



ASX : OEL

Investor Update Presentation

INVESTOR PRESENTATION
Matthew Allen, Managing Director and CEO

March 2017

OTTO
ENERGY

Otto Energy – Accomplished E&P Team

Executing complex projects and transactions

Acquired operatorship of Galoc oil field

Increased working interest to 33.0% and assumed operatorship of field. Purchase price equivalent to US\$11.50 per bbl (2P reserves) in the ground.

Drilling of multi-well sub-sea tieback at Galoc

Successfully drilled over 8,450 metres of length in two wells including lateral completions. Production increased to 14,000 bopd from 3,500 bopd.

Delivered AUD 6.4 cents per share to shareholder

Returned A\$74.5 million to shareholders via capital return and dividend.

Acquired interest in Alaska North Slope acreage

Prolific proven petroleum basin yielding new multi-billion barrel oil discoveries with new 3D seismic technology unlocking conventional play trends previously untested.

Secured staged multi-well farm in to Gulf of Mexico

Acquisition sets path for Otto to return to production late Q4 2017 in assets which are robust in the current oil price environment.

Upgraded Galoc FPSO delivering top quartile uptime

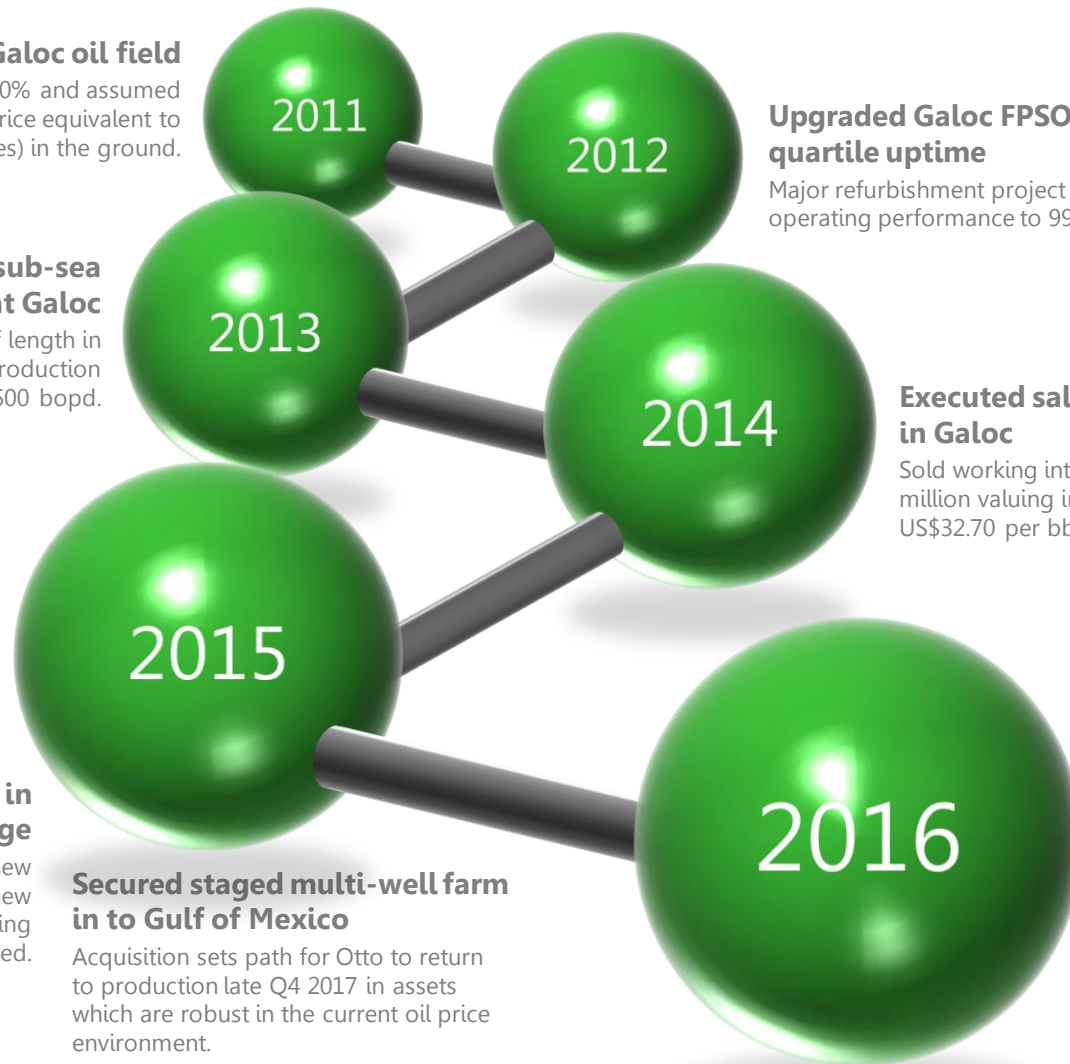
Major refurbishment project undertaken increasing operating performance to 99% uptime from <80%.

Executed sale of interest in Galoc

Sold working interest for US\$108 million valuing interest at US\$32.70 per bbl in the ground.

First discovery in SM71 #1

May 2016 delivers 2.2 MMbbl net 2P reserves at finding cost of US\$2.11 per bbl.



Otto Energy

Clear focus on competitive strengths

- ◆ **Drilling success sees return to production in 2017**

SM71#1 well yields gross 5 MMbbls and 3.6 Bcf discovery. Production Platform acquired. First Production late Q4 2017. Potential upside to be tested during development drilling.

- ◆ **Focus on proven basins with well-developed route to market**

Gulf of Mexico onshore/shallow water Miocene focus. Typically 12-18 months from discovery to production. Alaska North Slope - Largest oil reservoirs in North America. Portfolio economically robust at low oil price.

- ◆ **Ongoing drilling campaign**

2016 two-well program in Gulf of Mexico, including SM71 discovery. Drill-ready prospects in Alaska, Gulf of Mexico, and Tanzania.

- ◆ **Demonstrated commitment to shareholder value**

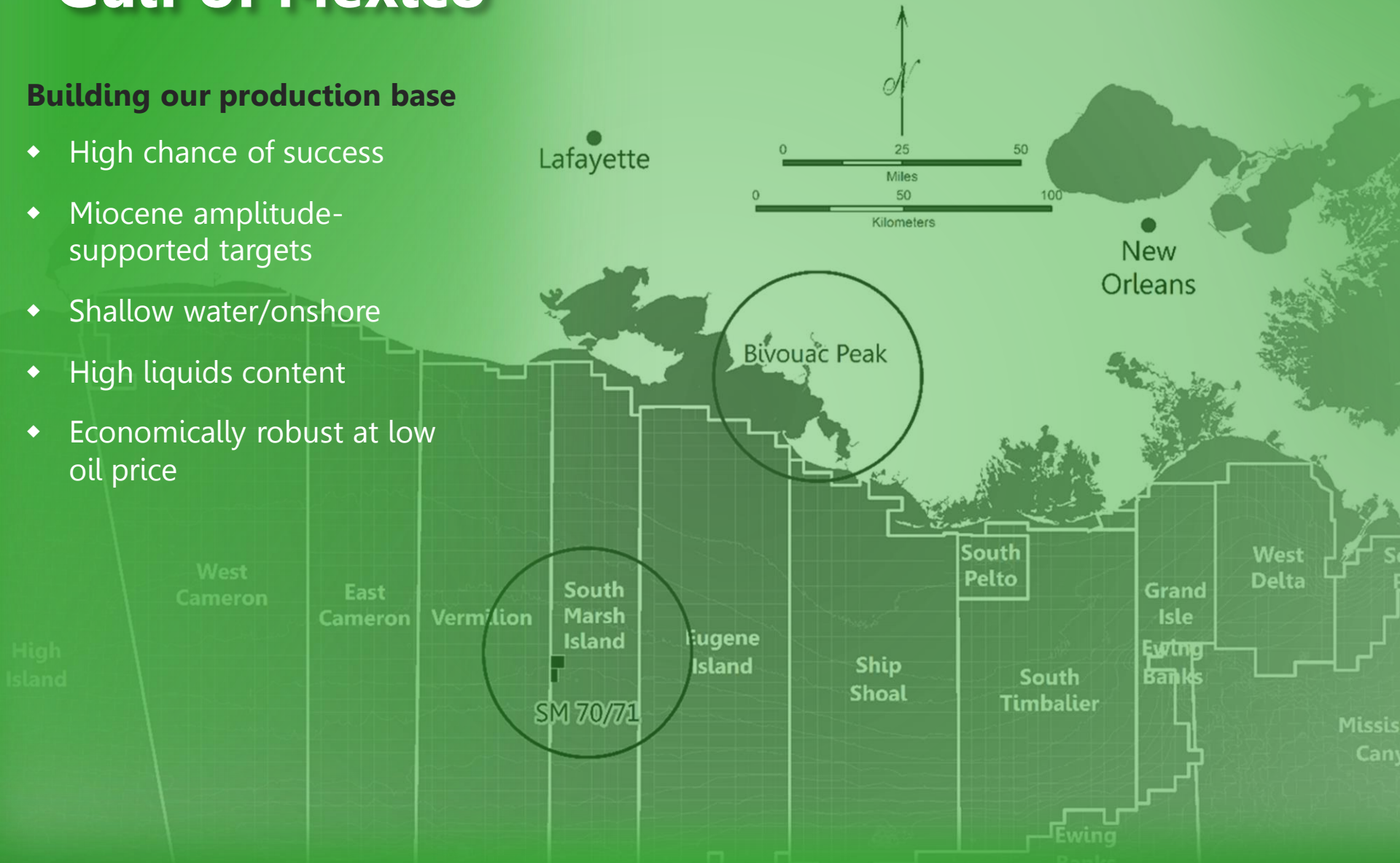
2015 delivered 6.4 cps in dividend/capital return. Prudent investment of capital to grow portfolio. Timing of asset acquisitions and divestments sets Otto apart.



Gulf of Mexico

Building our production base

- ◆ High chance of success
- ◆ Miocene amplitude-supported targets
- ◆ Shallow water/onshore
- ◆ High liquids content
- ◆ Economically robust at low oil price



SM70/71 Discovery Well



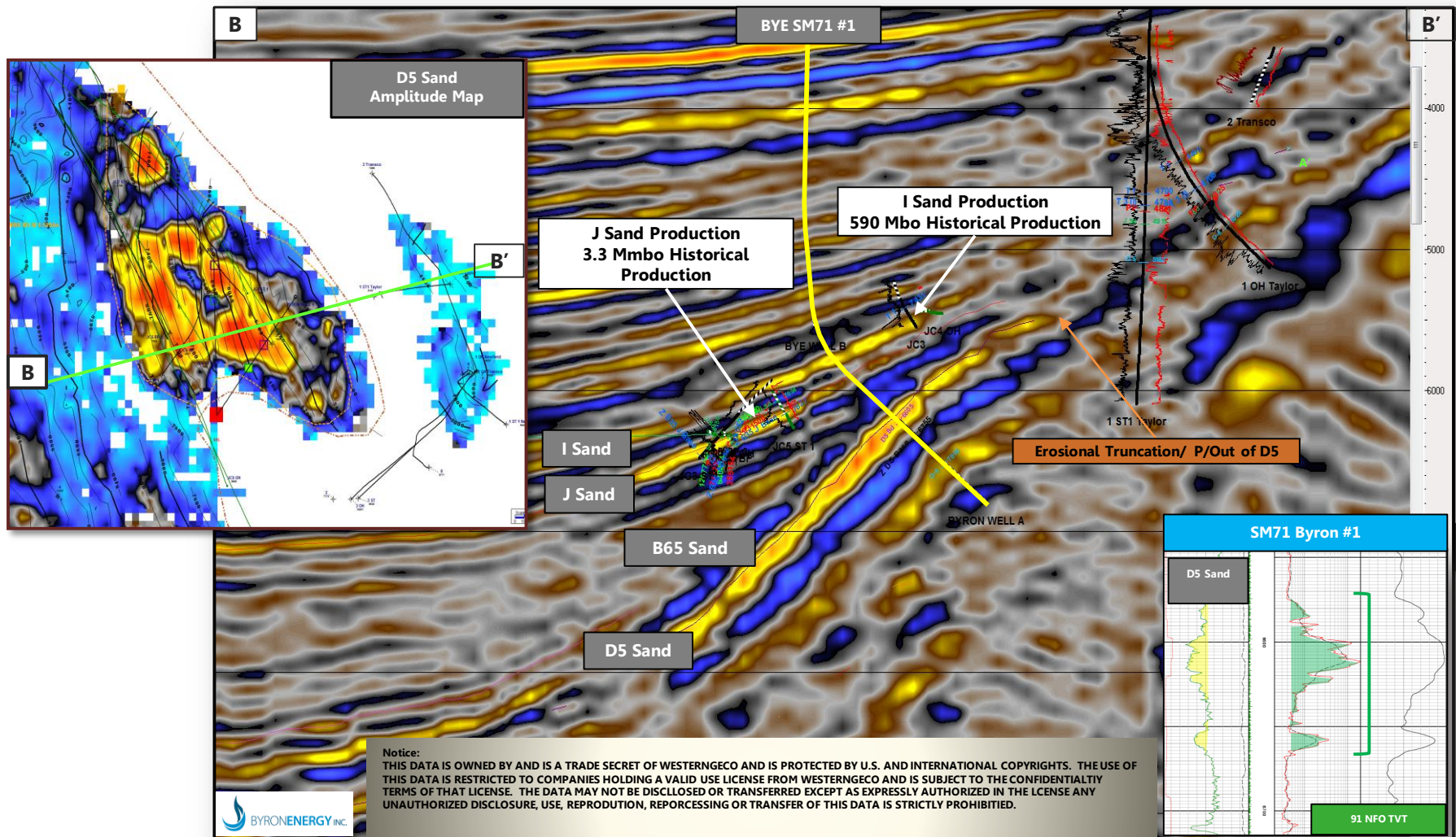
- ◆ 50% WI earned through contribution to well costs during the successful drilling of SM71-1
- ◆ Game-changing oil + gas discovery
- ◆ Proves technology to unlock updip plays
- ◆ Well TD 7,477 feet MD
- ◆ Sample analysis indicates light, sweet crude at three upper intervals, wet gas in lower interval
- ◆ Low finding cost

SM71, 30 June 2016			
Net Reserves*			
	Oil (Mbbbls)	Gas (MMcf)	MBOE (6:1)
1P	582	404	649
2P	2027	1462	2271
3P	2567	1835	2873
Net Prospective Resources*			
Oil (Mbbbls)	Gas (MMcf)	MBOE (6:1)	
2043	1990	2375	

* OEL ASX release 20 July 2016

Further upside at SM71 discovery

New target to be appraised during development drilling



Line B-B'

SM71 Development



SM71 Production Facility Procured

- ♦ 26/8/2016- Entered purchase and construction agreement with Laredo Construction Inc. for tripod jacket, decks, helideck, boat landing and production equipment
- ♦ Tripod facility is capable of accommodating 6 wells and capacity to produce 4,500 Bopd and 5.0 Mmcfd of gas.
- ♦ Otto's estimated total net cost of the single well development (manned) is US\$9 million
- ♦ Significant progress has already been made on the refurbishment of the jacket section of the platform and following completion of engineering design work, construction work on the deck portions will begin.

Low Capex Facility

Proposed manned facility optimizes economics and enables immediate tie-in of future development wells
(Design subject to final JV approval)

Production Q4 2017

Initial rate of 1500 to 2000 bopd (gross field production from first well)

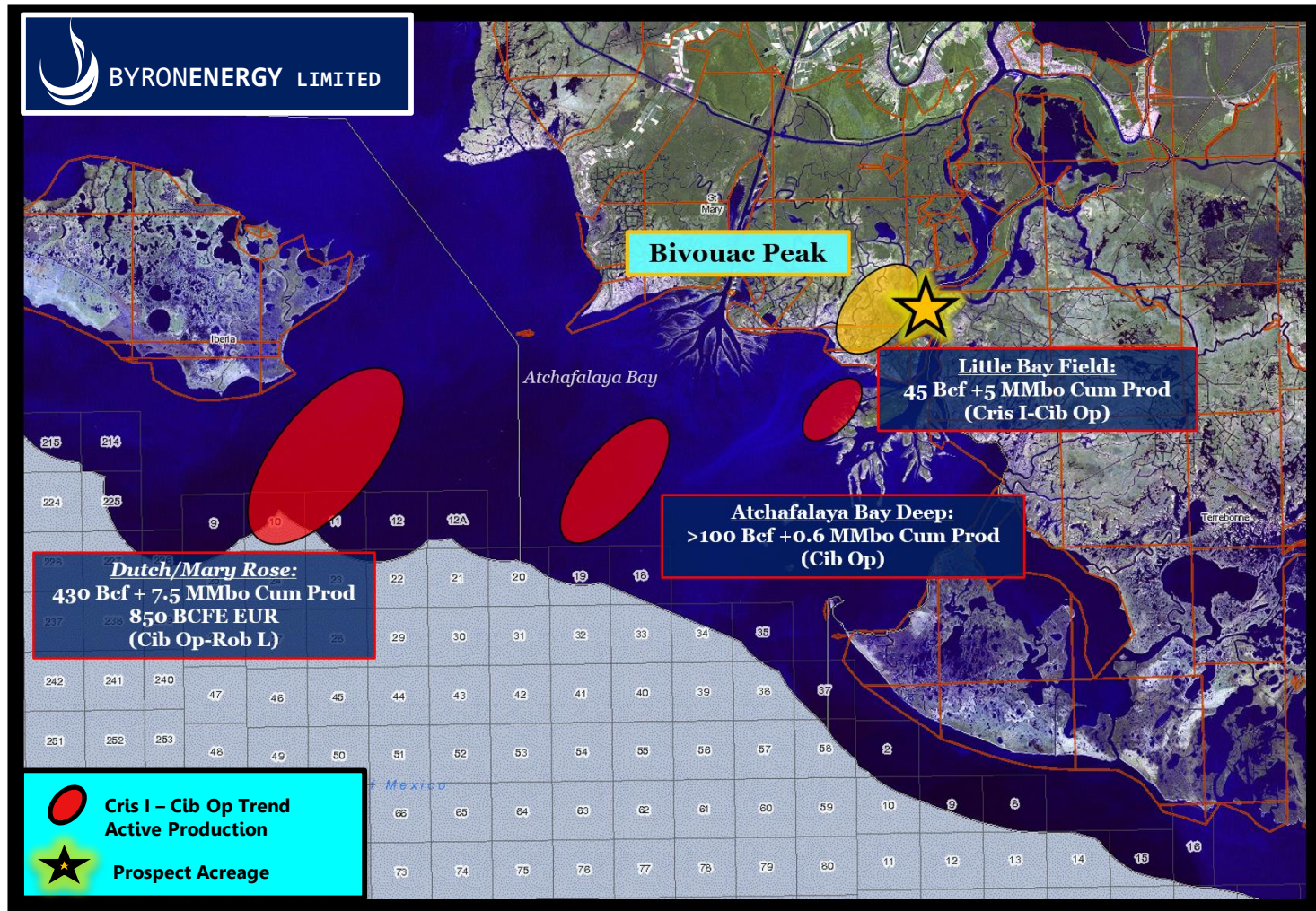
Reserves + upside

NPV10 \$59 Million AUD
2P Reserves

+ NPV10 \$58 Million AUD
Prospective Resource

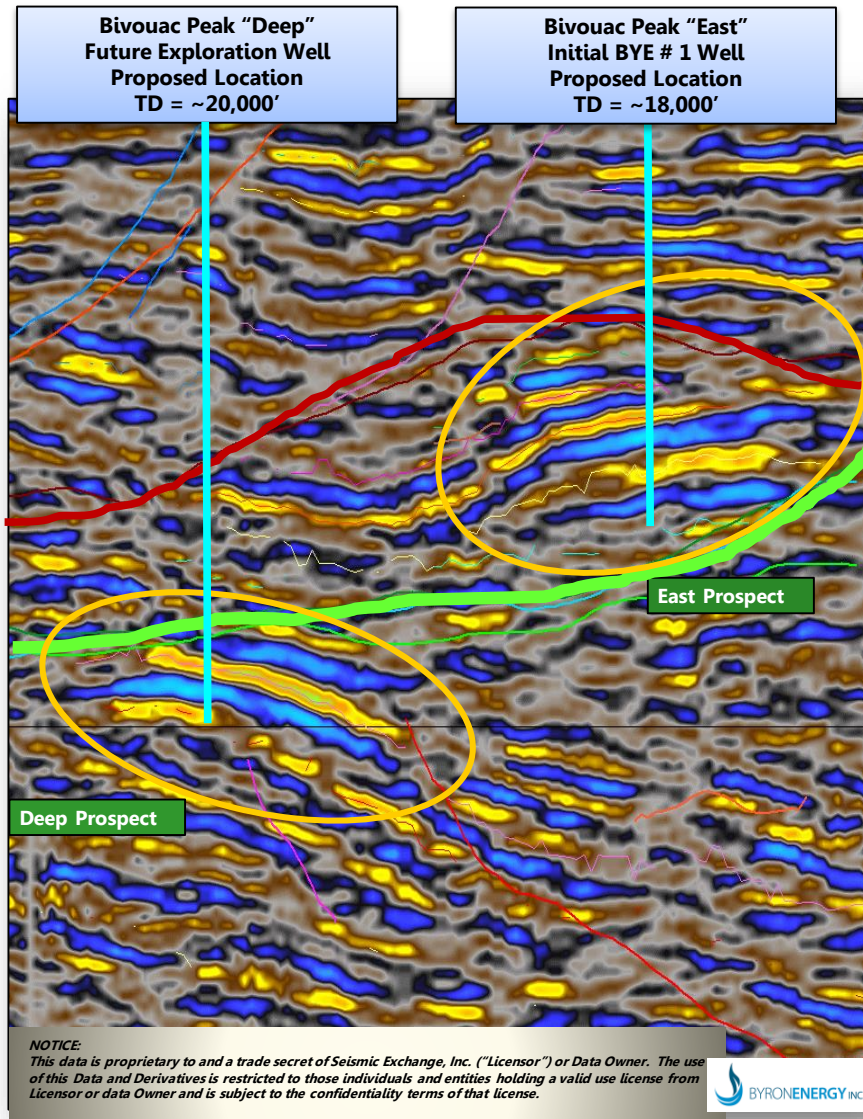
Bivouac Peak

Onshore Louisiana with analogue fields



Note: Otto will earn interests in the above resources volumes by participating in wells. The estimated quantities of petroleum that may potentially be recoverable by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Bivouac Peak



Multi-play Lease Block

- ♦ 45% WI in 2500 acre lease exercisable upon contribution to well costs (60% capped at US\$6m)
- ♦ Multiple amplitude-supported opportunities
- ♦ Independent prospective resource estimate based on high-quality 3D data
- ♦ Accessible by barge mounted drilling rig

Attractive production potential

- ♦ Estimated completion and commissioning costs: US\$8.5m (net to Otto)
- ♦ 6 months to bring into production

Bivouac Peak, 30 June 2016

Combined Prospective Resources

Gross		Net to Otto		
Oil (Mbbbls)	Gas (MMcf)	Oil (Mbbbls)	Gas (MMcf)	(MBOE 6:1)
15,990	177,666	5,361	59,562	15,288

OEL ASX release 25 July 2016; Collarini and Associates report 1 July 2016

Alaska North Slope

- ◆ Light, conventional oil
- ◆ Large prospect inventory
- ◆ Low-risk capped costs
- ◆ Infrastructure access

Caelus Smith Bay Conventional Discovery (Oct 2016)

- Caelus-Tulimaniq #1 & step-out Caelus-Tulimaniq #2
- Brookian submarine fan play
- 183ft & 223ft net oil pay
- Estimated 1.8 to 2.4 billion barrels recoverable light oil
- Potential rate estimated at 200,000 barrels of oil per day

ConocoPhillips Willow Conventional Discovery (Jan 2017)

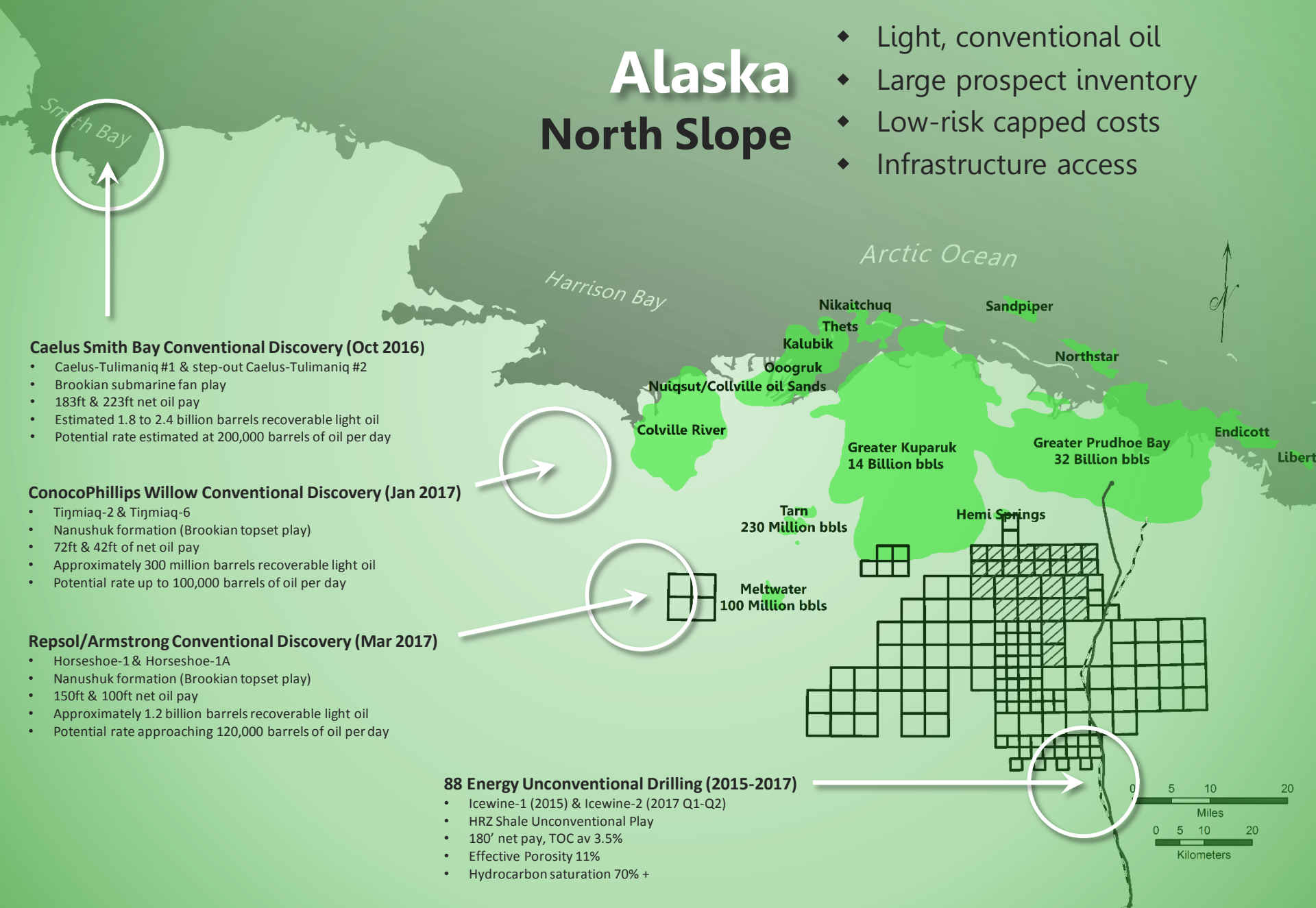
- Tijnmiaq-2 & Tijnmiaq-6
- Nanushuk formation (Brookian topset play)
- 72ft & 42ft of net oil pay
- Approximately 300 million barrels recoverable light oil
- Potential rate up to 100,000 barrels of oil per day

Repsol/Armstrong Conventional Discovery (Mar 2017)

- Horseshoe-1 & Horseshoe-1A
- Nanushuk formation (Brookian topset play)
- 150ft & 100ft net oil pay
- Approximately 1.2 billion barrels recoverable light oil
- Potential rate approaching 120,000 barrels of oil per day

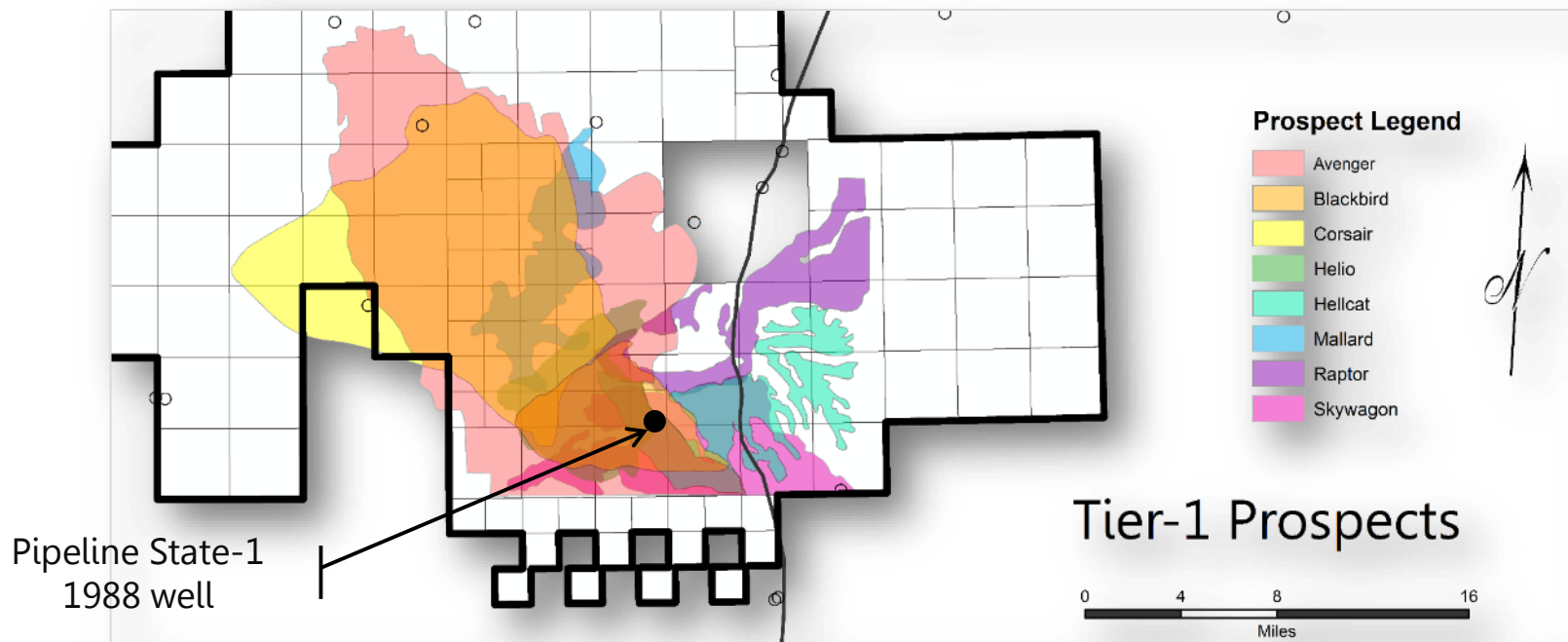
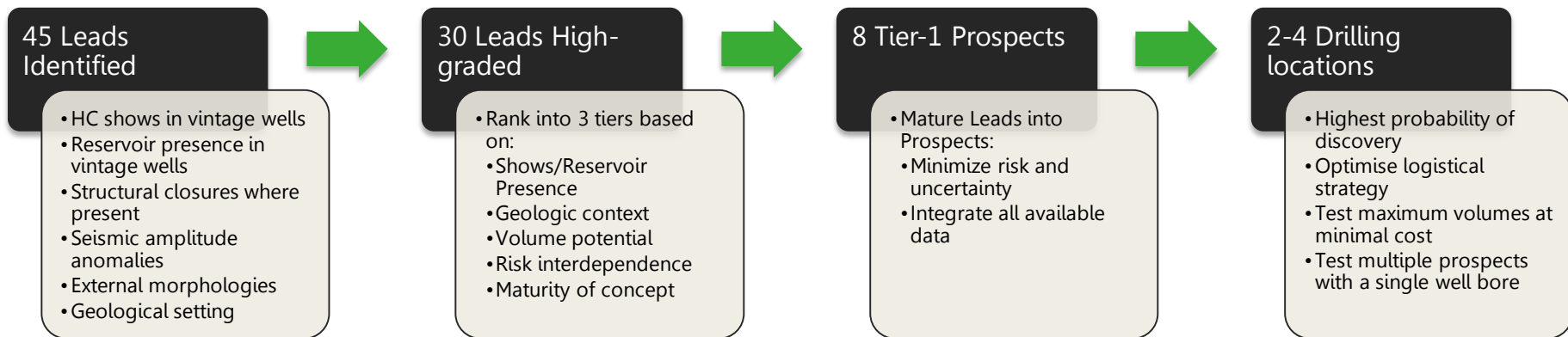
88 Energy Unconventional Drilling (2015-2017)

- Icewine-1 (2015) & Icewine-2 (2017 Q1-Q2)
- HRZ Shale Unconventional Play
- 180' net pay, TOC av 3.5%
- Effective Porosity 11%
- Hydrocarbon saturation 70% +



Tier-1 Prospects

Developed from extensive lead inventory



Pipeline State-1 Results

On-block vintage well de-risks the acreage

Pipeline State-1 was drilled as a stratigraphic test in February 1988 by Arco Alaska. The well reached a total vertical depth of 10,460 feet and encountered a number of oil-bearing intervals.

Several cores were taken from the well and showed promising results. However, technology at the time was insufficient to extract the discovered oil economically from these sands.

Pipeline State-1 was plugged and abandoned that same year.

Extraction techniques now far surpass what was available in the 1980's. Recent advances, such as horizontal drilling and fracture stimulation, enable economic development of these types of reservoirs.

Blackbird Prospect level

Oil stained sands reported on mudlog, free oil observed in drilling mud, elevated gas readings

Skywagon Prospect level

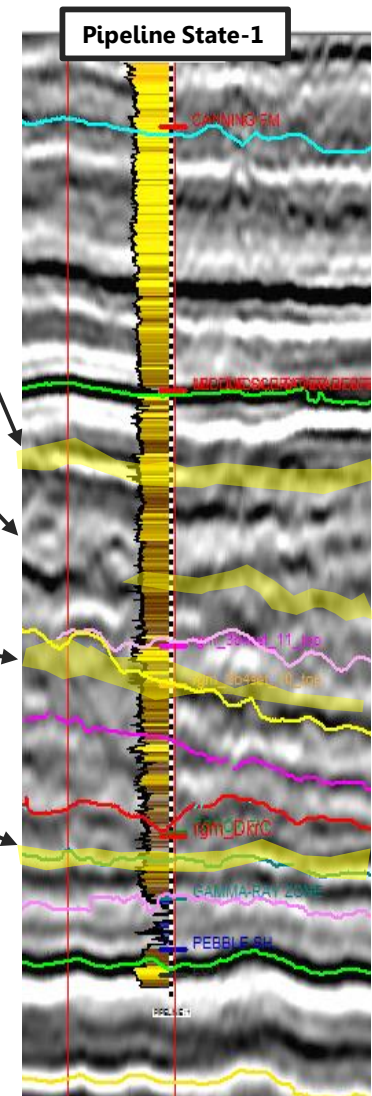
Oil stained sands reported on mudlog, oil observed in drilling mud, elevated gas readings

Hellcat Prospect level

Oil stained sands reported on mudlog, free oil observed in drilling mud, elevated gas readings, log response consisted with oil filled sandstone reservoir

Avenger Prospect level

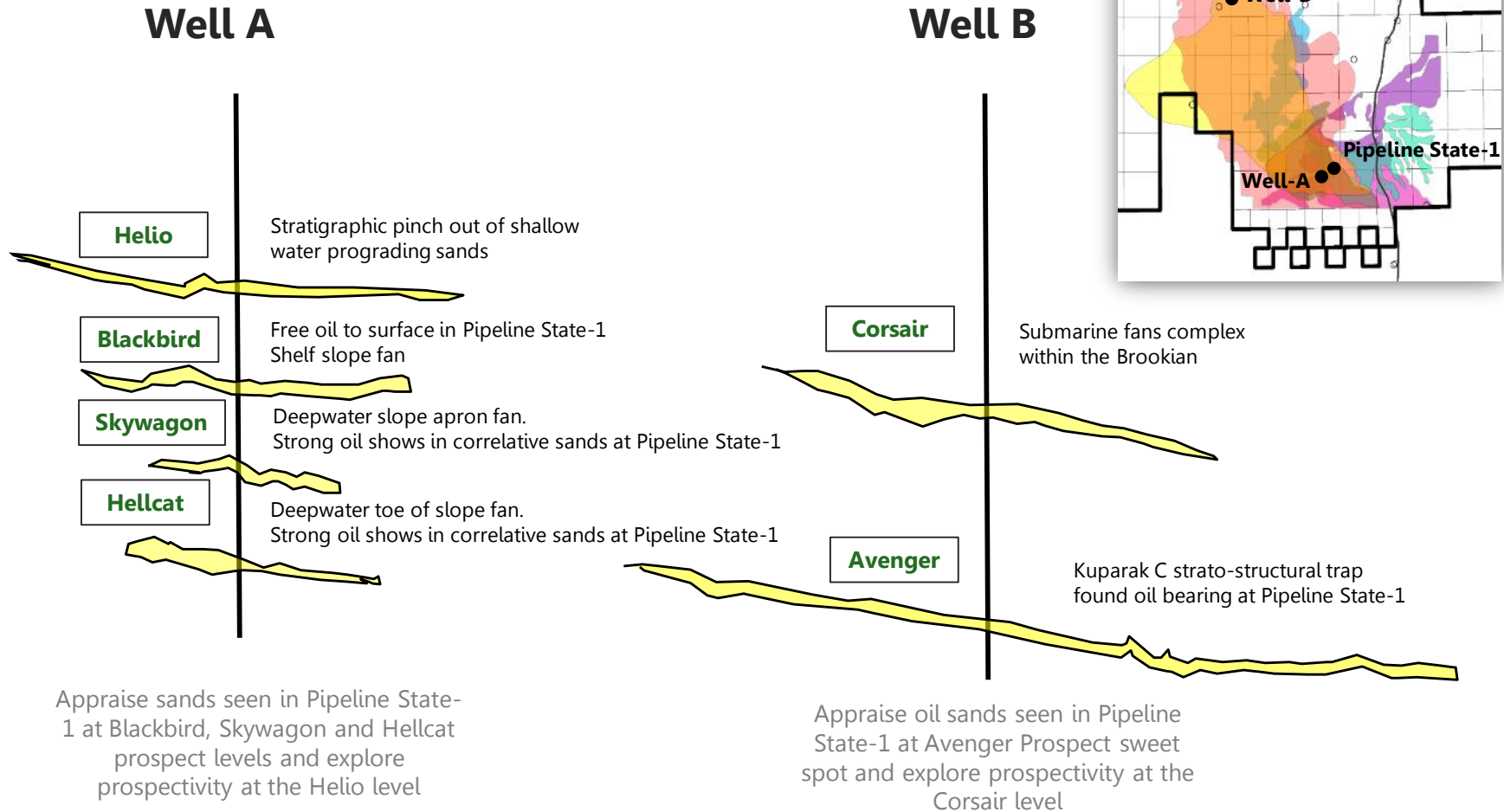
Oil shows in sands reported on mudlog, elevated gas readings, log response consistent with oil filled sandstone reservoir



Otto Energy aims to test and unlock the value of these resources.

First Two Wells - Possible Configuration

Increase chance of success by intersecting multiple independent reservoirs with each wellbore



Alaska: The First Two Wells

Prospect	Gross Prospective Resource				Net Prospective Resource	
	Low (MMbbls)	Best (MMbbls)	High (MMbbls)	Mean (MMbbls)	Mean Net WI (MMbbls)	POS*
Blackbird	6	20	62	28	3	24%
Helio	17	49	144	66	7	30%
Hellcat	13	47	172	72	8	40%
Skywagon	13	40	126	57	6	24%
Avenger	20	65	227	96	10	23%
Corsair	56	216	758	332	36	10%



WELL A

WELL B

**Gross Prospective Resource: Mean Case 650 MMbbls,
High Case 1489 MMbbls[†]**



Ready to test these opportunities

- ♦ Six independent play types
- ♦ Intersect multiple low risk intervals containing reservoir sands and oil shows/live oil in offset wells
- ♦ Test prospects with significant volumetric capacity

[†] Deterministic Prospective Resource

* Probability of Success estimate does not include reservoir effectiveness risk which can be addressed by horizontal drilling and fracture stimulation. The estimated quantities of petroleum that may potentially be recoverable by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Tanzania

Large Volume Exploration Target

- ◆ Kito Prospect analogous to Kenya & Uganda discoveries
- ◆ Additional delineated leads may be drilled in success case

Dodoma

Morogoro

Stone Town

Dar es Salaam

Iringa

Leads
& Prospects



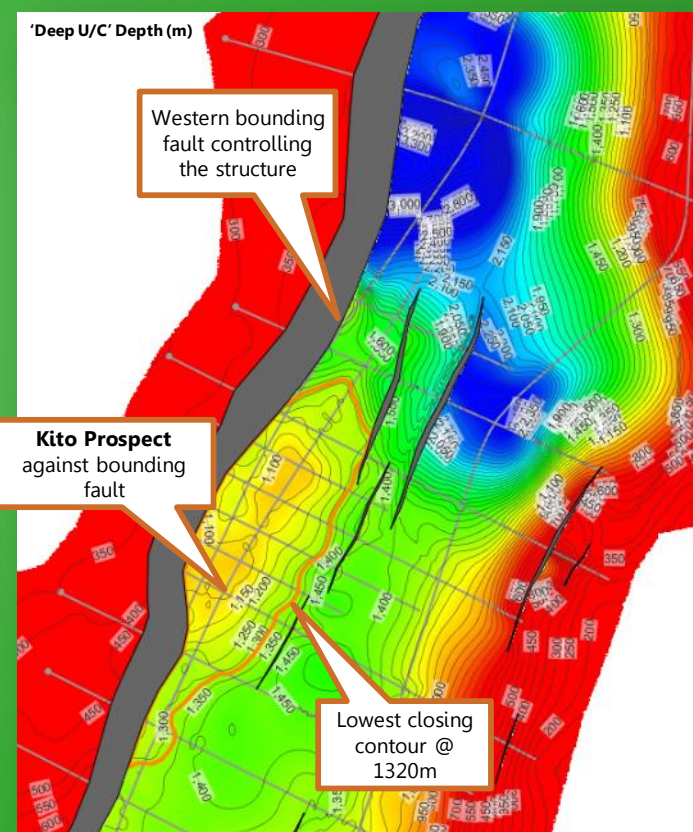
Kilosa-Kilombero PSA

Kito Prospect	
Area of Closure	50 km ² Up to 250m column height
Reservoir type	Miocene (Neogene)
Objective Depth	900 – 1,300 metres
STOIIP	269 – 780 – 1,954 MMbbls (Low – Best- High)
Net Prospective Resource*	15 – 48.5 – 137 MMbbls (Low – Best – High) Represent OTTO 25% WI subject to completion of farm-down
Geological Chance of Success	15% chance of intersecting oil or gas within net prospective resource range
Key Risks	Presence of an active petroleum system in the Kilombero Basin
Drilling program	Expected well costs ~US\$10 million (gross joint venture, dry hole basis)
Asset plan	- Lay off cost exposure through farm-down - Resolve outstanding JV disputes 12 month licence extension secured to Feb 2018

* The estimated quantities of petroleum that may potentially be recoverable by the application of a future development project(s) related to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Kito Prospect

- ◆ Large frontier exploration prospect
- ◆ Similar to discoveries in Kenya & Uganda in terms of tertiary age, structural setting, and regional paleoclimate

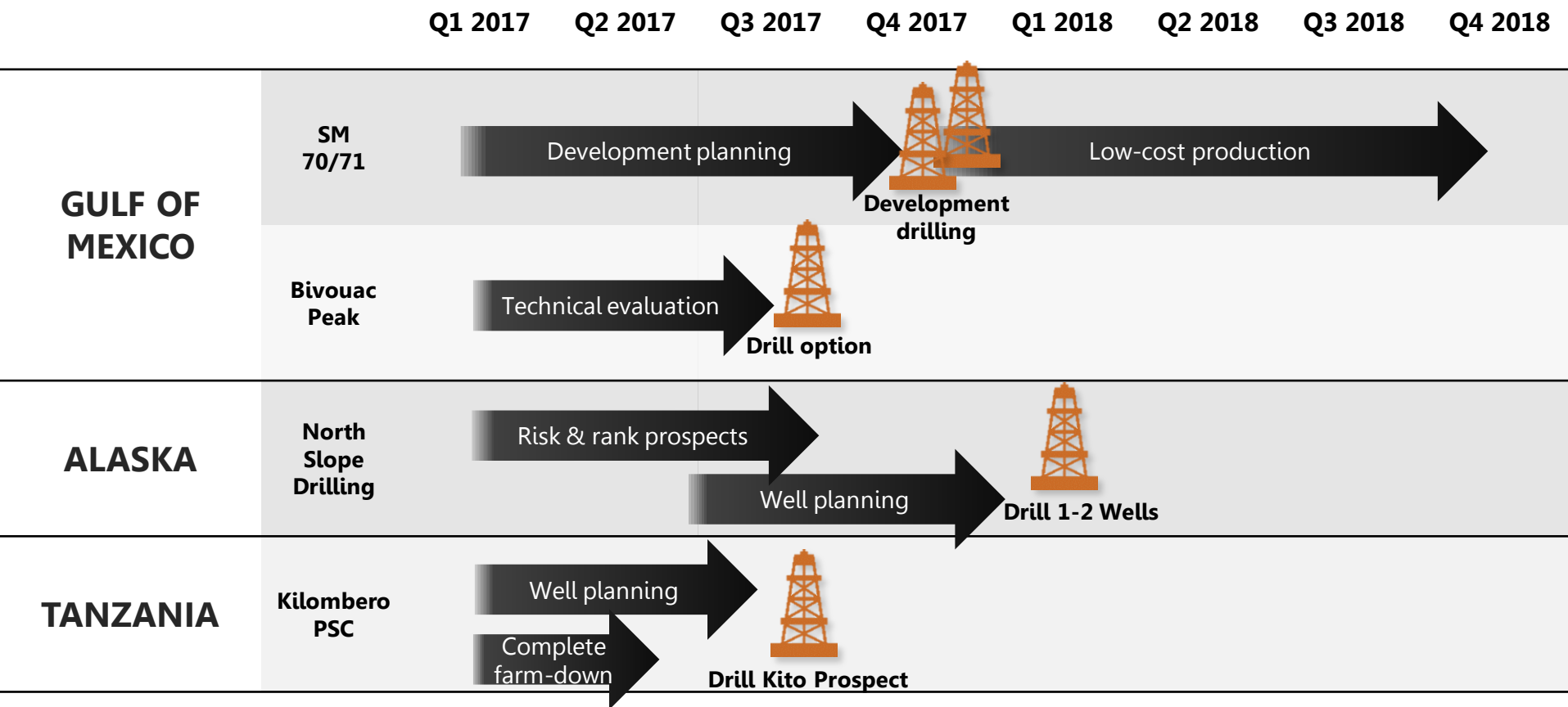


Forward Activity

Positioning for high-impact growth

- ◆ SM71 development underway
- ◆ 2017 return to production
- ◆ Active drilling program
- ◆ \$17 million USD cash in bank to fund forward program

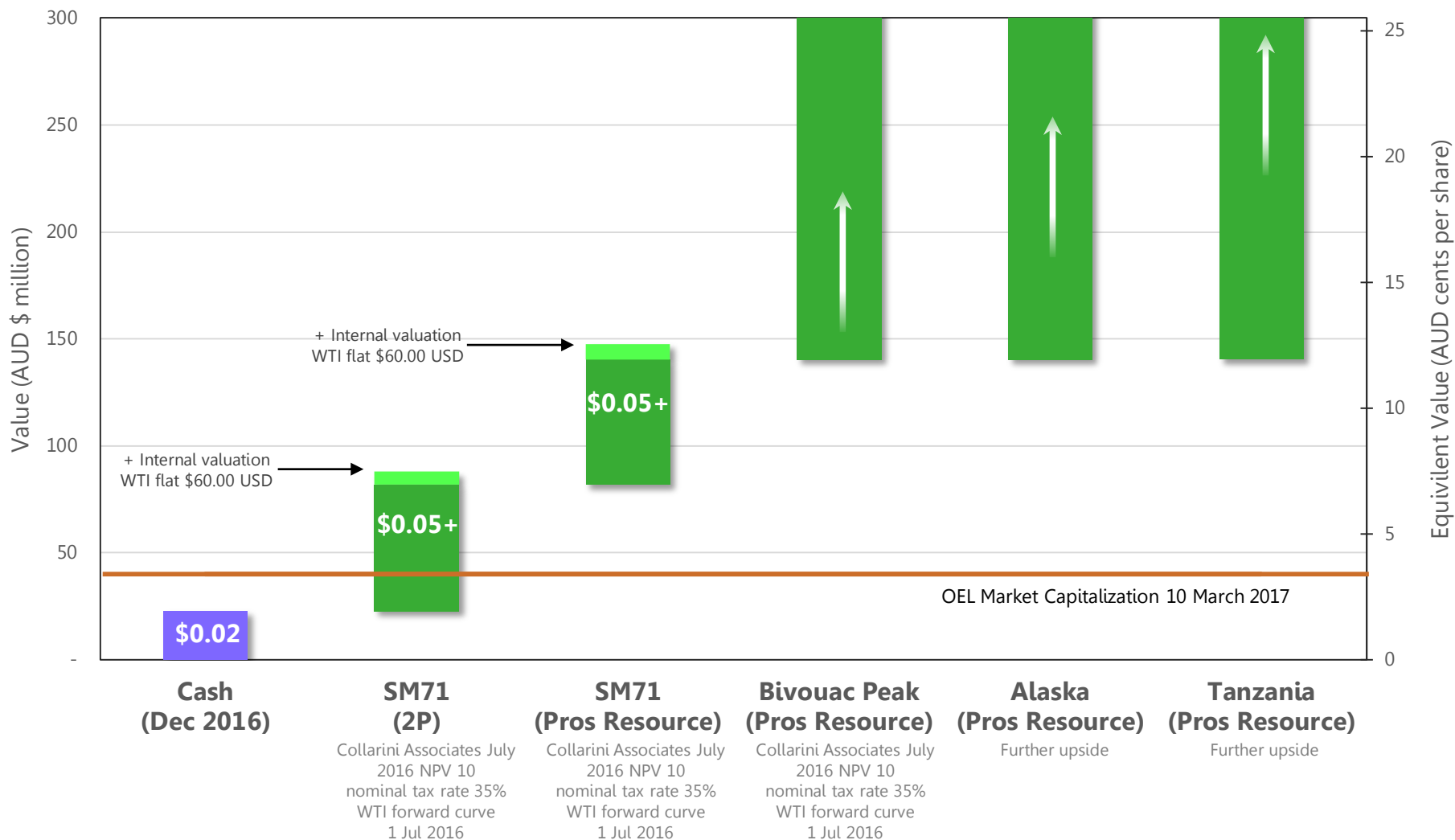
Activity Timeline



Comments on key changes:

- Alaska: 1,170 km² new 3D now received and being interpreted prior to drilling. Recent drilling results from adjacent operators demonstrating opening of new plays.
- Tanzania: Recent approval of extension to licence term received and joint venture re-commencing drill planning.

Corporate Value



Additional Information

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Corporate Snapshot



Capital Structure

Fully paid ordinary shares	1.186b
Unlisted options	Nil
Performance Rights	9.9m
Market capitalisation ¹	A\$41m
Cash (Dec 2016)	US\$17.0m
Debt (Dec 2016)	Nil

Shareholders

Molton Holdings	20.4%
Santo Holdings	20.4%
Directors & Management	2.5%
Shareholders	4,672

12 Month Turnover = 36.44% of issued capital
Average daily volume last 12 months = 1.696 million shares/day

1. Undiluted at 3.4 cents per share as at 10 March 2017

2. ASX 200 Energy Index normalized to 9 September 2015 OEL share price and 2/3X10⁵ scale

Experienced Board & Management Team

Board of Directors



John Jetter – Non-Executive Chairman.
LLB, BEc INSEAD

Former MD/CEO J.P. Morgan Germany.
Non-Executive Director of Venture Minerals and Peak Resources Ltd.



Ian Boserio – Non-Executive Director.
BSc (Hons)

Executive Technical Director of Pathfinder Energy Pty Ltd. Former executive positions with Shell & Woodside in exploration roles.



Ian MacIver – Non-Executive Director.
BComm, FCA, SF Fin, FAICD

Managing Director Grange Consulting.
Non-Executive Chairman of Western Areas.

Senior Management



Matthew Allen – Managing Director & CEO.
BBus, FCA, FFin, GAICD

Global exposure to the upstream oil and gas industry with over 15 years experience in Asia, Africa, Australia and Middle East. Previous senior roles with Woodside over 9 year period.



Paul Senyia – Vice President, Exploration and New Ventures. BSc (Hons), MAppSc

International oil & gas experience gained over 30 years. Specific focus on Australia, South East Asia & Africa. Previous roles at Oilex (Exploration Manager), Woodside Energy (Head of Evaluation) and Shell International.



David Rich – Chief Financial Officer & Company Secretary.
BCom. FCA, GAICD, Grad.Dip.CSP AGIA

Experienced public company CFO with the last 15 years as CFO of upstream oil and gas companies with international interests including in Asia and the US.



Matthew Worner – Commercial Manager. BBus LLB

Commercial lawyer with experience in international oil and gas venture acquisitions, government and JV liaison and commercial transaction across Africa, Australia and Asia. Previous roles at Pura Vida, Rialto, Tap Oil, Steinepreis Paganin and Phillips Fox.

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This presentation does not constitute an offer to sell securities and is not a solicitation of an offer to buy securities. It is not to be distributed to third parties without the consent of Otto Energy Limited (the "Company").

This presentation contains forward looking statements that are subject to risk factors associated with oil and gas businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

The Company, its directors, officers and employees make no representation, warranty (express or implied), or assurance as to the completeness or accuracy of forward looking statements.

Competent Persons Statement

The information in this report that relates to oil and gas resources in relation to Alaska was compiled by technical employees of Great Bear Petroleum, the Operator of the Alaskan acreage, and subsequently reviewed by Mr Paul Senycia BSc (Hons) (Mining Engineering), MAppSc (Exploration Geophysics), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Senycia is a full time employee of the Company, with more than 30 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE). The resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Senycia. Mr Senycia is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The reserve and contingent resource information in this report in relation to Tanzania is based on information compiled by Mr Paul Senycia BSc (Hons) (Mining Engineering), MAppSc (Exploration Geophysics), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Senycia is a full time employee of the Company, with more than 30 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE).

The reserve and contingent resource information in this report in relation to SMI70/71 is based on information compiled by technical employees of independent consultants Collarini and Associates, under the supervision of Mr Mitch Reece BSc PE. Mr Reece is the President of Collarini and Associates and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Evaluation Engineers (SPEE), Society of Petroleum Engineers (SPE), and American Petroleum Institute (API). The reserves and resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves and resources information reported in this Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Reece. Mr Reece is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The reserve and contingent resource information in this report in relation to Bivouac Peak is based on information compiled by Mr William Sack (BSc. Earth Sci./Physics, MSc. Geology, MBA), an Executive Director of Byron Energy Limited. Mr William Sack is a member of American Association of Petroleum Geologists. The reserves and resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves and resources information reported in this release are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Sack. Mr Sack is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Prospective Resources

Prospective resource estimates in this presentation are prepared as at June 2016. The resource estimates have been prepared using the internationally recognised Petroleum Resources Management System to define resource classification and volumes. The resource estimates are in accordance with the standard definitions set out by the Society of Petroleum Engineers, further information on which is available at www.spe.org. The estimates are un-risked and have not been adjusted for both an associated chance of discovery and a chance of development.

Otto is not aware of any new information or data that materially affects the assumptions and technical parameters underpinning the estimates of reserves and contingent resources and the relevant market announcements referenced continue to apply and have not materially changed.

Reserves cautionary statement

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward looking estimates.