

6 May 2014

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

By E-Lodgement

SERVICE CONTRACT 55, OFFSHORE PHILIPPINES – CONFIRMATION OF VARIED WORK PROGRAM

Highlights:

- **Philippines Department of Energy (DOE) acknowledges revised timeline resulting from force majeure period in 2012/13.**
- **Farm-out campaign progressing.**

Otto Energy Limited (**Otto**) (ASX: OEL) is pleased to announce that the DOE has acknowledged a variation to the work program timing following the delayed issuance of the Strategic Environmental Plan clearance from the Palawan Council for Sustainable Development in 2012/13.

The revised timing for work program commitments is now as follows:

Sub-Phase	Work Program	Revised Work Schedule
SP4	Drill One (1) deepwater well	6 Aug 2011 - 23 Dec 2014
SP5	Drill One (1) deepwater well	23 Dec 2014 - 23 Dec 2016

This represents an extension of approximately 14 months.

Otto is several months into a farm-out process to introduce a new joint venturer to participate in the drilling of the Hawkeye-1 exploration well. Otto is targeting suitably qualified participants with deepwater operations experience to join the exploration program. Several suitable companies with SE Asia operations have commenced technical due diligence reviews of available data. Formal submissions have been requested in June 2014 and Otto will evaluate any proposals with the intention to complete the farm-out process and secure a new joint venturer shortly thereafter.

Otto is pleased with the response from potential joint venturers and the progress of the farm-out campaign.

Otto Chief Executive Officer Mr Matthew Allen said: *"Securing the Department of Energy acknowledgement for the varied work program timing following the force majeure period in 2012/13 is an important step in progressing our exploration program in this high impact area. The combination of the excellent prospectivity of SC55 and the funding arrangement secured by Otto means we are able to offer a very attractive exploration opportunity as part of a farm-out campaign. We look forward to securing a new venturer by mid-2014."*

OTTO AT A GLANCE

- ASX-listed oil and gas company with a strategy to grow its 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

COMPANY OFFICERS

Rick Crabb	Chairman
Ian MacIver	Director
Rufino Bomasang	Director
John Jetter	Director
Ian Boserio	Director
Matthew Allen	CEO
Craig Hasson	CFO
Scott Blenkinsop	Company Secretary

Yours faithfully

Matthew Allen
Chief Executive Officer

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