



ASX ANNOUNCEMENT

28 July 2009

DRILLING UPDATE

Otto Energy Limited ("the Company" or "Otto") (ASX: OEL) provides an update on its exploration drilling program in Argentina.

Argentina – Santa Rosa Licence

On 26 July 2009, the exploration well 'OLE.MD.SRE X-2001' reached a total depth of 1,270 m in basement.

An initial electric logging evaluation confirms that the well has not encountered hydrocarbons. The results suggest that the target reservoir zones are not present at this crestal well location.

The Joint Venture will now study the well data and incorporate this in a regional data base to determine whether potential stratigraphic traps on the western flank of the Santa Rosa dome warrant further investigation.

The well will be plugged and abandoned as a dry hole.

Name of well	OLE.MD.SRE X-2001 (Santa Rosa)
Spud date	15 July 2009
Depth of well	1,270m
OEL beneficial interest	32.5%

This concludes the current exploration drilling programs for Otto's non operated assets.

Yours faithfully,

Paul Moore
Chief Executive Officer

OTTO AT A GLANCE

- ASX-listed oil and gas company with significant growth potential.
- Production from Galoc Oil Field provides cash flow.
- Development of gas field in Turkey to become second revenue-generating asset.
- Opportunity rich with substantial exploration prospects and leads in portfolio.
- Upcoming events including production revenues, exploration drilling and farm-outs to offer value creation for investors.

COMPANY OFFICERS

Rick Crabb	Chairman
Jaap Poll	Non exec Dir
Ian Macliver	Non exec Dir
Rufino Bomasang	Non exec Dir
John Jetter	Non exec Dir
Paul Moore	CEO
Emma McCormack	Co Sec

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