

# ASX ANNOUNCEMENT



ITALY

TURKEY

PHILIPPINES

ARGENTINA

## SEARCHING & DEVELOPING OIL & GAS WORLDWIDE

Manager of Company Announcements

Australian Securities Exchange Level 6, 20 Bridge Street SYDNEY NSW 2000 By E-Lodgement

ASX / Media Announcement

7 April 2008

### Otto Energy PESA Deal Day Presentation

Australian based oil & gas company Otto Energy (ASX: OEL) is pleased to release the following presentation presented at the 'PESA Deal Day' held in Perth Western Australia on the 6 April 2008. This Presentation outlines the prospectivity of SC51 & SC55 where Otto is now seeking JV Partners in preparation for drilling.

Commenting on the release Alex Parks CEO said, "Otto has already received numerous expressions of interest in the blocks from potential farminees. Data will now be made available to a selected group of companies with a view to concluding a farm-in deal for each block in the next few months."

Yours faithfully

A handwritten signature in black ink, appearing to read "Alex Parks", is written over a horizontal line.

**Alex Parks**  
Chief Executive Officer

For further information visit Otto's website [www.ottoenergy.com](http://www.ottoenergy.com) or contact:

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### HIGHLIGHTS

- Strong board and management.
- World class portfolio across 4 countries.
- 1<sup>st</sup> oil from Galoc in April 2008 at 3000-4000 bopd net to Otto.
- 6-10 well exploration campaign in 2008.
- Opportunity rich with
  - 5 discoveries
  - 16 prospects
  - Over 60 leads in the portfolio.

ASX CODE: OEL

[www.ottoenergy.com](http://www.ottoenergy.com)

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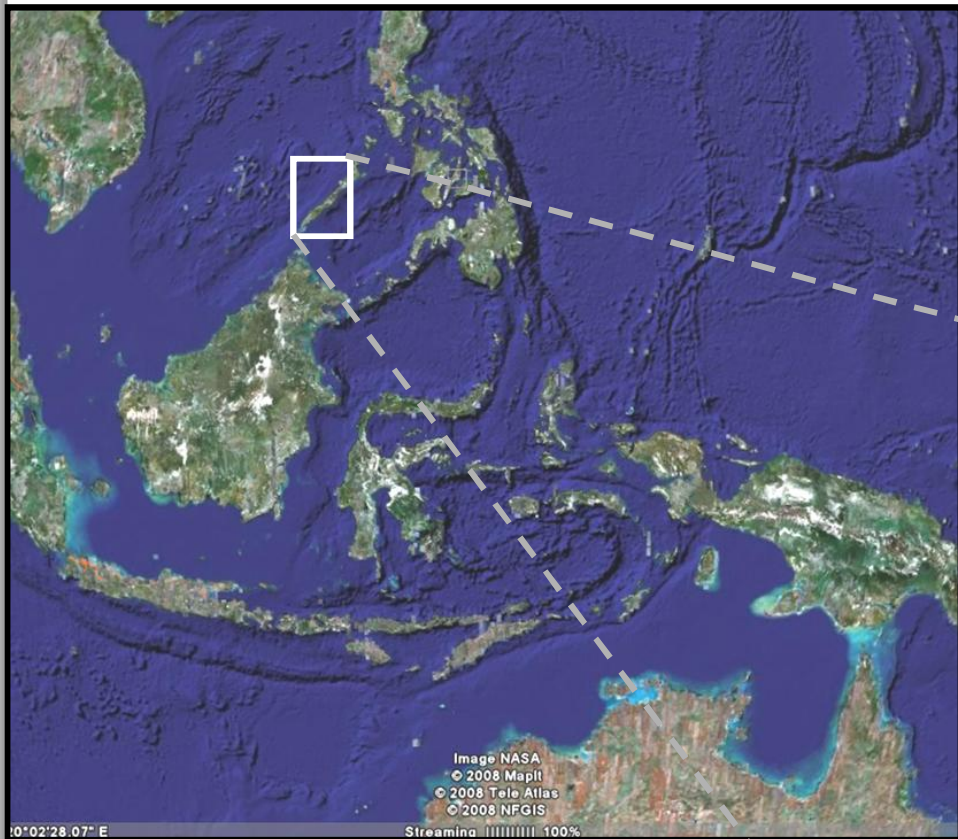
## Offshore Philippines Farm-in Opportunities

**Service Contract 51 - Otto Energy (80% and operator)**

**Service Contract 55 - Otto Energy (85% and operator)**

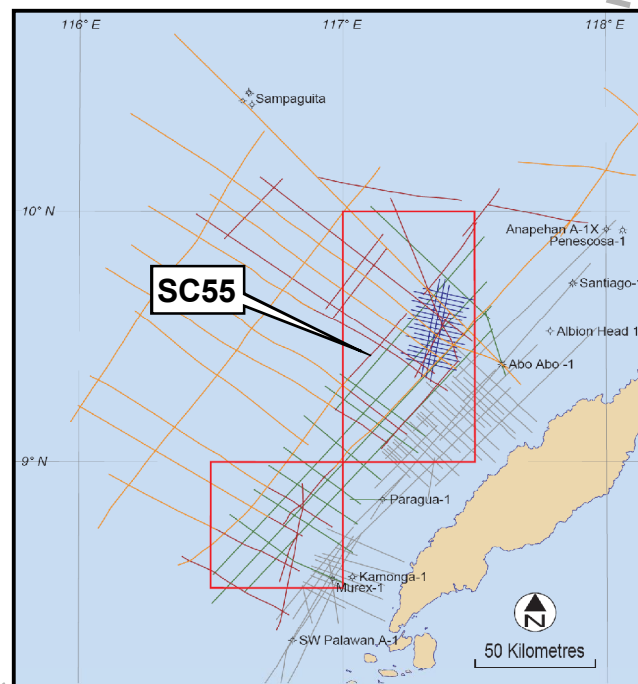


## Location Map



**SC55 lies in the South China Sea to the south west of Palawan Island, Philippines.**

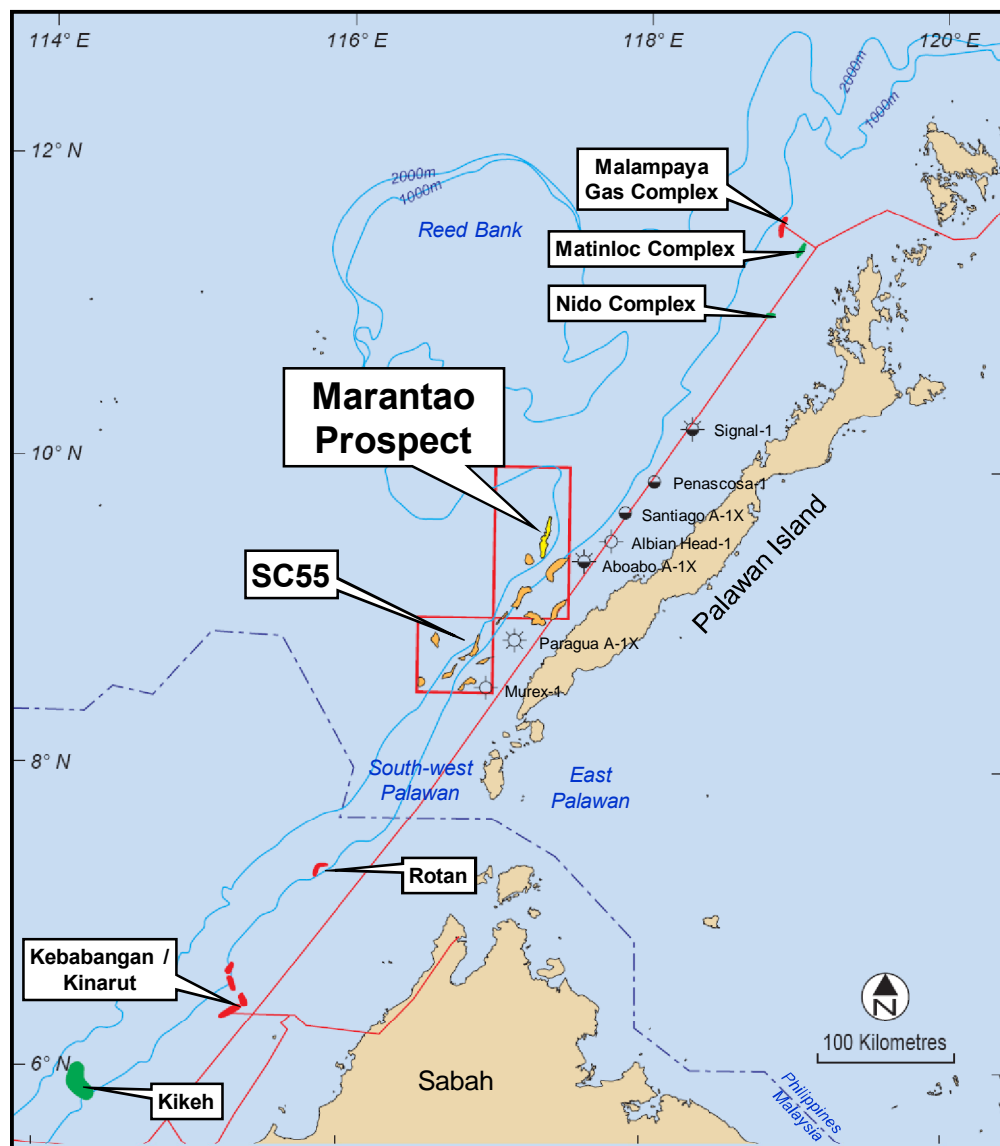
**SC55 License Area 9,000 sq km**



\* Republic of the Philippines, Dept of Energy, 2003

# SC55 Prospectivity

## Regional Deepwater Oil & Gas Trend



Modified after: McClure 2007



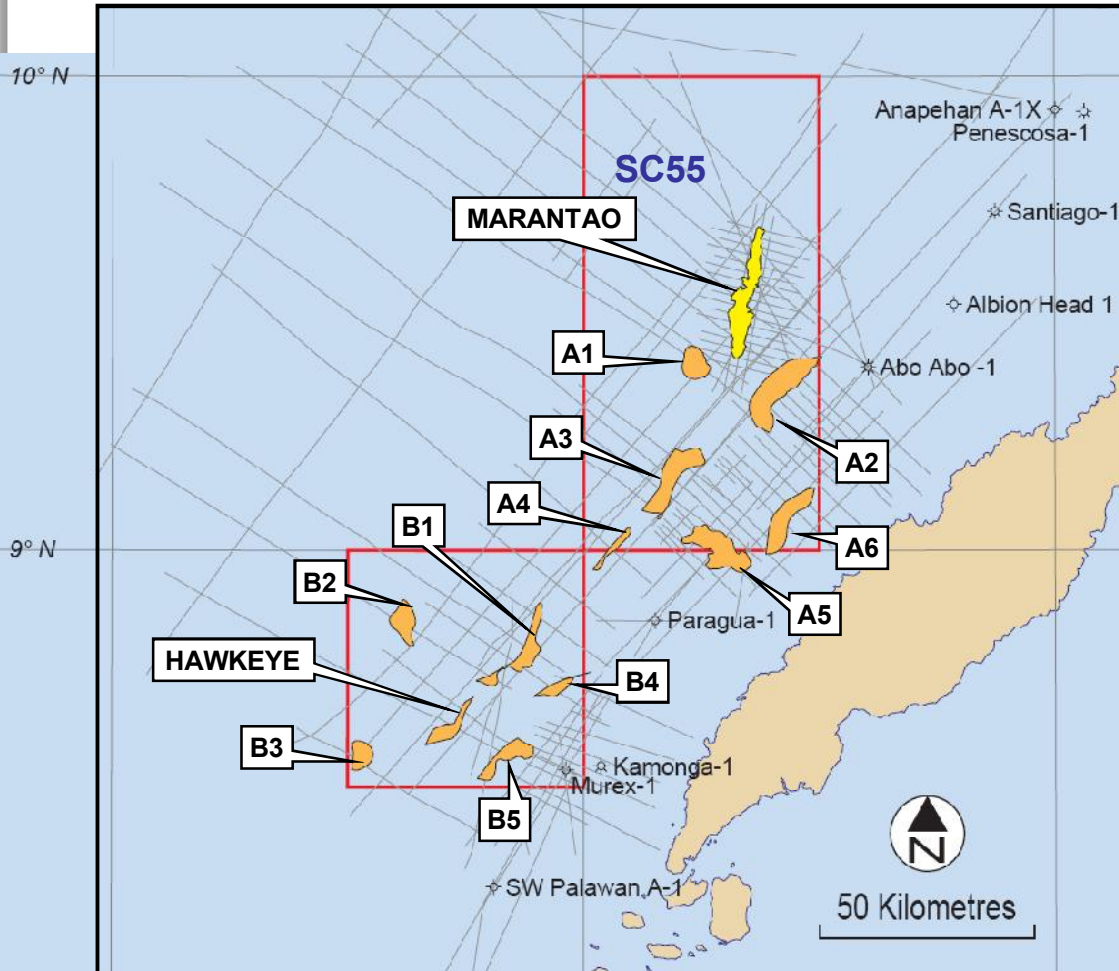
## Marantao Prospect

**Giant reef complex in ultra deep water**

- “ SC55 on trend with Philippines largest oil and gas fields
- “ Marantao Prospect analogous to Malampaya Gas Complex
- “ Mean potential reserves of 3.5 Billion barrels of oil or 4 Tcf
- “ Water depth 1780m at proposed well location
- “ Drilling one well by September 2009

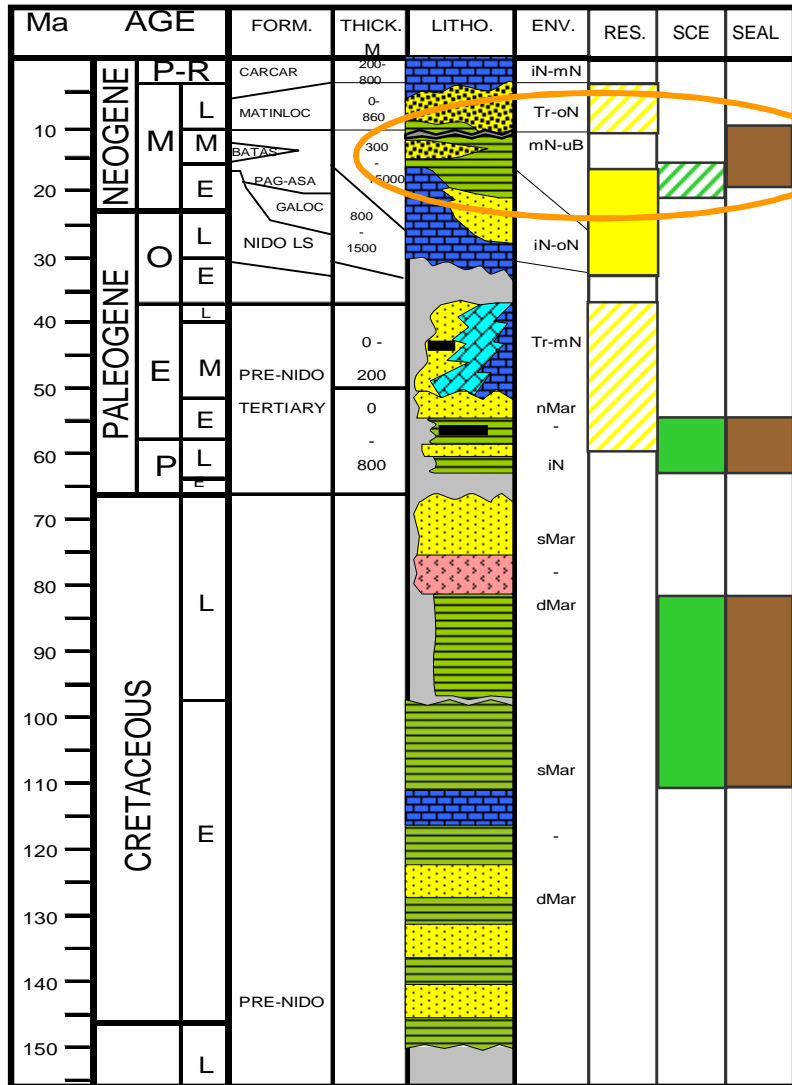
# Leads and Prospects

## SC55 Leads and Prospects



- “ Otto Energy acquired 400km 2D data over Marantao prospect in 2006 and 963km regional 2D data in 2007
- “ Marantao Prospect is delineated well by 2D seismic recorded at 1.9km spacing of dip lines.
- “ 15 large follow up leads have been identified

# Seal



Environments:  
 Mar - Marine  
 Tr - Transitional  
 Lc - Lacustrine  
 FLc - Fluvio-lacustrine  
 N - Neritic  
 B - Bathyal

Modifiers:  
 i - inner  
 m - middle  
 o - outer  
 n - non  
 s - shallow  
 d - deep  
 u - upper

- LITHOLOGY
- [Green] Mudrock
  - [Yellow] Sandstone
  - [Black dots] Conglomerate
  - [Black] Coal
  - [Blue] Limestone
  - [Cyan] Dolomite
  - [Orange] Chert
  - [Pink] Undiff. Volcanics
  - [Purple] Meta-sediments
  - [Purple] Meta-volcanics

- [Brown] Proven Seals
- [Diagonal lines] Potential Seals

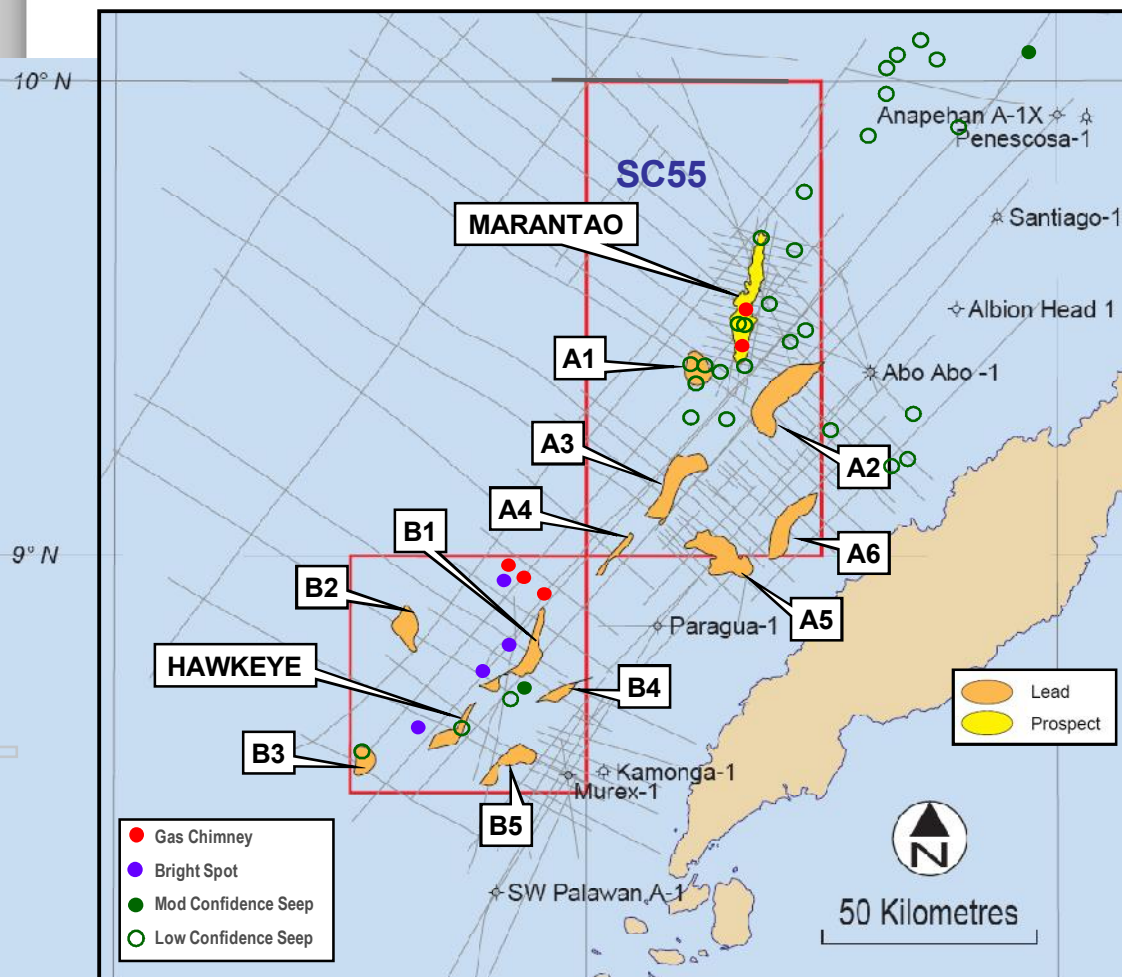
**The Early to Middle Miocene Pag-asa Fm shales overlying the Nido Limestone Formation is regarded as an effective regional seal.**

**Pag-asa Shale top seal in the Malampaya Gas Complex holds back a hydrocarbon column of 650m gas plus 56m oil**

Modified after: Trans-Asia, 2001

# Source Maturity and Migration

Hydrocarbon Seep Map



- “ Abo Abo A-1X flowed an reported 50MMSCFD gas from Miocene and older sandstones
- “ Gas recovery in Paragua-1X and interpreted from logs in Kamonga-1, indicative of an active hydrocarbon system.
- “ DHI’s including gas chimneys and oil seeps suggest an active petroleum system

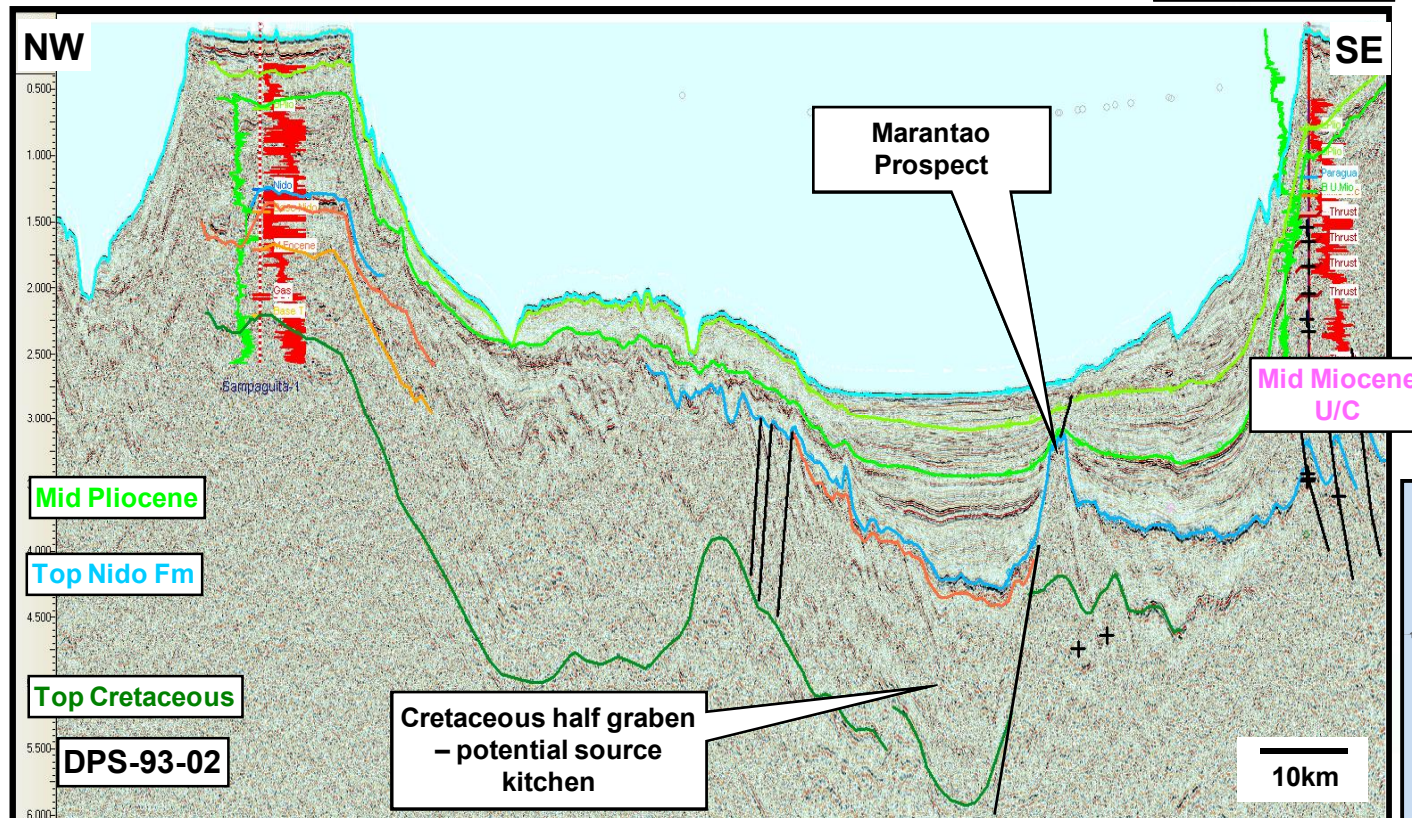
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# Seismic Dip Line

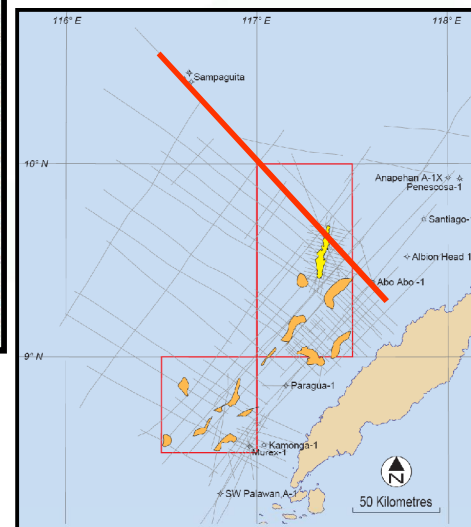


Sampaguita Gas Discovery

Abo Abo-1ST1 Gas Discovery



“ Marantao Prospect perched between two gas discoveries, above a potential source kitchen

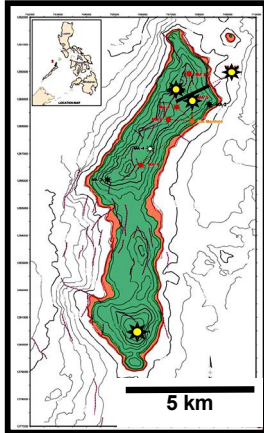




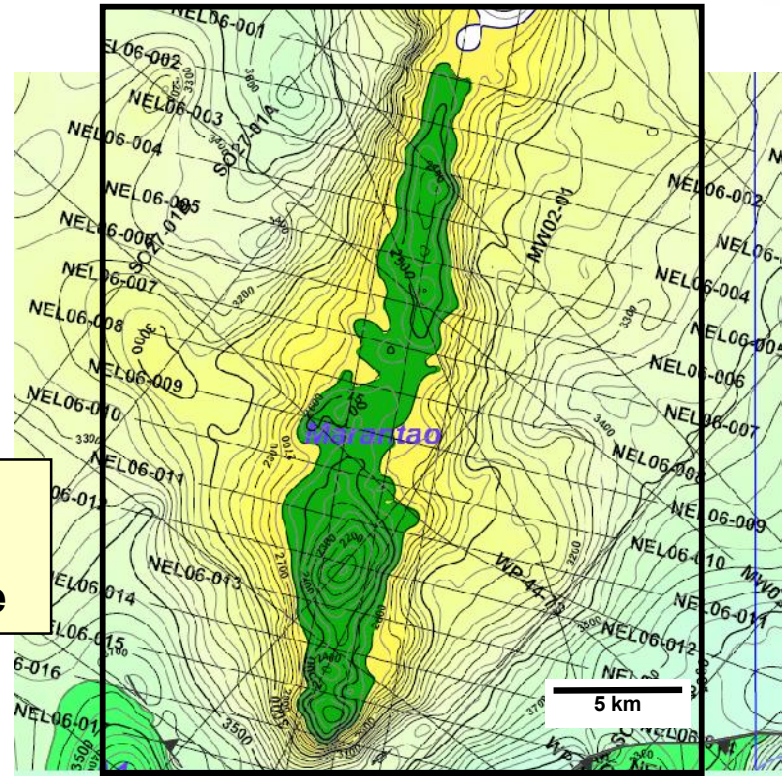
# Malampaya Field Analogue



**Malampaya  
Oil & Gas Field**



**Marantao  
Prospect**



**Approximately  
3-4 Tcf Gas + 80  
mmbbl condensate**

**Gas Case  
Mean: 4Tcf  
P10: 12 Tcf**

**Oil Case  
Mean: 3,500mmbbl  
P10 : 6,700mmbbl**

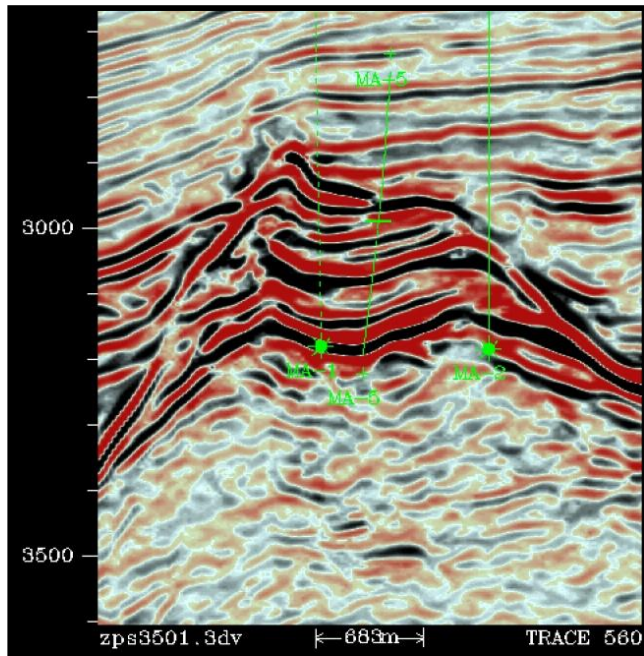
**Comparison of Top Nido Depth maps of Malampaya Field and Marantao Prospect**

**Both field and prospect share same orientation and shape**

**Marantao potentially giant size field**

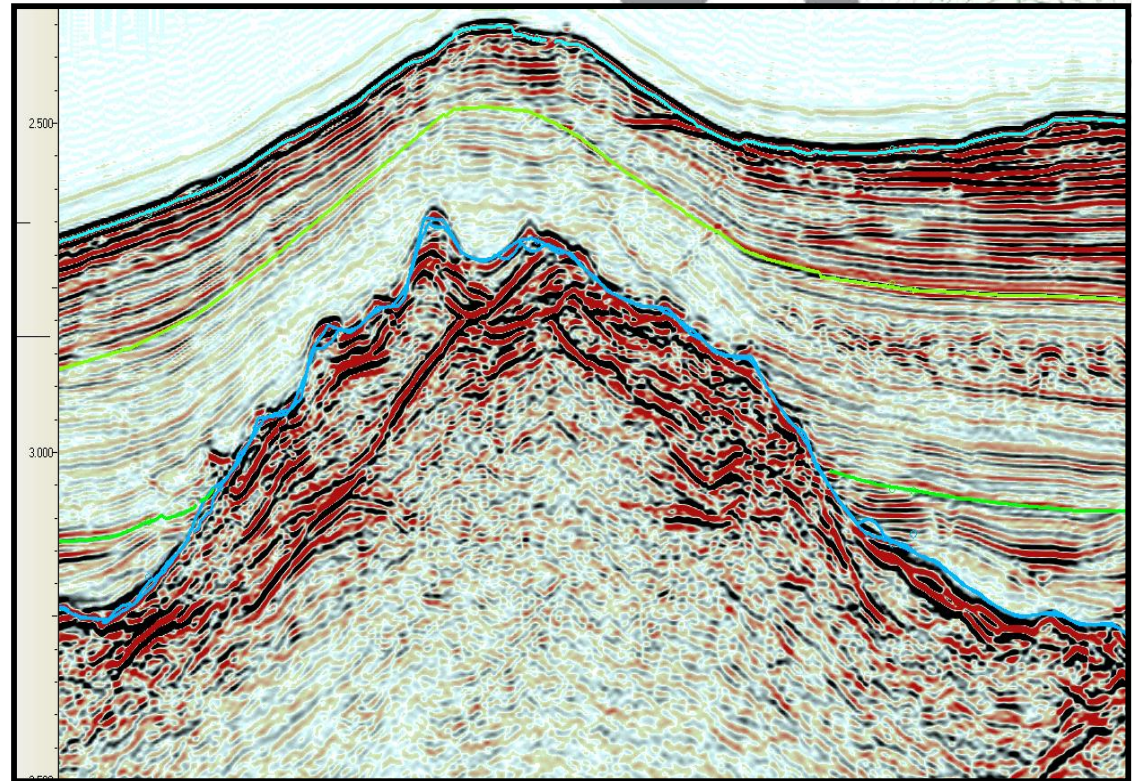
# Malampaya Field Analogue

Malampaya Oil & Gas Field



Source: Shell, 2003

Marantao Prospect



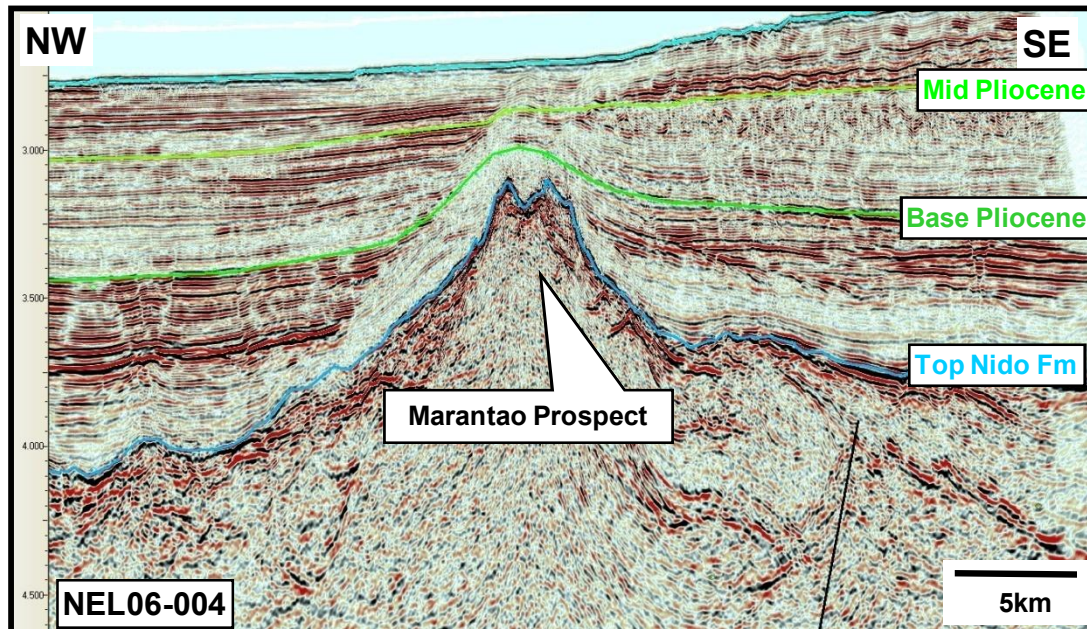
- “ Seismic dip lines through Malampaya Field and Marantao Prospect displayed at similar scales
- “ Note similarity in the internal seismic reflector character and onlap of opaque topseal sediments

# Marantao Prospect Summary



- Trap : Reefal build-up
- Primary Reservoir : Late Oligocene to Early Miocene carbonate complex
- Seal : Shales of Middle Miocene Pag-asa Fm
- Source : Paleogene lacustrine shales
- Area and Height : ~100 km<sup>2</sup> closure, ~500m relief

Water Depth at proposed well location : 1,780m

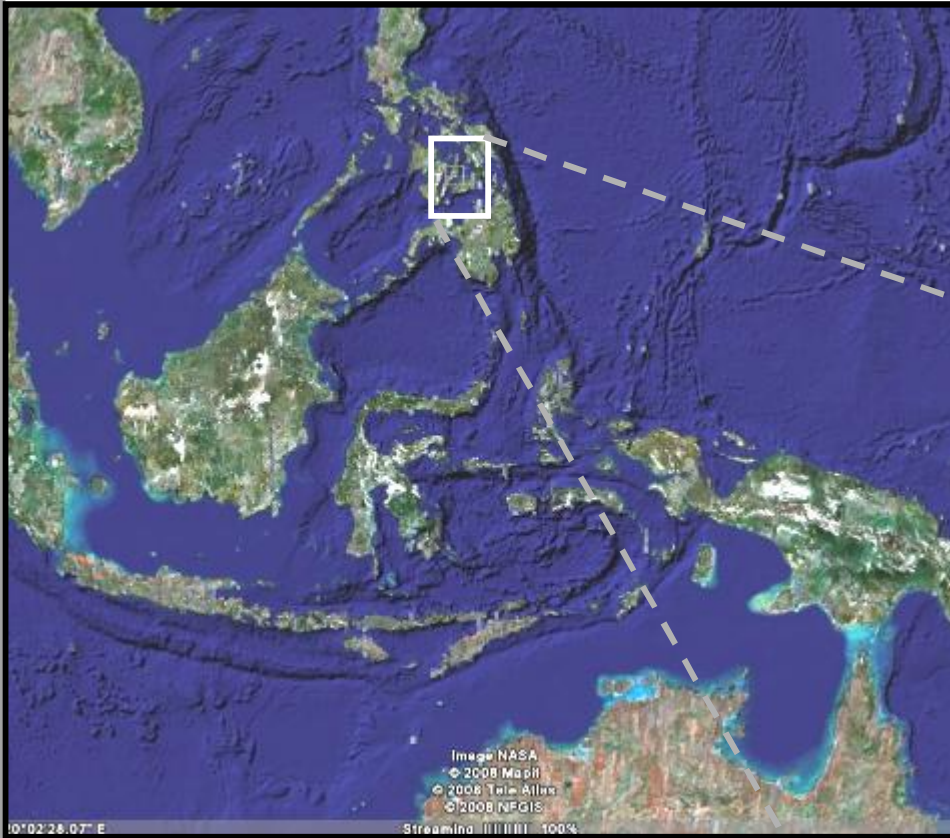


Mean prospective reserves

3,500 mmbbl Oil case

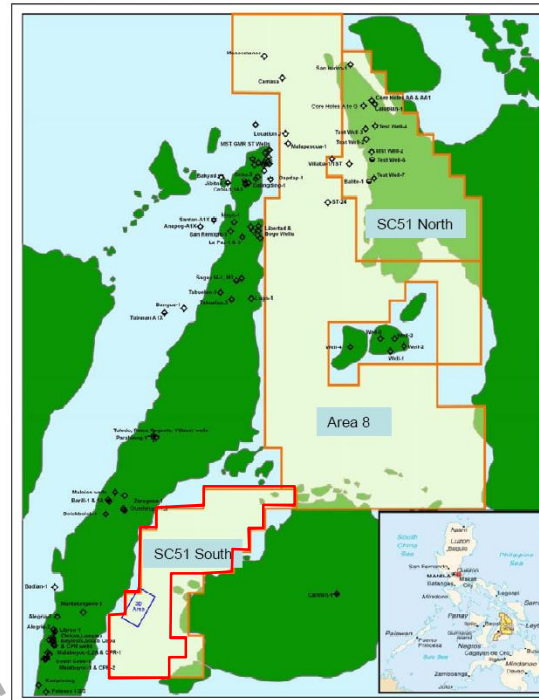
or 4Tcf Gas case

## Location Map



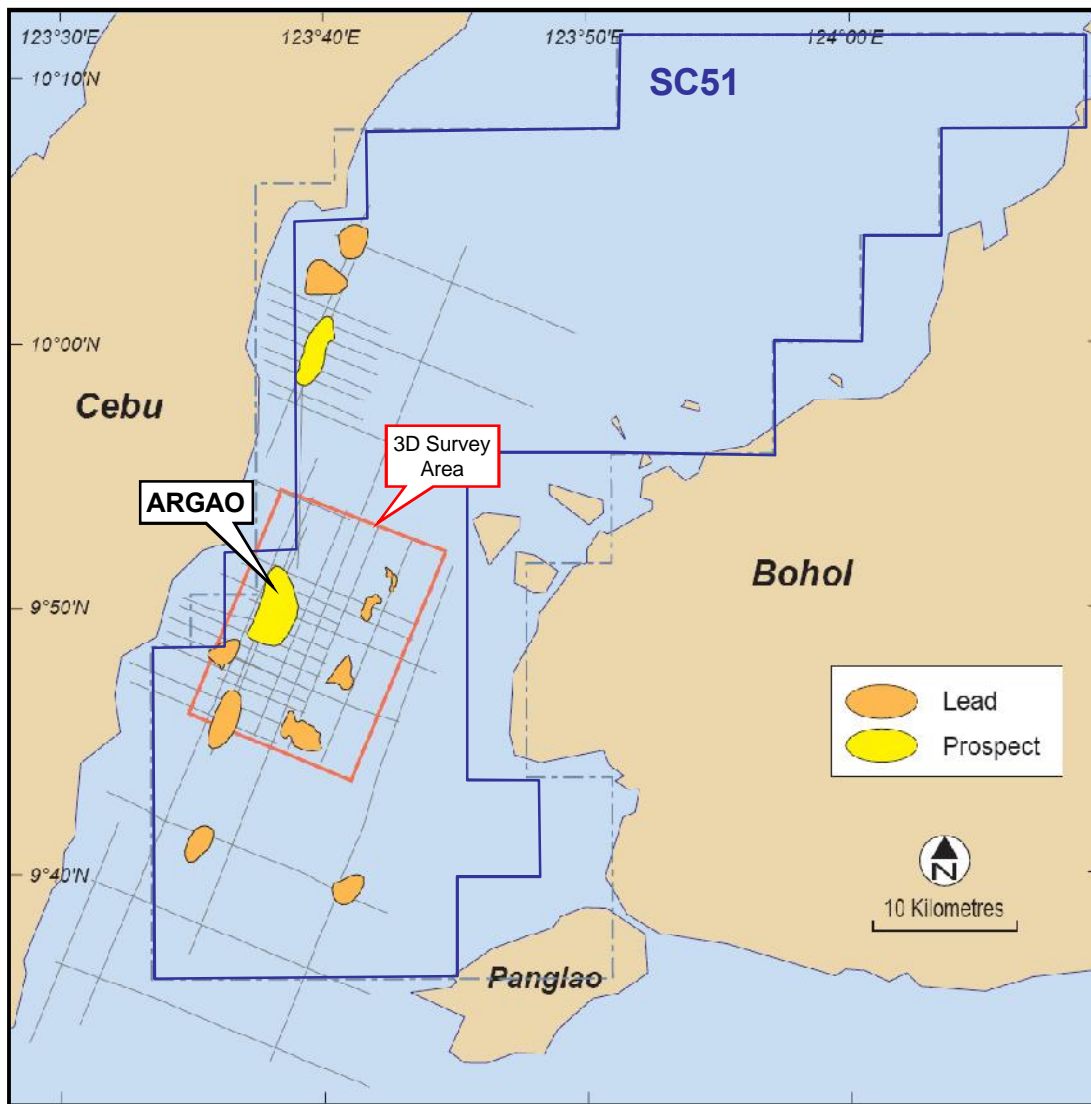
“ SC51 lies in the Visayan basin in the central Philippines. The basin occupies an area of 46,500 sq km, 70% of which is offshore.

“ SC51 is 4,400 sqkm acreage



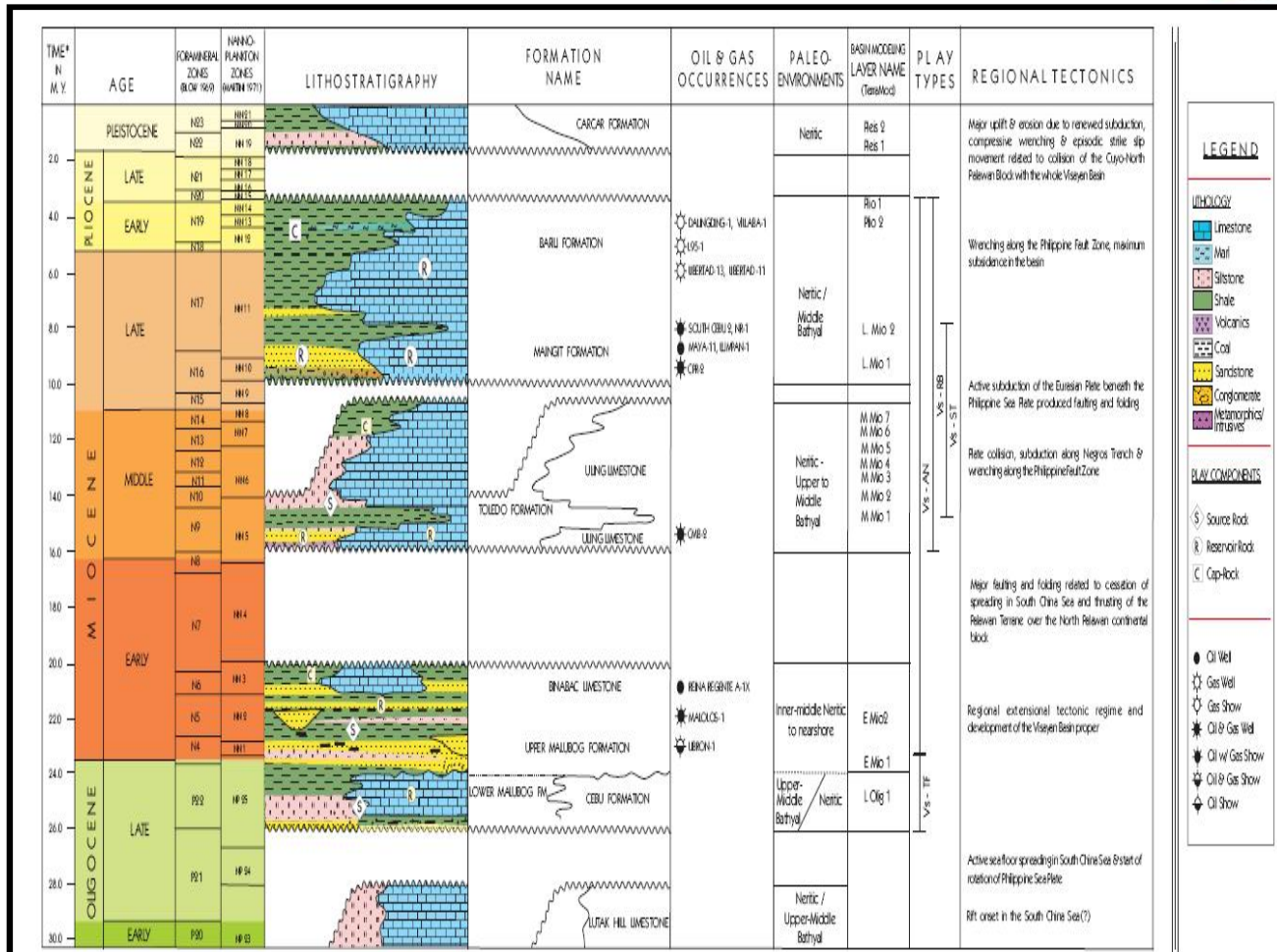
\* Republic of the Philippines, Dept of Energy, 2003

# SC51 - Leads and Prospects



- " No wells offshore but numerous wells onshore Cebu and Bohol Islands
- " 515 line km 2D Seismic
- " 150 sq km 3D acquired in 2007
- " First well in Q1 2009
- " 1 prospect and 6 leads identified on 3D data
- " 1 prospect and 4 leads identified on 2D data

# Petroleum Systems



**LEGEND**

**LITHOLOGY:**

- Limestone
- Marl
- Siltstone
- Shale
- Volcanics
- Coal
- Sandstone
- Conglomerate
- Metamorphic/ Intrusives

**PLAY COMPONENTS:**

- Source Rock
- Reservoir Rock
- Cap Rock

**WELL TYPES:**

- Oil Well
- Gas Well
- Gas Show
- Oil & Gas Well
- Oil w/ Gas Show
- Oil & Gas Show
- Oil Show

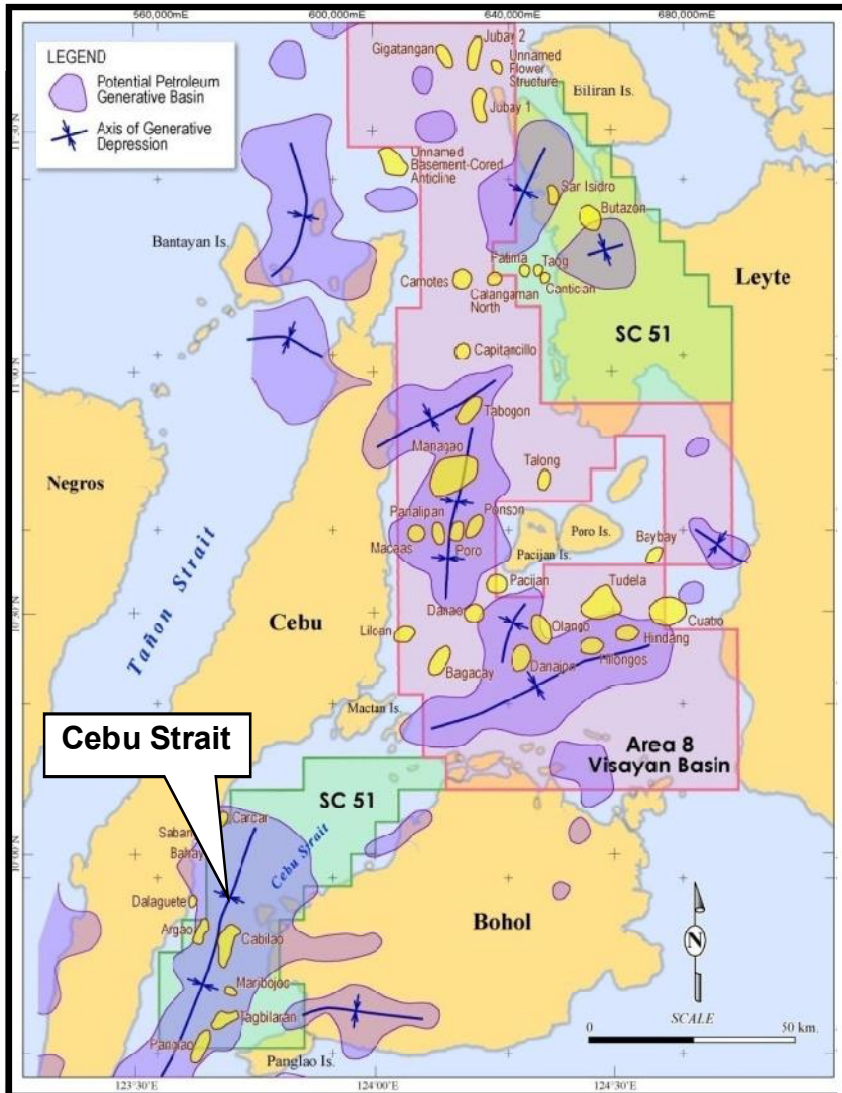
Source: BOE, 1986

- Trap formation from Mid Miocene to Pleistocene
- Reservoir – Nearby wells have encountered good quality reservoirs
- Seal – Numerous small accumulations suggests effective intra-formational seals
- Source – Shales of the Late Oligocene to Middle Miocene, both oil and gas prone
- Timing favorable with hydrocarbon generation and migration continuing at present day

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# SC51 - Source Rocks

## Potential hydrocarbon Generative Sub-Basins in the Visayan Basin



Source: RMR, 2007



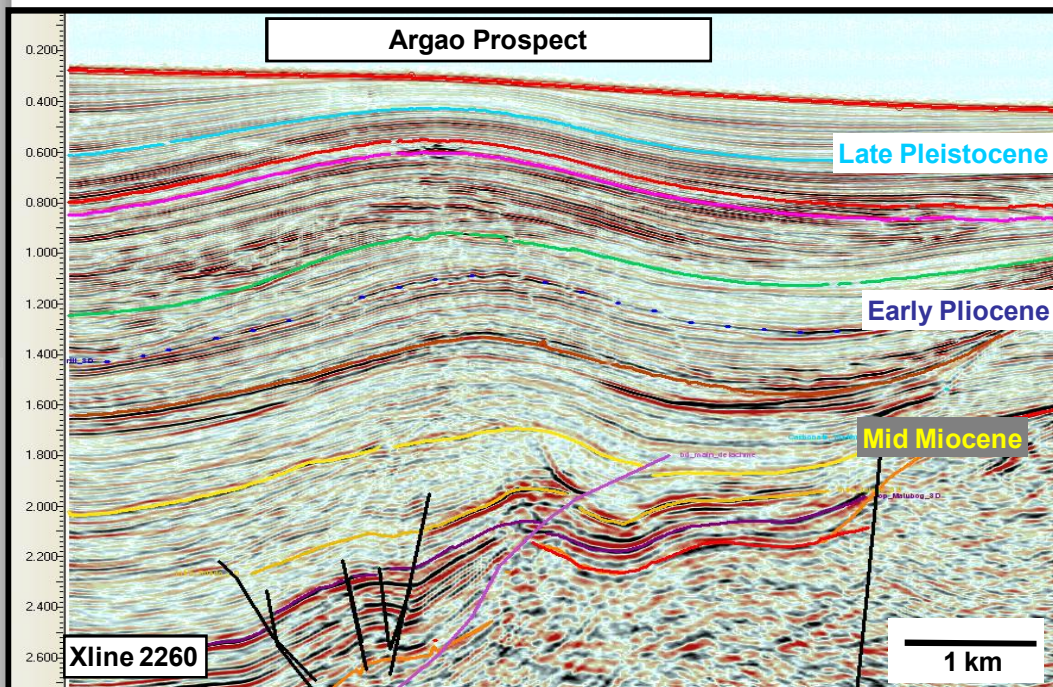
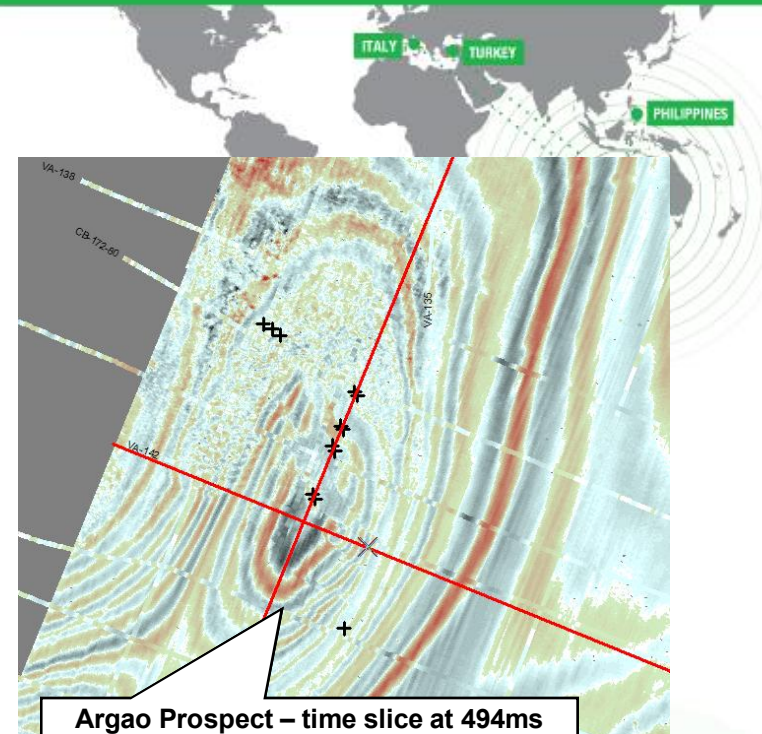
- “ Late Oligocene to Mid Miocene Type I (lacustrine to algal) and Type III (woody/humic) source rocks identified from well and outcrop data
- “ Cebu Strait sub-basin identified as primary source kitchens for SC51 South
- “ Expulsion of hydrocarbons from 5Ma to present day
- “ Good chance of migration into Argao Prospect

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# Argao Prospect

## Petroleum Elements

- Trap** : Simple 4-way dip closure through folding
- Primary Reservoir** : Eight targets from Miocene sandstones to Pleistocene calcarenites
- Seal** : Interbedded shales and cemented calcarenites
- Source** : Early Miocene lacustrine shales
- Area and Height** : 10 sq km, ~100m relief on eight levels
- Water Depth** : 230m

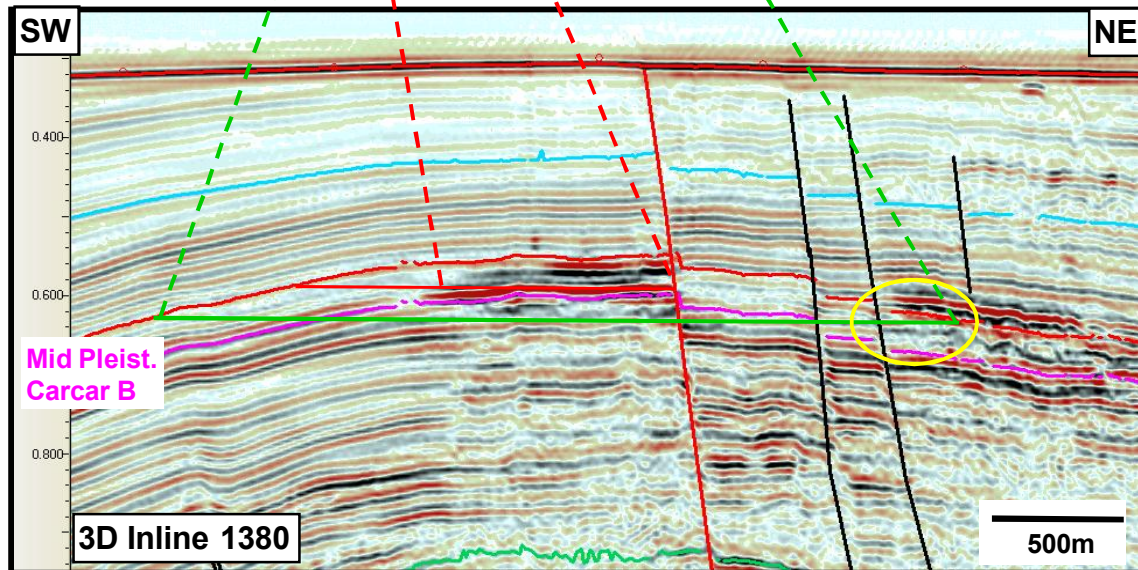
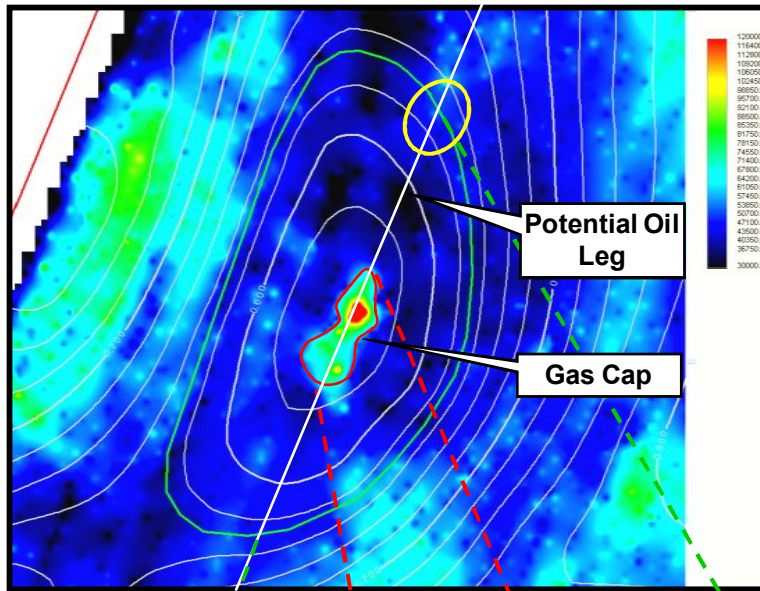


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# Argao Prospect: Hydrocarbon Indications

RMS Amplitude Carcar B -100ms



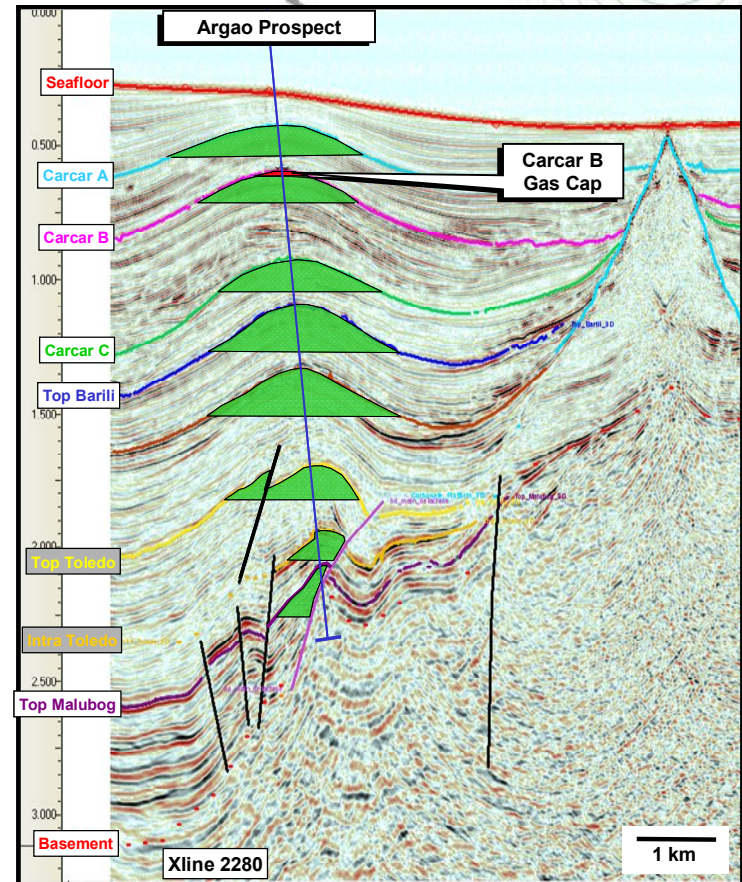
- “ Amplitudes clearly conform to structure, possible flat spot at LCC
- “ AVO suggests anomalies indicative of gas cap with potential oil-leg
- “ Shallow hydrocarbon indications encouraging for lower targets

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# Prospect Summary

## Argao Prospect

- “ Simple anticline with eight potential pay zones
- “ 8 mapped pay-zones varying between **37 to 366** mmbbl STOIP
- “ Prominent DHIs on seismic data
- “ Ready to drill in 230m water depth



## Summary



### **SC55 – Marantao Prospect**

- “ Giant reefal built-up structure with large potential resources
- “ Ultra deep water acreage – offshore Palawan
- “ Prefer to farmout operatorship

### **SC51 – Argao Prospect**

- “ Simple anticline with good stacked reservoir potential
- “ Under-explored Visayan Basin offshore Cebu
- “ Operatorship available

## Contact Information



For more information on this and other farm-in opportunities please contact:

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