

14 November 2014

Manager of Company Announcements  
 ASX Limited  
 Level 6, 20 Bridge Street  
 SYDNEY NSW 2000

**By E-Lodgement**

**AGM Addresses by Chairman and CEO**

Following are the addresses to be given by the Chairman and Chief Executive Officer at the Annual General Meeting of the Company to be held today at the University Club of Western from 2.30pm.

Yours faithfully

**Matthew Allen**  
 Chief Executive Officer

**OTTO AT A GLANCE**

- ASX-listed oil and gas company with a strategy to grow its oil and gas business across exploration, development and production
- Focused on South East Asia and East Africa
- Operator of the producing Galoc oil field in the Philippines, which provides cashflow

**COMPANY OFFICERS**

Rick Crabb	Chairman
Ian Macliver	Director
Rufino Bomasang	Director
John Jetter	Director
Ian Boserio	Director
Matthew Allen	CEO
Craig Hasson	CFO
Scott Blenkinsop	Chief Legal Counsel Company Secretary

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**Otto Energy Limited**  
**2014 Annual General Meeting**  
**Chairman's Address**

The past financial year and the period since 1 July this year has seen unprecedented activity for Otto Energy.

The most significant achievement has been the successful completion of the Galoc Phase II development. The Galoc Phase II development was delivered on time and on budget – a rarity in the oil and gas industry.

Moreover, the uptime and deliverability of the Phase II Development since start-up has been at or above projections.

Shareholders can be justifiably proud of this major achievement by Otto Energy's staff, management and contract partners in Perth, Kuala Lumpur and the Philippines.

They have delivered long term value to the Galoc Joint Venture parties, including Otto Energy, and to the Philippine Government.

The execution of the sale and purchase agreement by Otto Energy to divest the 33% interest in the Galoc Oil field for US\$101.4 million (approximately AUD\$117MM) represents an outstanding opportunity to maximise and monetise the value of the Galoc Interest after the successful completion of the Galoc Phase II expansion.

The transaction and the proposed 6 cents per share capital return demonstrates Otto Energy's commitment to delivering shareholder value whilst retaining significant funding to carry out its highly prospective exploration program.

This proposed transaction is the subject of a separate meeting of shareholders called for 16 December and I would propose that any detailed questions and discussions on this topic be saved for that meeting.

The Company is committed to longer term growth through the exploration portfolio.

The Otto team, led by our CEO Matthew Allen, continue to mature their understanding of the Philippines and Tanzania acreage and to prepare for drilling "company making" wells in 2015.

In relation to the SC55 licence area in the Philippines, the Company continues to pursue options to farm out the acreage and secure quality partners for the drilling of the Hawkeye-1 well. We look forward to being able to announce some development in this regard in the near term.

Recent results from seismic at Otto Energy's 50% held Tanzanian Kilosa-Kilombero PSC points to an exciting period ahead as we mature the various prospects identified on 2D seismic for drilling in 2015.

Funds from the Galoc divestment will position Otto Energy to capture new opportunities in 2015 and beyond. Early identification of such opportunities will continue to be a focus in 2015.

I thank you, our shareholders, for your continued support through this past year. I also thank my fellow Directors, Management team and staff in Perth and overseas for their continued commitment.

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Annual General Meeting  
14 November 2014

Matthew Allen  
Chief Executive Officer

# Disclaimer



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.

The reserve and contingent resource information in this report is based on information compiled by Mr Mark Pogson MSc (DIC), PhD (Physical Chemistry) BSc (Chemistry and Geochemistry), who has consented to the inclusion of such information in this report in the form and context in which it appears. Mr Pogson consultants to the Company, with more than 25 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE).

Reserves and Contingent resources have been estimated using both probabilistic and deterministic methods. 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.

# Delivery through 2014



- **Development and Production**

- Safe & reliable development and operations.
- Successful delivery of Galoc Phase II: On time and within budget.
- Initial rates of 14,000 bopd: Delivering at or above projections.
- Record production and revenue to date: 812,470 bbls & US\$73.692MM (net).
- Exceptional uptime: 99% system reliability from wellhead through production facility.

- **Exploration**

- Tanzania – 500 km of 2D seismic acquired. Seismic acquisition ongoing. Results very promising with evidence of “string of pearls” in Kilosa-Kilombero.
- Philippines:
  - SC73 – Reprocessing seismic.
  - SC55 – Seeking to farm out. Acquiring long lead items for Hawkeye-1 well.

- **Financial**

- Repaid \$US35.9MM Galoc Phase II loan facility
- Net cash balance US\$7.735MM

# Look Ahead to 2015



- **Divestment of Galoc and Capital Return**
  - Sale of Galoc Production Company for US\$101.4MM (AUD\$117.59 @ 11 November)
  - Effective date of sale: 1 July 2014.
  - General Meeting of Shareholders to consider sale: 16 December 2014.
  - Proposed capital return of 6 cents per share (subject to ATO Class Ruling, final Director approval and Shareholder approval.)
- **Exploration**
  - Tanzania:
    - Finalise Kilosa-Kilombero and Pangani seismic survey/interpretation.
    - Mature prospects for drilling in late 2015.
  - Onshore East Africa
    - Seeking to secure new business opportunities in exciting rift oil play.
  - Philippines:
    - SC55 – Subject to DOE extension and farm out, drill Hawkeye-1 well.
- **Corporate**
  - Otto is fully funded for all activities for two years

**Thank you for attending the  
Otto Energy Limited  
Annual General Meeting of Shareholders**

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