

11 December 2013

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

By E-Lodgement

OTTO ENERGY CONFIRMS KITO PROSPECT IN TANZANIA

Highlights:

- **Otto's partner Swala Energy announces results from a prospective resource assessment over the "Kito" prospect in the Kilosa-Kilombero Licence in Tanzania**
- **The joint venture will work to mature "Kito" prospect to drillable status**
- **The focus of further exploration will be to refine additional prospectivity in the licence**

Otto Energy Limited (ASX: OEL) ("Otto") notes the prospective resource assessment of the "Kito" prospect in the Kilosa-Kilombero licence in Tanzania reported in the attached ASX Announcement from joint venture partner Swala Energy Limited (ASX: SWE).

The prospective resource assessment indicates a net prospective resource of between 19.2 million barrels and 169.6 million barrels to Otto with a best estimate of 60.4 million barrels. Otto's working interest is 50% in the Kilosa-Kilombero licence.

Whilst on its own Kito is a material opportunity, recent success in analogue basins in Kenya and Uganda have seen similar basins emerge into world-class play trends with significant accumulations being discovered. In the case of Uganda over 1.7 billion barrels of oil and in Kenya nearly 400 million barrels of oil have been discovered to date. As exploration in the Kilosa-Kilombero licence is furthered, Otto is hopeful to mature prospects similar to Kito.

Otto Energy Chief Executive Officer Gregor McNab said: "Otto is highly encouraged by the initial results from analysis of the Kito prospect, this is endorsement of our investment decision in 2012 and supports Otto's increased strategic focus on East Africa. It is Otto's ambition to further increase our position in East Africa. Kito is a material prospect, and based upon recent success in similar settings in the East African Rift System, we expect further material prospects to emerge as we undertake more exploration in 2014."

Please find a copy of the Swala Energy Limited announcement attached.

Please also refer to Otto's latest investor presentation, available from our website for further information.

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OTTO AT A GLANCE

- ASX-listed oil and gas company with a strategy to grow its integrated 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
- Opportunity rich with substantial exploration prospects and leads

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