

**ASX ANNOUNCEMENT**

20 February 2020

**SM71 F5 WELL TO BE DRILLED BY JOINT VENTURE**

- **SM71 joint venture elects to drill the F5 Silo prospect targeting the D5 reservoir**
- **First production from the F5 well, if successful, would be during Q2 2020**

Otto Energy Limited (ASX: OEL) ("Otto" or the "Company") is pleased to advise that the SM71 joint venture has elected to undertake the drilling of the F5 well at the SM71 field. The well will be drilled using the Enterprise 264 currently on location at the SM71 F platform and is expected to commence drilling around 1 March 2020.

The F5 well will test an extension of the currently producing D5 sand reservoir that has produced over 2.0 MMbbls of oil with no formation water since production began on 23 March 2018. The seismic response at the SM71 F5 location is highly consistent with the wells currently producing from the D5 reservoir interval (namely the F1 and F3 wells).

Drilling operations are expected to take approximately 25 days on a trouble free, dry hole basis and a total of 39 days in a success case to drill and complete the well for production. The well will utilize an existing slot on the F platform and is able to be brought into production immediately upon completion.

Commenting on the election to drill the SM71 F5 well, Otto Energy Managing Director & CEO Mr. Matthew Allen said:

*"Otto is very pleased to progress the drilling of this exciting well at the flagship SM71 field. The F5 well has the potential to add significant additional production to the facility in a reservoir that has proven in the nearly two years since first production to be amongst the best of recent discoveries on the Gulf of Mexico shelf. We look forward to a trouble free and safe drilling operation and the potential to add to Otto's growing production base in the Gulf of Mexico".*

Otto, through its wholly owned subsidiary Otto Energy (Louisiana) LLC., currently has a 50% working interest and a 40.625% net revenue interest in SM71. Byron Energy Ltd ("Byron") (ASX: BYE) is the operator and holds the remaining interest in SM71.

Contact: Matthew Allen Managing Director & CEO +61 8 6467 8800 <a href="mailto:info@ottoenergy.com">info@ottoenergy.com</a>	Investor Relations: Mark Lindh (Adelaide Equity) +61 (0) 2 4017 1257 / +61 414 551 361 <a href="mailto:Investor-relations@ottoenergy.com">Investor-relations@ottoenergy.com</a>
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**About Otto Energy:**

Otto is an ASX-listed oil and gas exploration and production company with a regional focus on North America, focused on the Gulf of Mexico region near-term. Otto currently has oil production from the SM 71 oil field in the Gulf of Mexico and gas/condensate production from the Lightning discovery onshore Matagorda County, Texas. Development is underway at the Green Canyon 21 "Bulleit" oil discovery in the Gulf of Mexico. Cashflow from its producing assets underpins its growth strategy including an active exploration and appraisal program underway in the Gulf of Mexico region.