

**ASX ANNOUNCEMENT**  
11 October 2018

## DRILLING UPDATE - BIG TEX AND BIVOUAC PEAK

- **The Weiss-Adler No. 1 well testing the Bivouac Peak East prospect has been drilled to total depth where porosity logs were acquired and objectives deemed non-commercial. The well is currently being plugged and abandoned**
- **Final costs to drill, test, plug and abandon the Weiss-Adler No. 1 well are estimated to be less than US\$7.5mm and significantly below the original expectations of US\$10.8mm**
- **Separately, Otto will remain in trading halt pending the results of the Big Tex well, the first of Otto's eight well drilling program with its US partner, Hilcorp Inc.**

Otto Energy Limited (ASX:OEL) ("Otto" or the "Company") advises that the Weiss-Adler, et. al. No. 1 well ("Weiss-Adler #1") was drilled to a depth of 17,766 feet Measured Depth ("MD"). Otto has a 40% working interest (29.8% net revenue interest) in the Weiss-Adler No. 1 well.

As of 3:00 pm US Central Daylight Time on 10 October 2018, the Weiss-Adler #1 well has been evaluated utilizing quad combo wireline logging tools, has been deemed uncommercial, and is currently being plugged and abandoned.

The well was drilled to a measured depth of 17,766 feet and the operator, Byron Energy Inc, a wholly owned subsidiary Byron Energy Limited ("Byron") (ASX:BYE), determined that the objectives were penetrated, and the prospect has been fully tested. All joint venture partners have been notified and have elected to plug and abandon the well. Wireline logs including a sonic (P&S wave), neutron/density, gamma ray and resistivity tools were run and evaluated. Byron generated a synthetic seismogram to confirm the tie to the seismic data to ensure the well has been drilled to a depth sufficient to test the two objectives. Petrophysical evaluation of the porosity and sonic logs indicates the first objective to be a water bearing sand and the second objective a set of thinner, tight, gas bearing sands and shales with less than 5 net feet of conventionally logged hydrocarbons.

Although plug and abandon operations will be ongoing into next week, the well has been drilled safely and efficiently utilizing the Parker Drilling Company Rig #77-B, which was managed by Stokes & Spieler, Byron's primary consulting drilling engineers. Byron has advised that estimated final costs to drill, test and abandon the well are currently expected to be less than US\$7.5mm and significantly below the original expectations of US\$10.8mm. Under the terms of the farmin, Otto funds 53.33% of the first US\$10 million drilling costs.

### Trading Halt

Otto's securities will remain in a trading halt until the earlier of an update announcement being made in relation to the Big Tex well or the opening of trading tomorrow, Friday 12 October 2018. Big Tex is the first of Otto's eight well drilling program with its US partner, Hilcorp Inc. Refer to the ASX release of 30 August 2018 for further information on Big Tex.

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**Bivouac Peak – Joint Venture**

<b>JV Partners</b>	Byron Energy (ASX:BYE) (operator)	43%
	Otto Energy	40%
	Metgasco (ASX: MEL)	10%
	Private US Entity	7%
<b>Lease terms</b>	• Private lease (2,492 acres)	23.0% royalty
	• State lease (#21778, 200 acres)	21.5% royalty
	• State lease (#21779, 130 acres)	25.0% royalty