



ASX ANNOUNCEMENT  
20 May 2009

## OPERATIONS UPDATE

Otto Energy Ltd (**Otto** or **Company**) (ASX: OEL) provides an update on its exploration drilling programs in Turkey, Italy and Argentina.

### Turkey - Edirne Licence

The operator, Petroleum Exploration Mediterranean Int. Pty Ltd (**PEMI**), advises that based on first pass log interpretation, the Kirmizihoyuk-1 exploration well has encountered approximately 15m of gas pay over three zones that will be confirmed with testing over the coming week. The current operation is running and cementing casing.

Name of well	Kirmizihoyuk-1
Spud date	13 May 2009
Depth of well	Total Depth at 500m
OEL beneficial interest	35%

### Italy – Cento-Bastiglia Permits

Drilling commenced on 19 May 2009 in the Cento-Bastiglia Exploration Permits located in the Po Valley, onshore Italy.

The operator, AIM-listed Ascent Resources Plc (**Ascent**) advises that the primary target lies at approximately 2,100 metres in Pliocene sandstones. The well will take approximately 3-4 weeks to reach target depth assuming trouble free drilling. Gazzata-1 is being drilled with the new Perazzoli HH-200 drilling rig.

Otto is earning a 50% working interest via the funding of the Gazzata-1 well and a second well if Gazzata-1 is a significant discovery (over 10 bcf of gas). There is a cap on the expenditure for both the Gazzata-1 and the second well, above which the contribution is 50/50 between Otto and Ascent.

Name of well	Gazzata-1
Spud date	19 May 2009
Depth of well	Just spudded
OEL beneficial interest	50%

### The Gazzata Prospect

*The Gazzata-1 exploration well targets P50 prospective gas resources of over 100 Bcf in a seismically defined amplitude anomaly of over eight square kilometres in area. The minimum economic threshold for a commercial gas discovery in the Po valley with its excellent pipeline infrastructure and high European gas pricing is calculated by Otto to be less than 10Bcf of recoverable gas.*

### Otto Energy at a Glance

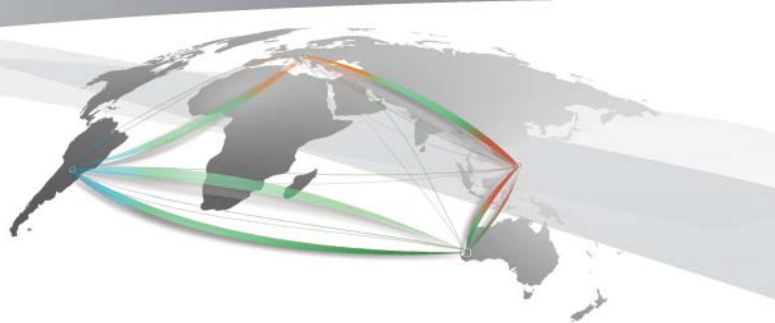
- Dynamic ASX-listed oil and gas company with significant growth potential
- Strong Board & Management team
- World class projects across 4 countries
- Production from Galoc Oil Field to provide cash flow for exploration
- Opportunity rich with 8 discoveries, 20+ prospects and more than 60 leads
- Upcoming events in 2009 including oil revenues, farm-outs and drilling program which offer significant value creation for investors.

### COMPANY OFFICERS

Rick Crabb	Chairman
Jaap Poll	Non exec Dir
Ian MacIver	Non exec Dir
Rufino Bomasang	Non exec Dir
John Jetter	Non exec Dir
Alex Parks	CEO
Emma McCormack	Comp Secretary

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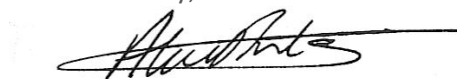


#### **Argentina – Santa Rosa Licence**

Otto is pleased to announce preparation of the well site for the first well has commenced and drilling is scheduled to commence in mid June.

The Company will continue to update the market on a weekly basis each Wednesday during the drilling programs.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Alexander Parks".

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Alexander Parks  
Chief Executive Officer

The information in this announcement that relates to exploration results, hydrocarbon resources or reserves is based on information compiled and reviewed by Mr Alexander Parks. Mr Parks is qualified with a Masters of Petroleum Engineering degree from Imperial College, London and has been practising as a Petroleum Engineer for over 12 years in the UK and Australia. Mr Parks is the Chief Executive Officer and full time employee of the Company. Mr Parks consents to the inclusion in the announcement of the matters based on the information in the form and context in which it appears.