommending endorsement of the SEP Clearance by the PCSD, which is not a requirement under Philippine Law, nor has it been required for exploration approvals in the past.

The effect of issuing the notice of force majeure is to suspend the obligations under the current Fourth Sub-Phase of SC55, including the drilling of the Cinco-1 well, and to preserve the remaining time under the exploration period of SC55 until the SEP Clearance is received. The Operator, the SC55 joint venture and the Philippine Department of Energy will continue to work towards securing the SEP Clearance and in doing so, remove the cause of the force majeure.

Otto is unable to provide a timeframe in which it expects the SEP Clearance to be received, however the company will continue to keep shareholders informed of material developments in the process as they occur.

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

www.ottoenergy.com

Head Office 32 Delhi Street, West Perth WA 6005 Australia PO Box 1414, West Perth, WA 6872 Australia T: +61 8 6467 8800 F: +61 8 6467 8801
Manila Office 32nd Floor Philamlife Tower, 8767 Paseo de Roxas, Makati City 1226, Philippines T: +63 2 773 2700 F: +63 2 773 2801
info@ottoenergy.com ASX Code: OEL ABN: 56 107 555 046

Following receipt of the SEP Clearance, BHPB will subsequently finalise securing an appropriate deepwater drilling rig in order to undertake drilling of the Cinco-1 well.

The SC55 Operator, and joint venture partners, remain committed to delivering the Cinco-1 well in SC55 in accordance with the contractual work programme commitments to the Philippine Department of Energy.

Otto Chief Executive Officer Gregor McNab said: "The Cinco prospect in SC55 is an exciting and material opportunity and we look forward to BHPB concluding final clearance of the SEP and drilling the Cinco prospect. BHPB has reiterated that its objective remains to fulfil its contractual commitment to drill the Cinco-1 well in SC55 at the earliest opportunity and all parties will continue to work towards that goal."

--Ends--

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