

ASX ANNOUNCEMENT
29 August 2018

ALASKA UPDATE - RIG CONTRACT SIGNED

- **Rig Contract Executed for Western Blocks Drilling of the Winx Prospect**
- **Permitting Progressing on Schedule**

Otto Energy Limited (ASX:OEL) (“Otto” or the “Company”) is pleased to announce that the operator Captivate Energy Alaska, Inc, (a 100% owned subsidiary of 88 Energy Limited (ASX:88E)) has executed a rig contract for the drilling of the Winx Prospect, located on the Western Blocks, North Slope of Alaska.

The rig contract was executed with Nordic-Calista Services utilising Rig 3, which is a single module, self-propelled drilling rig, capable of drilling to depths of 12,000’ – 14,500’. The rig structure is fully winterised for Arctic Operations and the rig has previously been utilized for grassroots drilling, exploration, sidetracks and workovers on the North Slope.



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The Winx Prospect is a 3D seismic defined oil prospect in the successful Nanushuk play fairway with a gross mean unrisked prospective resource of 400MMbbls (75MMbbls net to Otto) and a geological chance of success in the range of 25-30%. Refer to the ASX release of 25 June 2018 for further details.

Cautionary Statement: The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

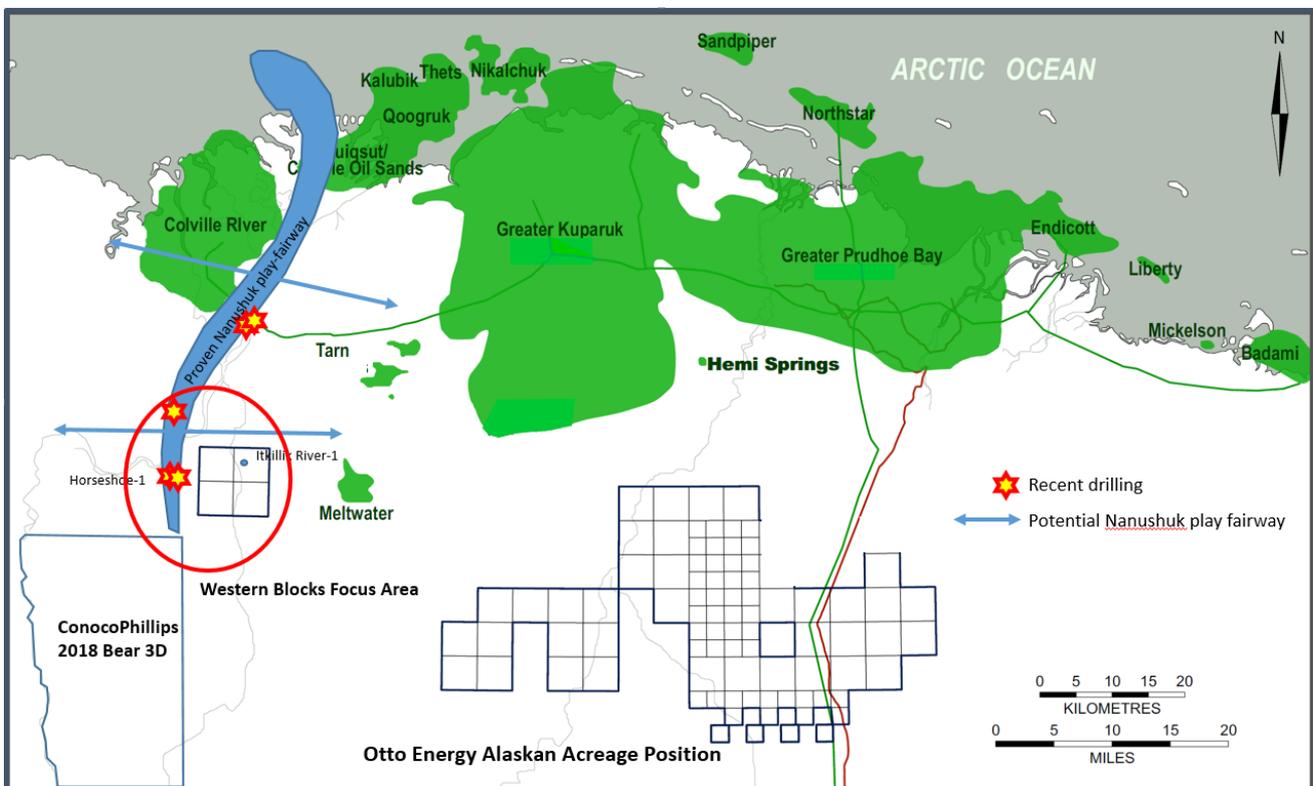
Otto’s Managing Director, Matthew Allen, commented: *“With the rig contract now in place we look forward to drilling the very large Winx prospect in early 2019.”*

“The drilling of Winx is one of ten wells Otto will participate in over the next 18 months with the Weiss-Adler et. al. No. 1 well at Bivouac Peak already underway.”

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Alaska Western Blocks – Ownership Interests				
	Working Interest (before back-in)	Paying Interest (before back-in)	Net Revenue Interest* (before back-in)	Working Interest (after back-in)
Otto Energy	22.5%	25.0%	18.75%	20.0%
88 Energy (Drilling Management)	36.0%	40.0%	30.00%	32.0%
Red Emperor (ASX:RMP)	31.5%	35.0%	26.25%	28.0%
Great Bear Petroleum**	10.0%	-	8.33%	20.0%
State of Alaska	-	-	16.67%	
	100.0%	100%	100%	100%

*Government royalty of 16.67%. **Currently Operator of record on leases.



Prospective Resources Reporting Notes

The prospective resources information in this document is effective as at 30 April 2018 (Listing Rule (LR) 5.25.1).

The prospective resources information in this document has been estimated and is classified in accordance with SPE PRMS (Society of Petroleum Engineers Petroleum Resources Management System) (LR 5.25.2).

The prospective resources information in this document has been estimated and prepared using the deterministic method (LR 5.25.6).

The prospective resources information in this document has been estimated using a 6:1 BOE conversion ratio for gas to oil; 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency (LR 5.25.7).