

## ASX ANNOUNCEMENT

4 July 2019

# MUSTANG EXPLORATION WELL REACHES FINAL CASING POINT

- **Mustang exploration well, Thunder Gulch #1, has reached its final intermediate casing point**
- **Drilling to reach the final target depth is expected to be completed by mid-July including wireline logging and petrophysical evaluation**
- **Mustang is the second of four Chambers County wells testing Vicksburg prospects operated by Hilcorp Energy**

Otto Energy Limited (ASX:OEL) ("Otto" or the "Company") is pleased to advise that the initial exploration well, Thunder Gulch #1 in Chambers County Texas, testing the Mustang prospect has reached the final intermediate casing point. As at 6am on 3 July 2019 (US CST), the well has reached the final intermediate casing point at 15,495 ft MD and a 7 5/8" casing has successfully been run and cemented. The well will be drilled to approximately 18,000 ft MD and is expected to take ~15 days to reach Total Depth including wireline and petrophysical evaluation following completion of drilling.

Otto will earn a 37.50% working interest by paying 50.0% of the costs of drilling and either setting casing or plugging and abandoning the well, after which point Otto will pay 37.50% of all future costs. The exploration well on the Mustang prospect in Chambers County, Texas is targeting the Vicksburg sand that is Oligocene in age.



*Energy Drilling Company Rig 16 on location at the Thunder Gulch #1 exploration well*

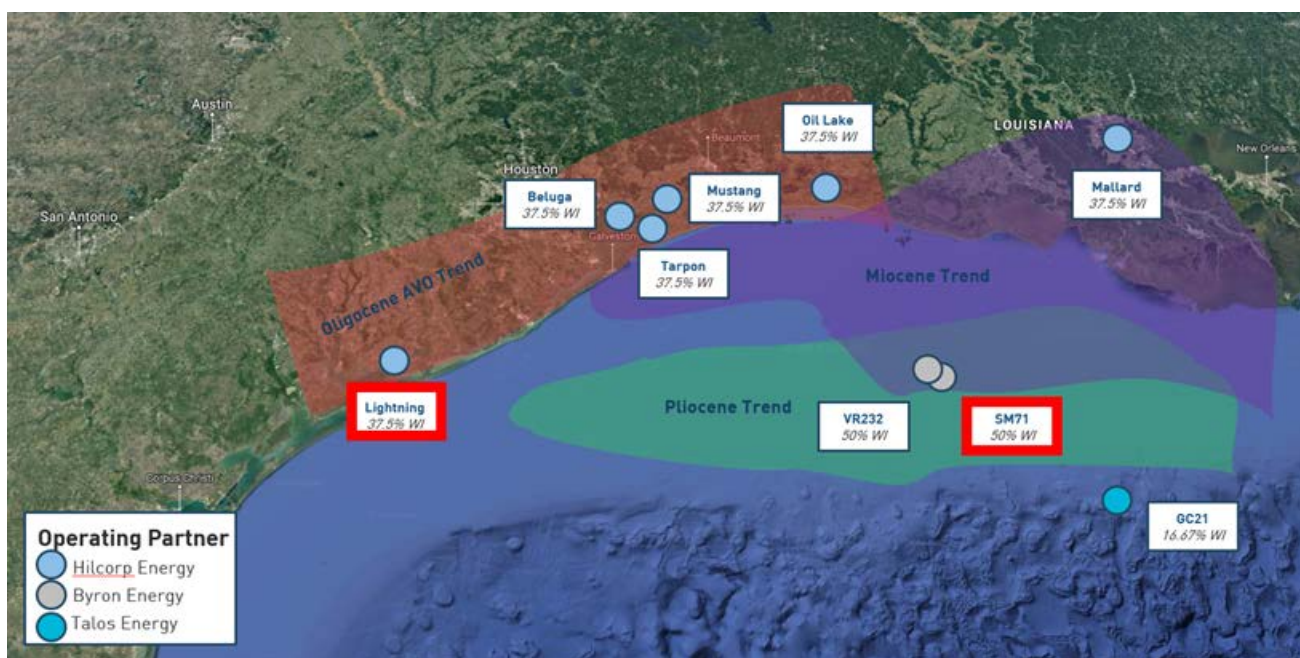
Otto's next announcement in relation to this well, will be when a material event has occurred.

Refer to the ASX release "Otto Farms in to Eight Well Gulf Coast Package with Hilcorp" dated 31 July 2018 for further details on the overall Hilcorp Gulf Coast eight well program.

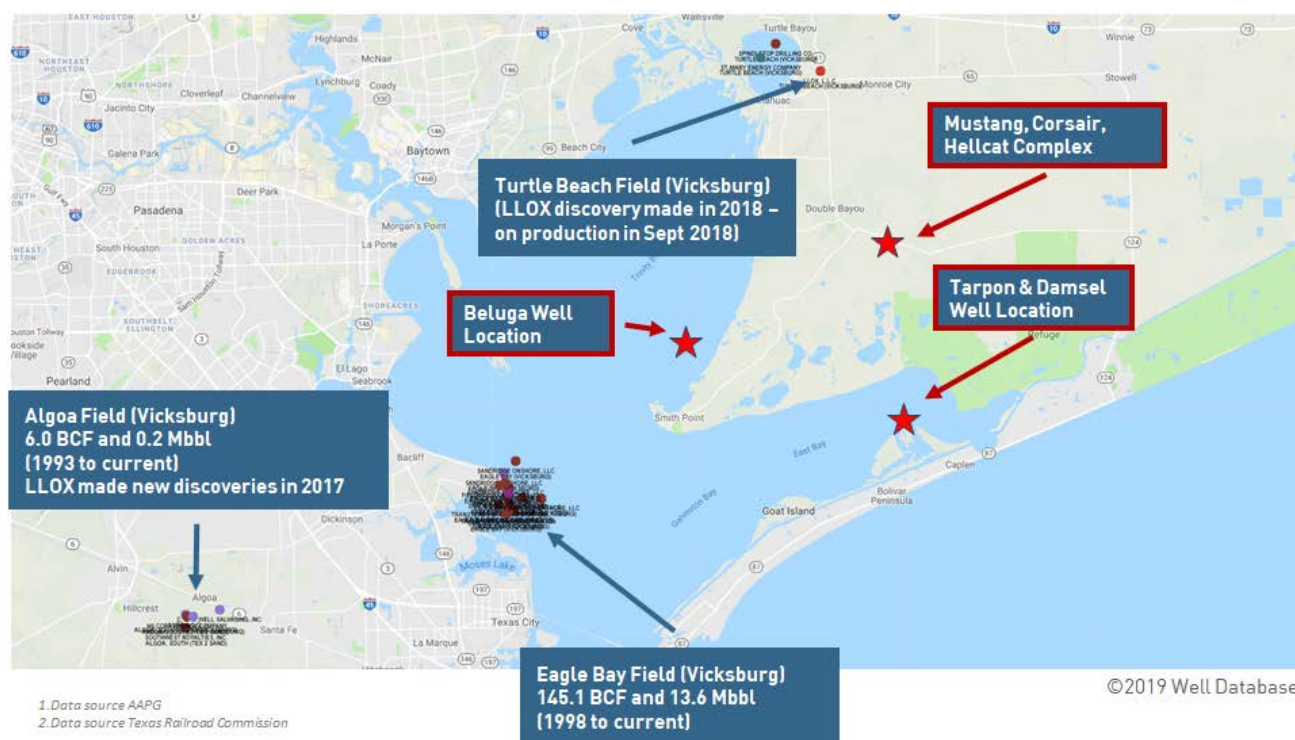
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### Appendix 1 – Mustang Information

Mustang Key Details	
<b>JV Partners</b>	Hilcorp (operator) 62.50% Otto Energy 37.50%
<b>Well Depth</b>	19,000 ft MD/18,000 ft TVD
<b>Geological Setting</b>	<p>Significant historical production exists from the Frio/Tex Miss shelf edge, however the channel/levee setting has only been lightly explored. Overlaying production from the shallower Miocene levels dates back to the early 1930's. Recent drilling in the Vicksburg has confirmed that this relatively underexplored play is yielding multiple new discoveries.</p> <p>The Mustang prospect demonstrates strong AVO (amplitude versus offset) on 3D seismic with good conformance of the amplitude response to structure at multiple levels.</p>
<b>Lease terms</b>	Royalty rate 24%
<b>Development Plan</b>	Completed well will be tied back to an existing gas export line near the well. Estimated completion and development costs US\$3.05 million (Otto share US\$1.30 Million)



*Otto Gulf Coast and Shelf interests*



*Vicksburg discoveries in Chambers County, Texas*