

21 October 2013

Manager of Company Announcements
ASX Limited
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By E-Lodgement

GALOC-6H WELL SUCCESSFULLY TESTED

Highlights:

- **Galoc-6H well successfully flowed to surface as part of well clean-up and testing operations.**

Otto Energy Limited ("Otto") (ASX:OEL), as operator of the producing Galoc oilfield joint venture offshore the Philippines, provides the following update on the Galoc-5H and Galoc-6H drilling campaign in SC14C.

Progress

During the period from 0600 hours (AWST) on 16th October 2013 to 0600 hours (AWST) on 21st October 2013, the subsea tree installation, well clean-up and flow test operations were successfully completed on the Galoc-6H well.

The Galoc-6H well has successfully flowed oil to surface from the Galoc Clastic Unit (GCU) with the well flowing at a stable rate of 3,800 barrels per day ("bopd") on a 56/64" choke setting with a flowing tubing pressure ("FTP") of ~570 psi. Operations were conducted via the drilling rig "Ocean Patriot" and oil was flared at the location.

The initial oil deliverability potential from Galoc-6H under normal field operating conditions is expected to be between 4,000 and 6,000 bopd with final operating rates to be set according to optimum facility and reservoir management constraints. The results from this flow test are in line with the forecast overall field production rate of 12,000 bopd to be delivered once Phase II is brought in to production in late November 2013.

Forward Plan

The forward plan is to secure the Galoc-6H well ready for hook-up operations due to take place through November. This completes the infield drilling operations phase of the Galoc Phase II project and the drilling rig will pull anchors and demobilise to Singapore.

--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

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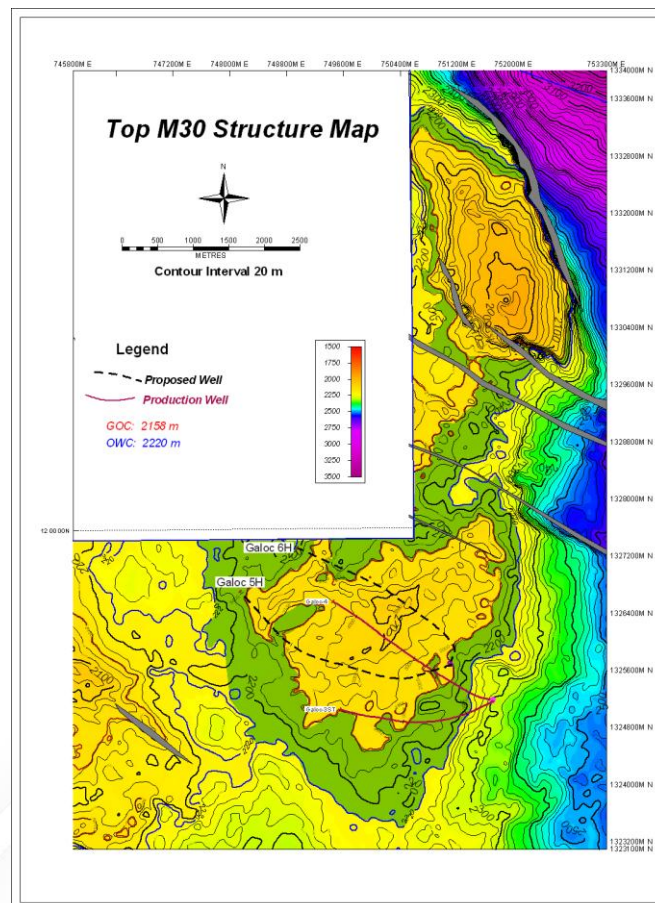
Location and Proposed Depth

The Galoc field is located in Service Contract SC14C (Galoc Sub Block) in 290 metres of water approximately 65km North West of Palawan Island and 350km south of Manila in the Republic of the Philippines. The Galoc-5H and Galoc-6H development wells are being drilled within the existing producing field that has delivered over 10 MMbbls of production since the field was commissioned in 2008.

The Galoc-5H and Galoc-6H development wells will be drilled to a total vertical depth of 2,190 metres with 1,777 metres of horizontal completion in the G-5H well and 1,389 metres of horizontal completion in the G-6H well. Drilling is expected to take approximately 115 days including the flowing of the wells for clean-up.

After drilling of both Galoc-5H and Galoc-6H is completed, the DOF operated Skandi Skansen construction vessel will be used to install the subsea equipment and complete the hook-up of both wells to the FPSO Rubicon Intrepid.

First oil from the Phase II wells is expected in November 2013.



APPENDIX A: SUMMARY

SC14C Galoc-5H and Galoc-6H Development Wells	
Location	Palawan Basin, Philippines
Permit	SC14C
Well Type	Horizontal development wells
Target	Turbiditic sandstone in Miocene Galoc Classic Unit
Water Depth	Approximately 311 metres
Planned total depth	Approximately 2,190 metres vertical Total drilled length of 4,497 metres for the G-5H well Total drilled length of 3,958 metres for the G-6H well

Note: Depth is measured in total metres drilled below the rig rotary table or drilling floor

Joint Venture Partners:

<u>Participant</u>	<u>Participating Interest %</u>
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