

**ASX ANNOUNCEMENT**

6 March 2019

**WINX-1 DRILLING UPDATE**

- **Total Depth of 6,800' reached on 3rd March, all pre-drill targets successfully intersected**
- **Multiple potential pay zones identified, including in primary target zone (Nanushuk topsets)**
- **Wireline logging program is scheduled to commence imminently to confirm prospectivity ahead of possible production testing**

Otto Energy Limited (ASX:OEL) ("Otto" or the "Company") is pleased to provide the following update on the drilling of the Winx-1 well in its Alaska Western Blocks.

The Winx-1 exploration well intersected all of the pre-drill targets safely and efficiently. Total Depth of 6,800' was reached on the 3rd March 2019, with multiple potential pay zones identified in the Nanushuk Formation Topset Play (primary targets) and Torok Formation (secondary targets).

A comprehensive wireline logging program is due to commence 6th March (AK time) to verify the prospectivity of the zones of interest. This program, including first pass interpretation, is expected to take ~10 days to complete. Based on the results of the interpretation, a decision will be made on whether to proceed with production testing of the most prospective zone within the Nanushuk Formation.

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 Partners +61 8 8232 8800
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## Winx-1 Information

Winx-1 is located approximately 4 miles east of the Horseshoe-1/1A well that significantly extended the highly successful Nanushuk play fairway to the south. Winx-1 will target gross best estimate prospective resource of 400 million barrels of oil (75 million barrels Otto's 18.75% net revenue interest) across multiple stacked objectives, including the Nanushuk Formation, which is the primary target of the well.

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 movable hydrocarbons.

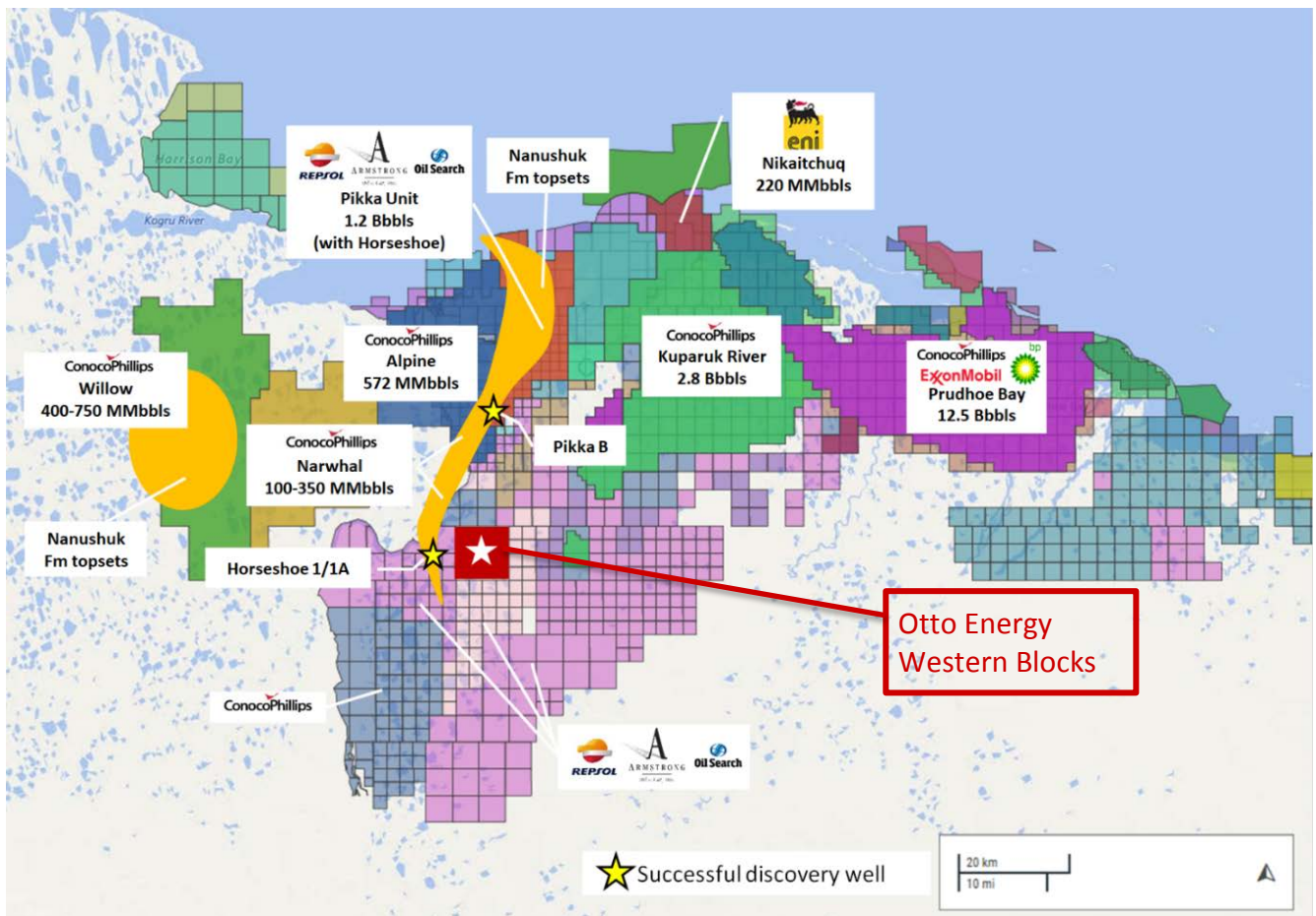


Figure 1 – Winx exploration well, Western Blocks, Pikka B well, Alaska North Slope and Nanushuk Fairway

### **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 is reported according to the Company's economic interest in each of the resources and net of royalties (LR 5.25.5).
- 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).
- The prospective resources information in this document has been estimated on the basis that products are sold on the spot market with delivery at the sales point on the production facilities (LR 5.26.5.)
- Prospective resources are reported on a best estimate basis (LR 5.28.1).
- Otto is not aware of any new information or data that materially affects the information included in the this release and that all the material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed (LR 5.43.2).
- For further information, refer to the announceemnt dated 18 February 2019.