



ASX ANNOUNCEMENT

27 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 Kirmizihoyuk-1 exploration well was drilled to total depth and encountered gas over three zones and some deeper ambiguous zones that could be gas or water.

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

The ambiguous zones have now been tested and established as partly gas bearing with flow of up to 0.71MMscf/d with associated water production. The main target intervals will be perforated and flow tested shortly and any results will be provided in next week's update.

Italy – Cento-Bastiglia Permits

Drilling commenced on 19 May 2009 in the Cento-Bastiglia Exploration Permits located in the Po Valley, onshore Italy. The Gazzata-1 exploration well was drilled to a depth of 557 metres and 13 3/8" casing has been run to 544m. Gazzata-1 was drilling ahead in 12 1/4 inch hole at 586m at 9pm local time on 26 May 2009.

Name of well	Gazzata-1
Spud date	19 May 2009
Depth of well	586m
OEL beneficial interest	50%

Argentina – Santa Rosa Licence

The first wellsite is being prepared for rig arrival. Spudding of the first exploration well named OLE.MD.SRE.x-2001, is expected to occur around in mid/late June 2009.

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

Yours faithfully,



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.

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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