ASX : OEL

OTTO ENERGY

Investor Update

December 2013

Chief Executive Officer – Gregor McNab

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This presentation contains forward-looking statements that are not based on historical fact, including those identified by the use of forward-looking terminology such as statements containing the words "believes", "may", "will", "estimates", "continue", "anticipates", "intends", "expects", "should", or the negatives thereof and words of similar import.

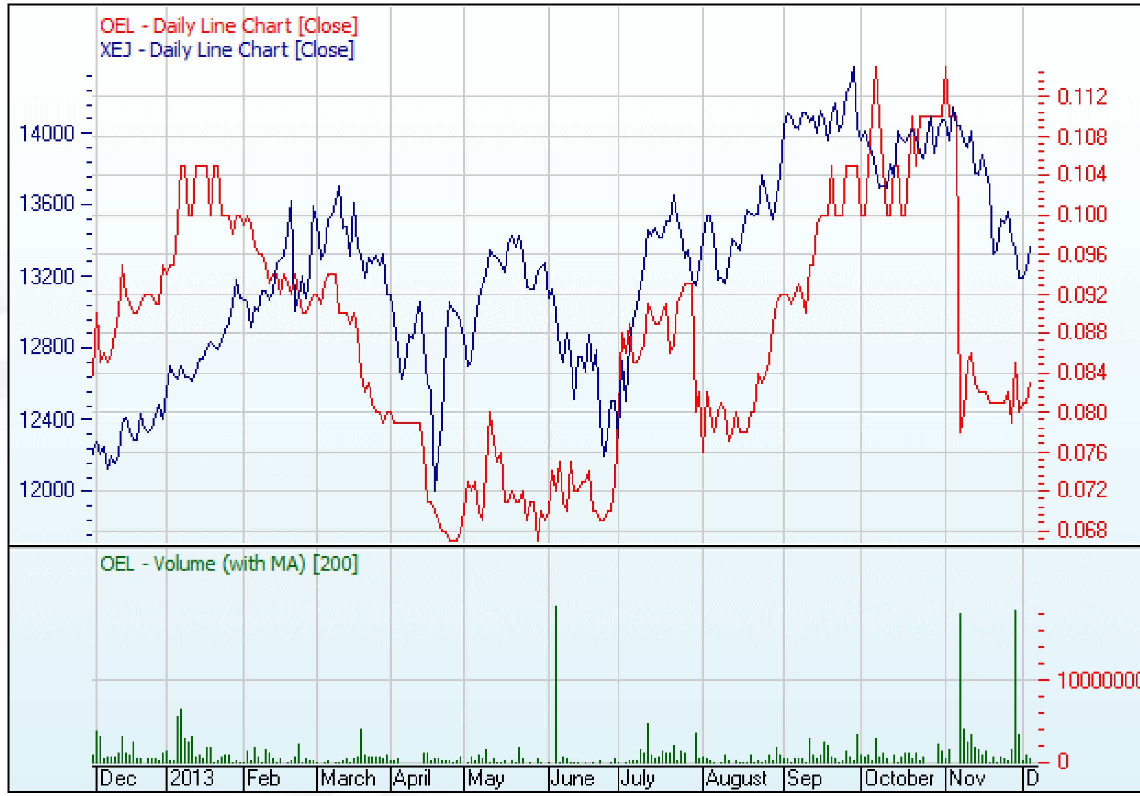
Management of the Company cautions that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by the statements. Management believes that the estimates are reasonable, but should not unduly be relied upon.

The Company makes no representation, warranty (express or implied), or assurance as to the completeness or accuracy of these projections and, accordingly, expresses no opinion or any other form of assurance regarding them. Management does not intend to publish updates or revisions of any forward-looking statements included in this document to reflect the Company's circumstances after the date hereof or to reflect subsequent market analysis.

The hydrocarbon reserve and resource estimates are based on information compiled by Mr Nick Pink.
Mr Pink has more than 14 years of relevant experience and is qualified in accordance with ASX Listing Rule 5.11. Mr Pink is a full time employee of Otto Energy as its Senior Reservoir Engineer and has consented to the inclusion in the presentation of the information in the form and context in which is appears.

Capital Structure & Shareholders

Capital Structure	
Fully paid ordinary shares	1.14b
Unlisted options[1]	9.75m
Performance Rights	30.50m
Market capitalisation[2]	$95m
Cash (Sep 2013)	US$19.8m
Undrawn Debt (Sep 2013) [3]	US$11.2m



Shareholders	
Molton Holdings	21.3%
Santo Holdings	21.3%
Acorn Capital	7.4%
Directors	3.7%
Shareholders	3,009

12 Month Turnover = 24.84% of issued capital

Average daily volume last 12 months = 1.115 million shares/day

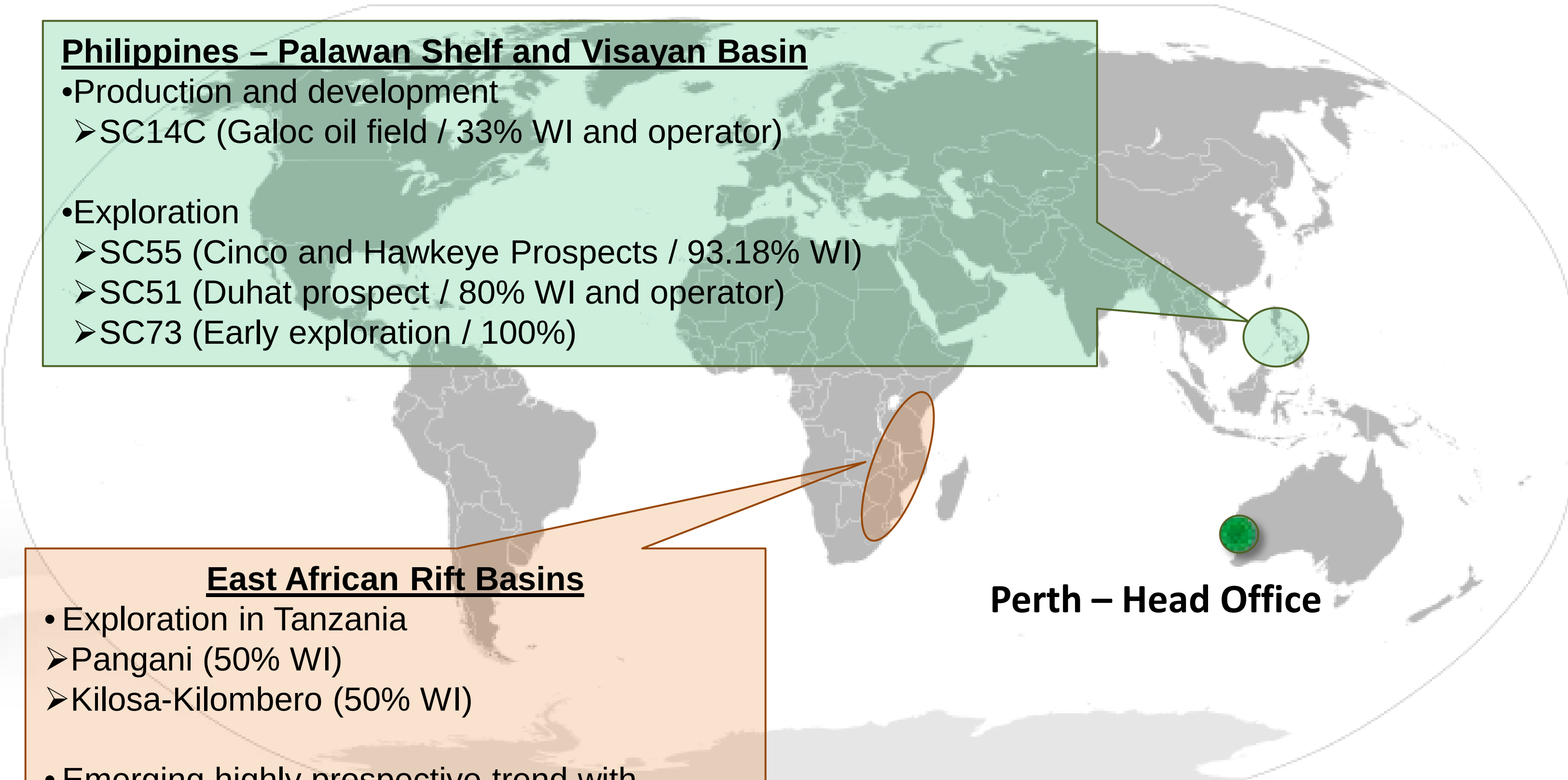
1. *Exercisable at prices between 12 and 12.5 cents per share.*
2. *Undiluted at 8.3 cents per share as at 4 December 2013*
3. *US$36.484m Facility Agreement executed with BNP Paribas and available to be drawn*

Opportunity Focus
South East Asia and East Africa

Philippines – Palawan Shelf and Visayan Basin

•Production and development
- ➢SC14C (Galoc oil field / 33% WI and operator)

•Exploration
- ➢SC55 (Cinco and Hawkeye Prospects / 93.18% WI)
- ➢SC51 (Duhat prospect / 80% WI and operator)
- ➢SC73 (Early exploration / 100%)

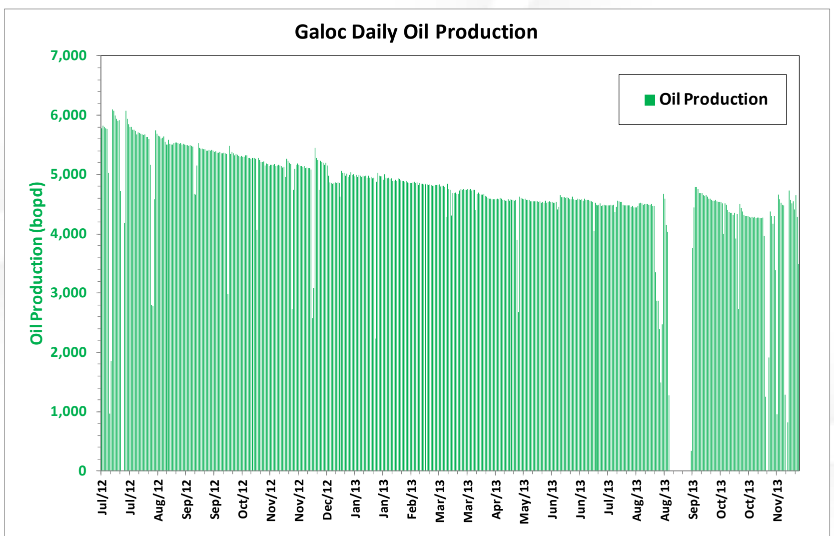


East African Rift Basins
- Exploration in Tanzania
- ➢Pangani (50% WI)
- ➢Kilosa-Kilombero (50% WI)

- Emerging highly prospective trend with competitive entry terms

Production – Galoc Phase I
OEL 33% W.I. (Operator)

- Reliable production: 4,500 BOPD, >98% uptime, 11.4 MMbbl produced to date (gross)
- Cash flow provides funds for growth
- Marketable product: 35° API oil, low sulphur crude easily placed into regional market
- FPSO positioned for long term: Major refit completed 2012



Fiscal Terms:

Factor	%
Cost recovery cap	70
Contractor profit share	37.5
Filipino Participation Incentive Allowance	7.5
Corporate Tax	30

Development - Galoc Phase II First Oil

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- First oil
  - All subsea installation work completed on 30 November.
  - Final commissioning, testing & certification subsequently completed.
  - G5H & G6H wells producing through the FPSO Rubicon Intrepid.
  - System optimisation over coming days to achieve 12,000 BOPD.

- Significant asset to fund future growth
  - Expect to lift ~11 cargos through 2014.
  - Field life extended to ~2020.
  - Revenue generation a competitive advantage over many peers.

- Significant milestone for Otto as an operator
  - 2 years ago we had just started FEED and were getting ready to shoot 3D seismic!
  - Executed all aspects of the project in ~14 months from Final Investment Decision.
  - Maintained costs within ~8% of original budget.
  - OEL share of US$67MM funded without shareholder dilution.

Exploration - SC55
Assumption of BHPB 60% WI

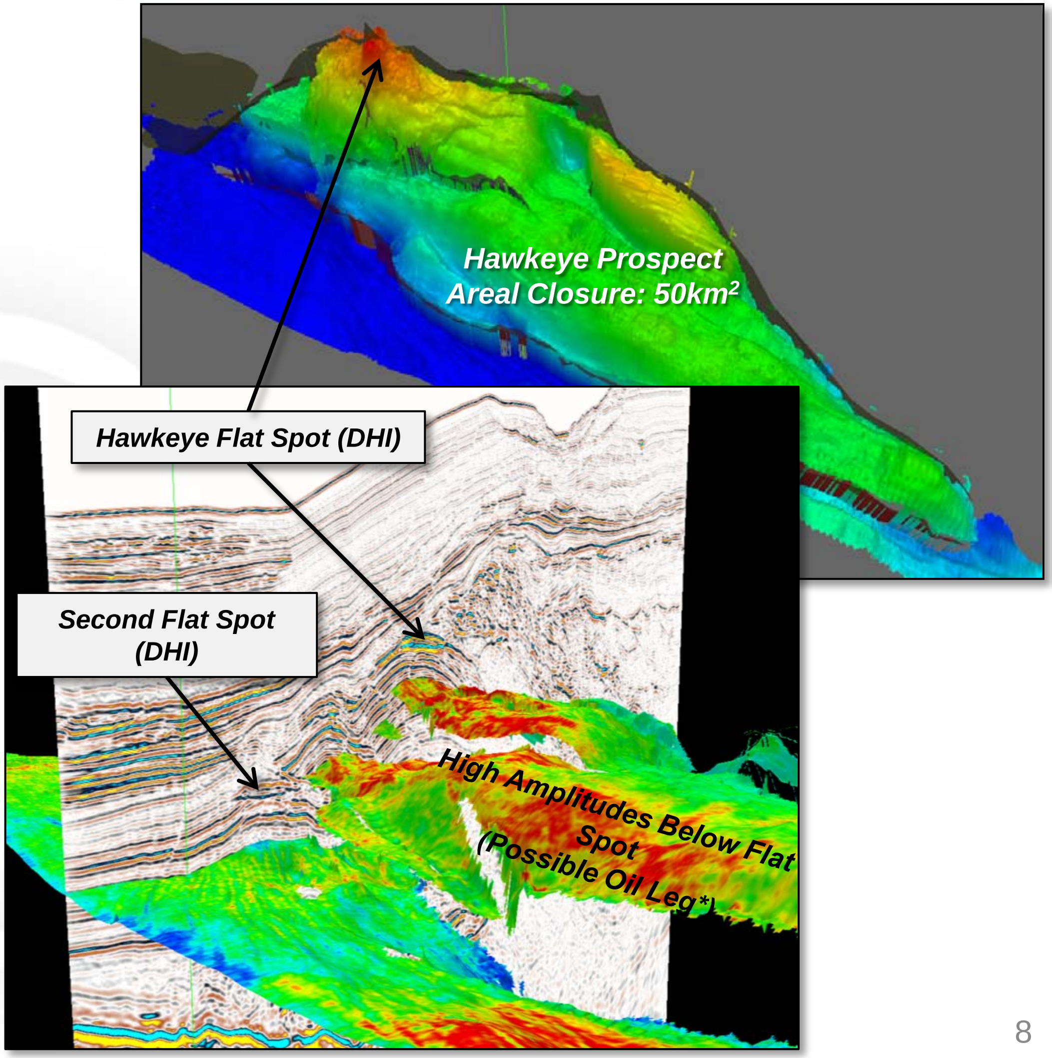
- Letter of Intent
  - Both OEL and BHPB moved quickly to address BHPB's decision to withdraw.
  - Executed LOI defining terms of BHPB's terms of withdrawal.
  - BHPB re-assigns its 60% interest and all future rights to OEL - OEL will retain 93.18%.
  - BHPB pays OEL US$3MM when DOE of assignment granted – further US$24.5MM upon drilling of first exploration well in SC55.

- Hawkeye and Cinco are material & drill ready prospects
  - Both prospects are fully defined by 3D seismic and under consideration as well targets.
  - Drilling planning underway by OEL team.
  - Actively engaged in farmout process.

- Near Term Actions
  - Close out assignment details with BHPB
  - Secure DOE approvals.

Exploration - SC-55
Hawkeye Prospect

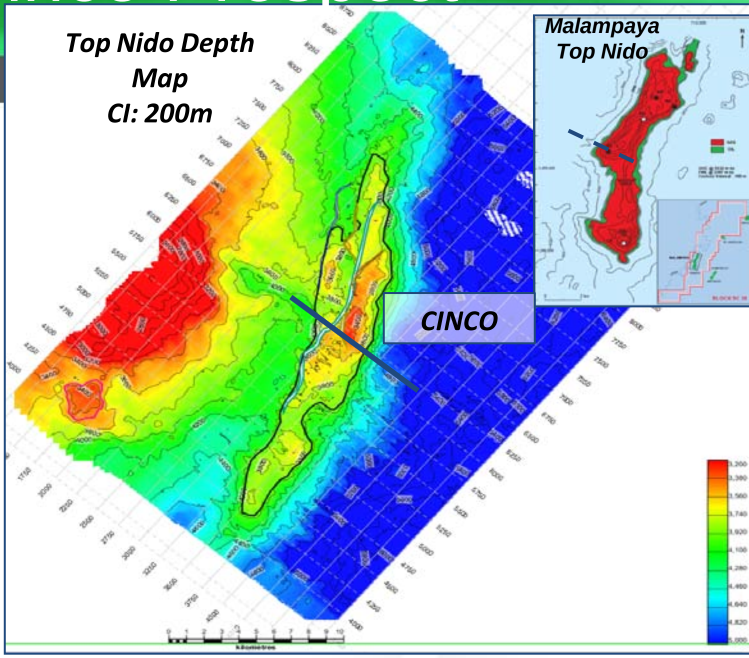
Hawkeye Prospect	
Location	Offshore, SW Palawan
Area of Closure	50 km^2 Up to 500m column height
Water Depth	1,690 metres
Objective Depth	2,750 metres
STOIIP, mmstb	87 - 484 - 1,539 (Low – Best- High)
Net Prospective Resource (*), MMbbl	15 - 89 – 318 (Low – Best- High)
GPOS	27%
Development	FPSO & Tanker Offtake. "Probable" Chance of development given Mid Case Discovery

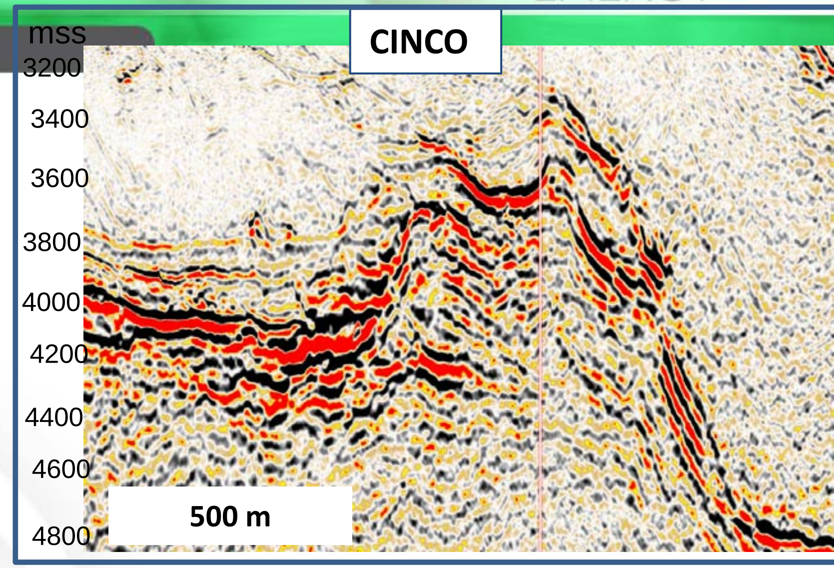


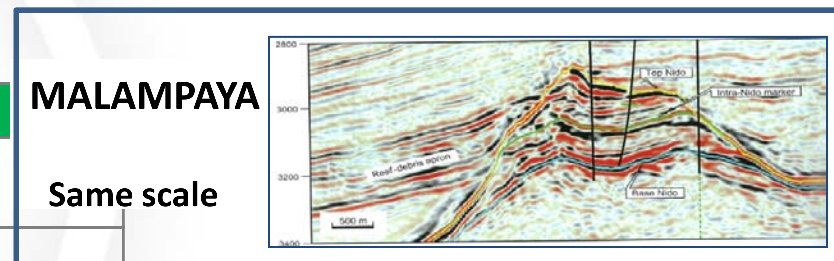
(*) Otto WI 93.18%

- ***Rock physics analysis supports an oil phase below the gas cap (DHI)***

Exploration - SC-55
Cinco Prospect







Cinco Prospect	
Area of Closure	53 km^2 Up to 500m column height
Water Depth	1,430 metres
Objective Depth	3,120 – 4,500 metres
GIIP	0.9 – 2.4 – 6.3 Tscf ((Low – Best- High)
Net Prospective Resource (*)	0.5 - 1.3 - 3.4 Tscf gas, plus (Low – Best- High) 16 - 45 - 132 MMbbls condensate (Low – Best- High)
GPOS	20%
Development	Potential analogue to the Malampaya platform & pipeline “Probable” chance of development, given multiple mid case discoveries

MALAMPAYA (Northern Palawan)

- ***Proven Reserves 2.5 TCFG and 81 MMBC***

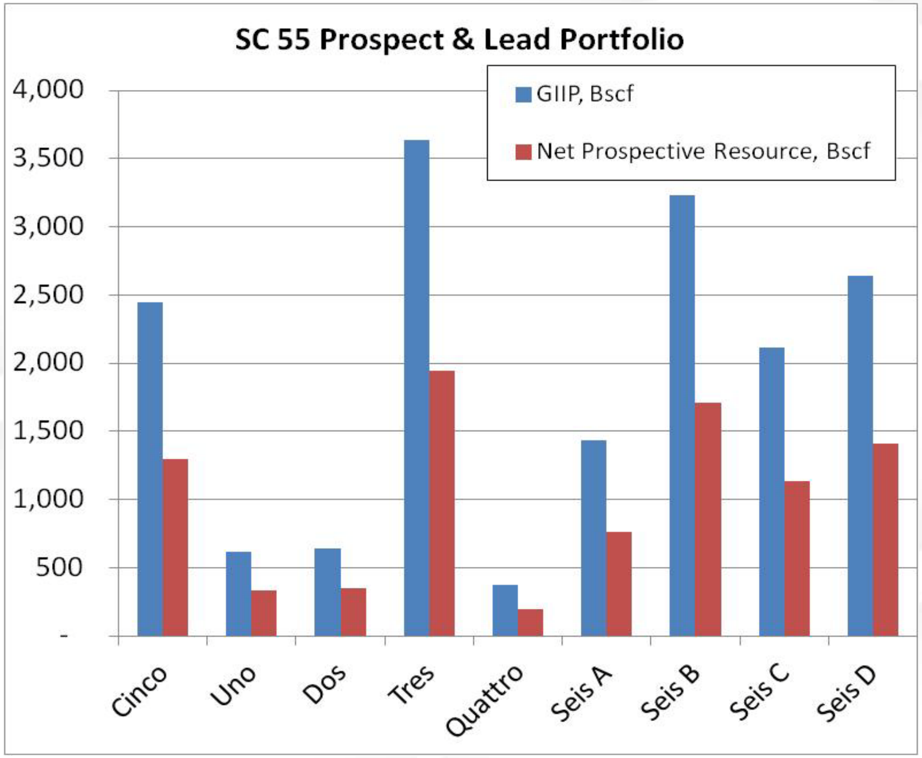
(*) Otto WI 93.18%

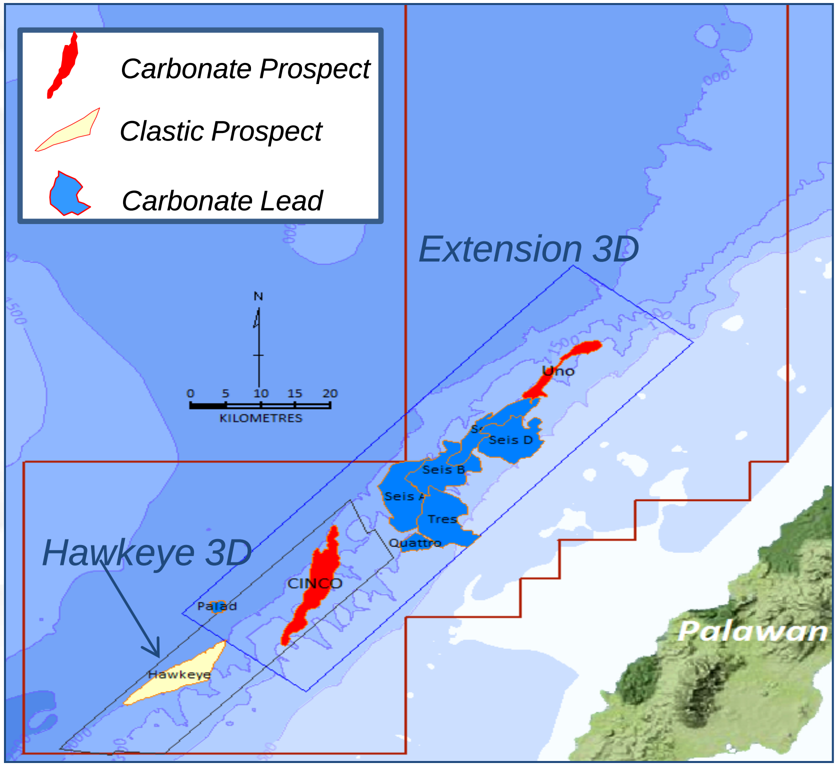
Exploration - SC-55 Prospects & Leads

An ***impressive gas and condensate portfolio***, developed on an emerging major regional trend, parallel to the island of Palawan

Arithmetically Aggregated ***'Best Estimate'***

- GIIP — 17 Tscf
- Net Prospective Resource Gas — 9 Tscf
- Net Prospective Resources Condensate — 320 MMbbls





Exploration
Onshore East Africa

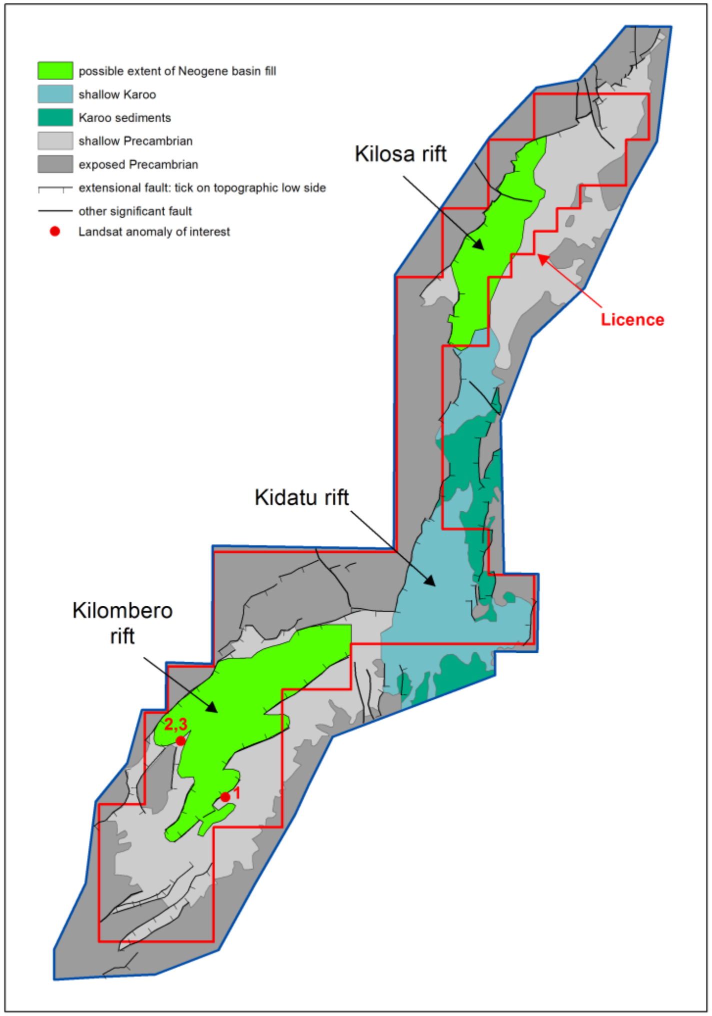
Exploration - Kilosa-Kilombero Year 2

KILOSA-KILOMBERO PSA

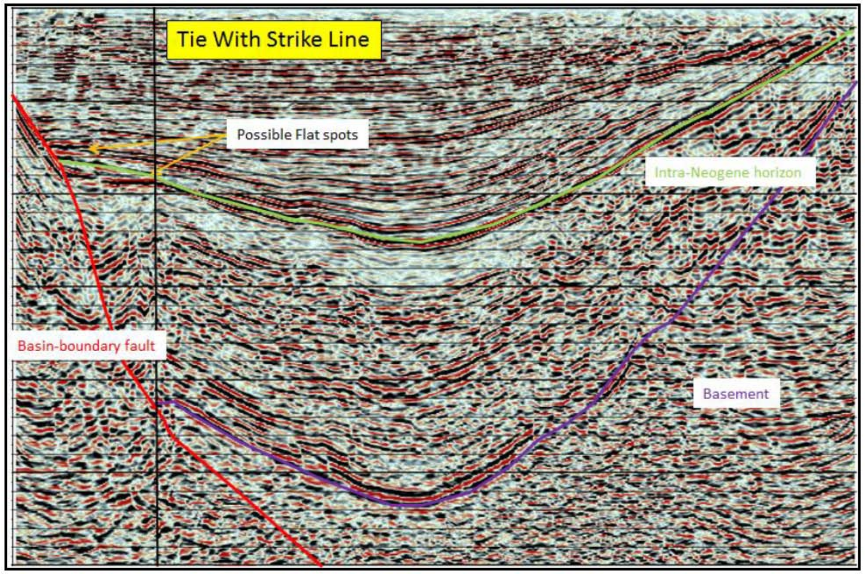
- 17,675 square kilometres
- The Cenozoic rifting may be linked with the greater (western) rift system of the East Africa Rift
- May contain several thousand metres of prospective sediment fill
- Work program completed in 2012: airborne gravity and/or magnetic surveying, satellite and photogeology works and geochemical sampling
- Work program in 2013: Onshore 2D seismic complete over 3 potential basins.
- Kidatu basin (Karoo) large anticline.
- Kilombero (Neogene) presence of potential oil bearing structures.

Joint Venture Partners:

Name	%
Otto Energy (Tanzania) Pty Ltd	50.00%
Swala Oil and Gas (Tanzania) Limited (Operator)	50.00%



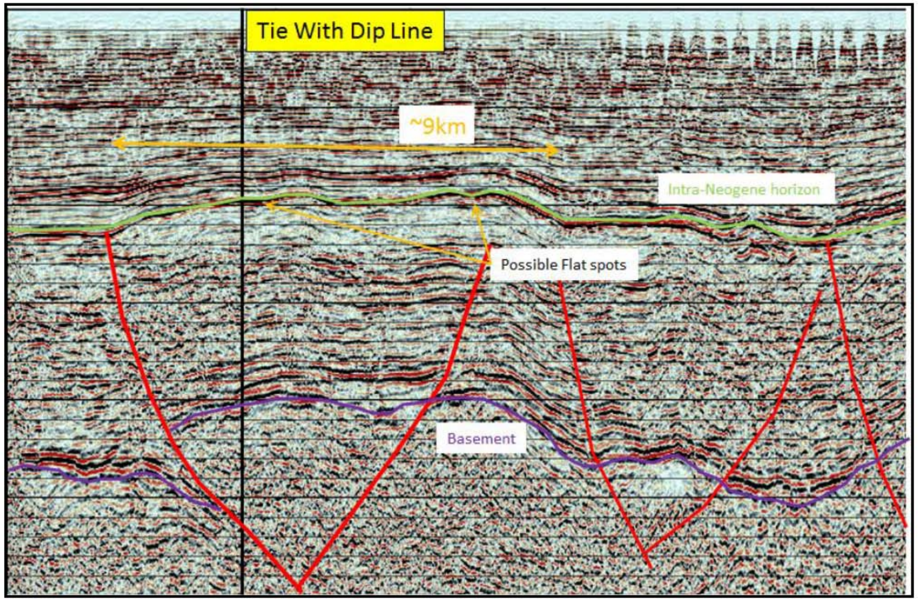
Kilombero Basin – Encouraging Results



Example Dip Line Across the Kilombero Basin with Possible DHIs

<u>Highlights:</u>

- Seismic programme over the third of the Kilosa-Kilombero licence area basins completed
- Sediment in potential Neogene-age basin appears similar to proven oil basins along the same rift system
- Large structural trap identified
- Observation of possible Direct Hydrocarbon Indicators

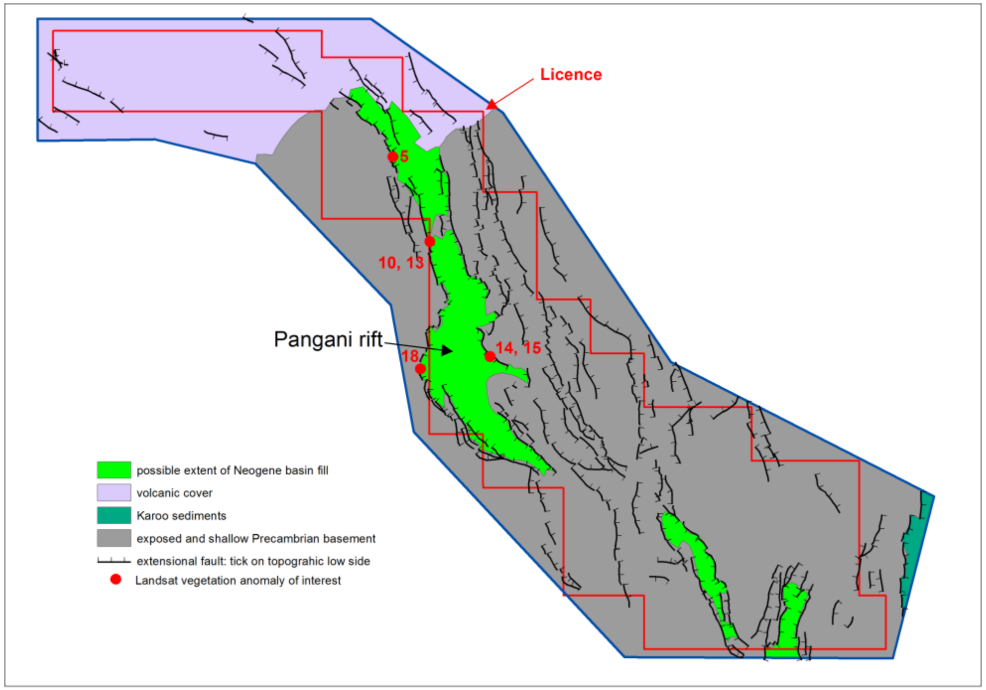


Strike line along the main basin-boundary fault with possible DHIs

Exploration - Pangani
Year 2

PANGANI PSA

- 17,156 square kilometres
- A potential arm of a triple point junction on the eastern branch of the East African Rift System
- Work program completed in 2012: airborne gravity and/or magnetic surveying, satellite and photogeology works and geochemical sampling
- Work program in 2013: Ongoing onshore 2D seismic



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THANK YOU

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