

5 November 2008

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

**ASX ANNOUNCEMENT**

By E-Lodgement

**Asia Oil & Gas Investment Congress Presentation**

Please find attached a copy of the presentation being delivered today by Alex Parks, CEO of Otto Energy, to the Asia Oil & Gas Investment Congress at the Grand Copthorne Hotel in Singapore.

Yours faithfully



**Emma McCormack**  
Company Secretary

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**OTTO ENERGY AT A GLANCE**

- ASX-listed dynamic oil and gas company with significant growth potential
- Strong Board & Management team
- World class projects across 4 countries
- Oil production to provide income for active exploration program
- Opportunity rich with 8 discoveries, 20+ prospects, and over 60 leads
- Series of upcoming events including first oil revenues, farm-outs and drilling which offer significant value creation for investors.

**CAPITAL STRUCTURE**

ASX CODE	OEL
Share Capital	492,673,863 shares 43.5m unlisted options
Share price	A\$0.23 (at 4.11.08)
Market cap	~A\$113m
Top 20	Own 65% of stock

**BOARD OF DIRECTORS**

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

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# Unlocking the potential in The Philippines

Alex Parks: CEO, OTTO ENERGY LTD

Asia Oil and Gas Investment Congress  
Grand Copthorne Waterfront Hotel, Singapore

5<sup>th</sup> November 2008



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- This presentation contains forward-looking statements that are not based on historical fact, including those identified by the use of forward-looking terminology such as statements containing the words “believes”, “may”, “will”, “estimates”, “continue”, “anticipates”, “intends”, “expects”, “should” or the negatives thereof and words of similar import.
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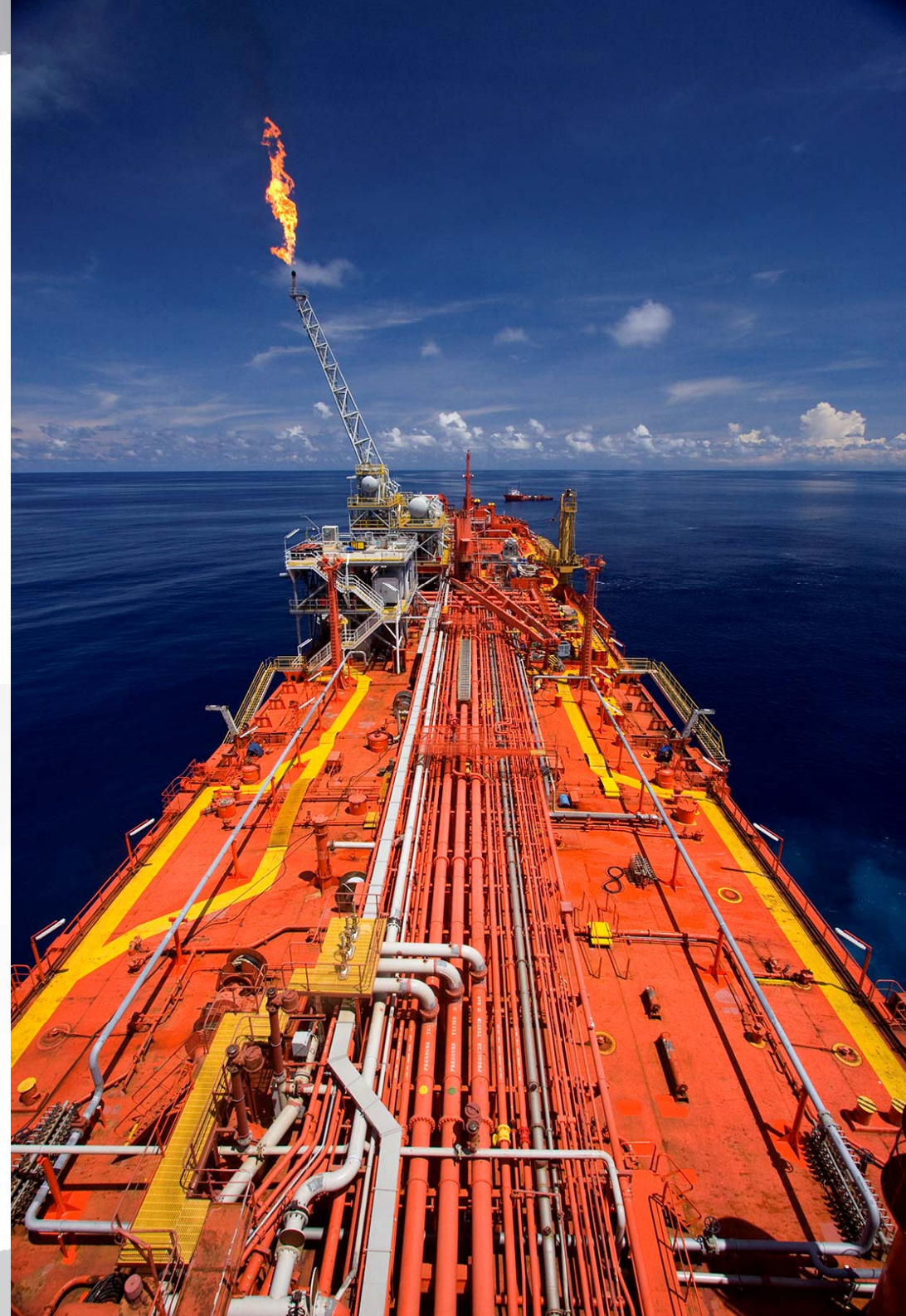
## TODAY'S AGENDA

OIL AND GAS IN THE PHILIPPINES

BENEFITS OF EXPLORING IN  
THE PHILIPPINES

OTTO ENERGY'S STRATEGY FOR  
GROWTH

UPCOMING ACTIVITIES IN THE  
PHILIPPINES TO UNLOCK NEW  
DISCOVERIES





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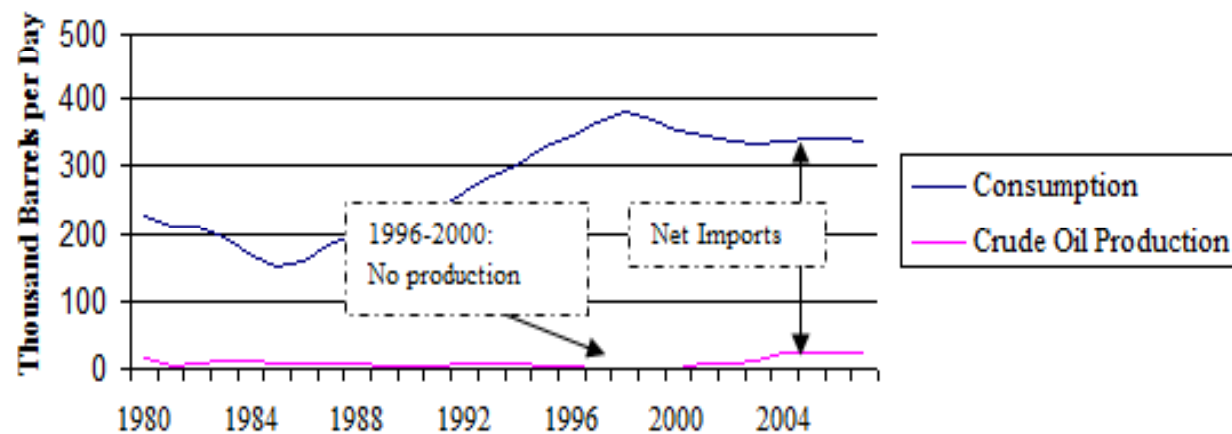
## OIL & GAS IN THE PHILIPPINES

Established hydrocarbon province with a good fiscal regime and growing domestic energy demand. Close proximity to key export markets (China, India). Increased interest by industry with 42 participants (local and foreign) now in the region; increasing activity levels that have not been seen since in the mid-1970's.

## STRIVING FOR ENERGY SELF-SUFFICIENCY

- The Philippines consumes ~330,000 bopd and produces only 30,000 bopd
- Domestic production of oil began in the 1970's, but has been very limited
- According to the Oil and Gas Journal, the Philippines had 138 million barrels of proven oil reserves in January 2006

Oil Production and Consumption in the Philippines  
1998-2007



Source: EIA.

\*2007 figures are estimates.

## A MATTER OF NATIONAL IMPORTANCE



*“Our goal is to increase our energy self-sufficiency level to 60% by 2010. We can only achieve this if more indigenous fuels are discovered in the Philippines.”*

- The Philippines is currently pursuing intensive efforts to promote investment
- Aiming to drive economic stability, growth and sustainability
- Committed to increase reserves of indigenous fossil fuels



President Gloria Arroyo, Republic of the Philippines

## GLOBALLY COMPETITIVE FISCAL REGIME



- The fiscal regime applicable to the Filipino upstream oil industry is one of the best in Asia
- Foreign participation of up to 100% is allowed
- PSCs regime applies
- Contractor allowed to recover costs up to 70% of Gross Revenue
- Profit oil split 60:40 in favour of the Government
- Income tax paid out of Government share
- Filipino Participation Incentive: 7.5% back from Government share if 15% Filipino participation





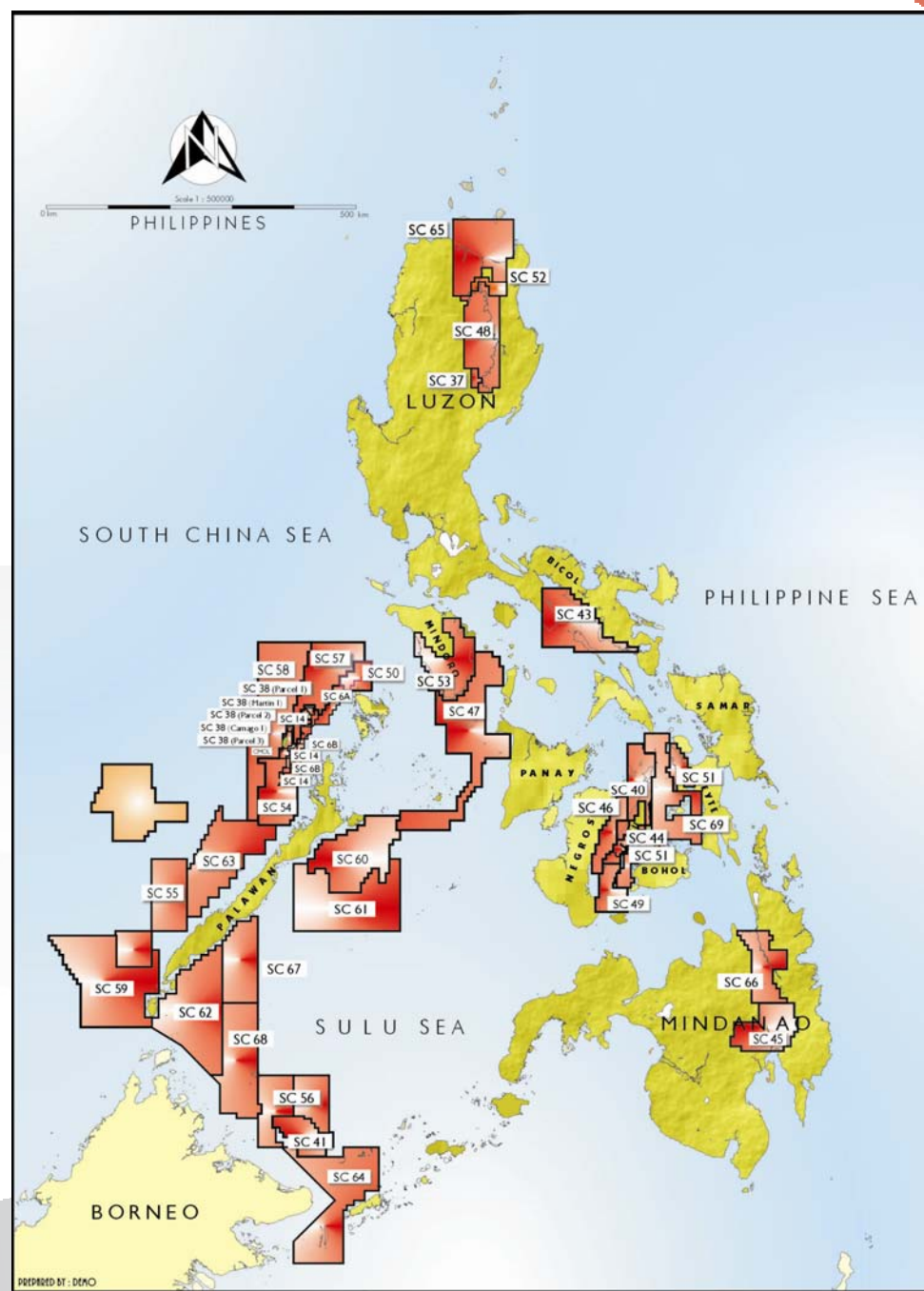


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## INTENSIVE PROMOTION OF OIL & GAS EXPLORATION

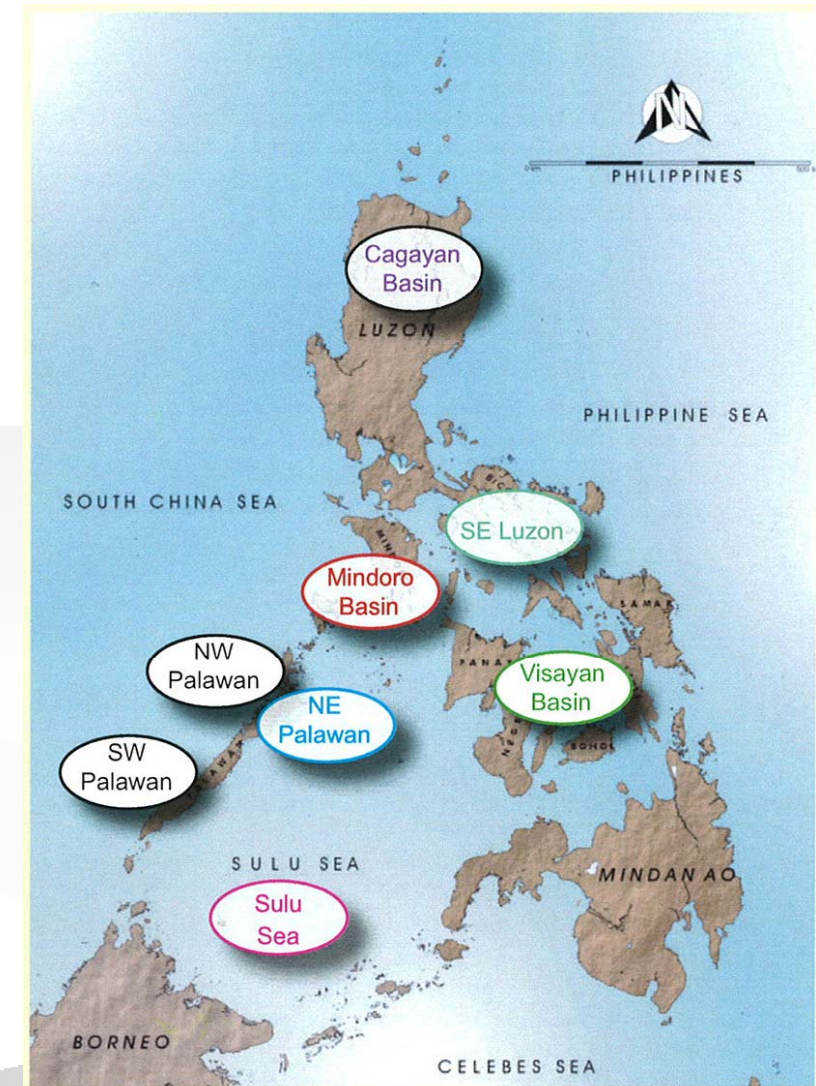
MORE THAN 30 SERVICE CONTRACTS  
AWARDED IN JUST OVER 5 YEARS

- The waters surrounding the Philippines have for far too long been ignored by oil investors
- Previous Development activity focused primarily on the development of Malampaya (the country's largest field) and exploration in the surrounding area
- 2004 Supreme Court ruling: catalyst to renewed exploration investment
- A higher oil price and good fiscal regime have now made the area more attractive to investment in oil and gas exploration
- Department of Energy (DOE) oversees all activities and proactively encourages exploration



# AN ESTABLISHED HYDROCARBON PROVINCE

- 8 proven basins
- Most prolific to date: NW Palawan - **55 of 72** exploration wells have oil or gas
- 9 offshore field developments
- 4 fields currently on production:
  - Malampaya (gas), Nido (oil) , Matinloc (oil) , Galoc (oil)
- Malampaya dominates gas production > 300 MMscf/day
- Galoc Oil Field: first new field on production since 1992
- There are existing undeveloped discoveries such as Otto's SC 50 block with Calait Oil Fields
- ASX-listed Nido Petroleum recently announced 2 new oil discoveries Yakal-1 and Tindalo-1 at nearby SC54; oil column of approx 134 metres





## SIGNIFICANT PLAYERS MOVING INTO THE NEIGHBOURHOOD



ExxonMobil



中国海洋石油总公司  
CHINA NATIONAL OFFSHORE OIL CORP



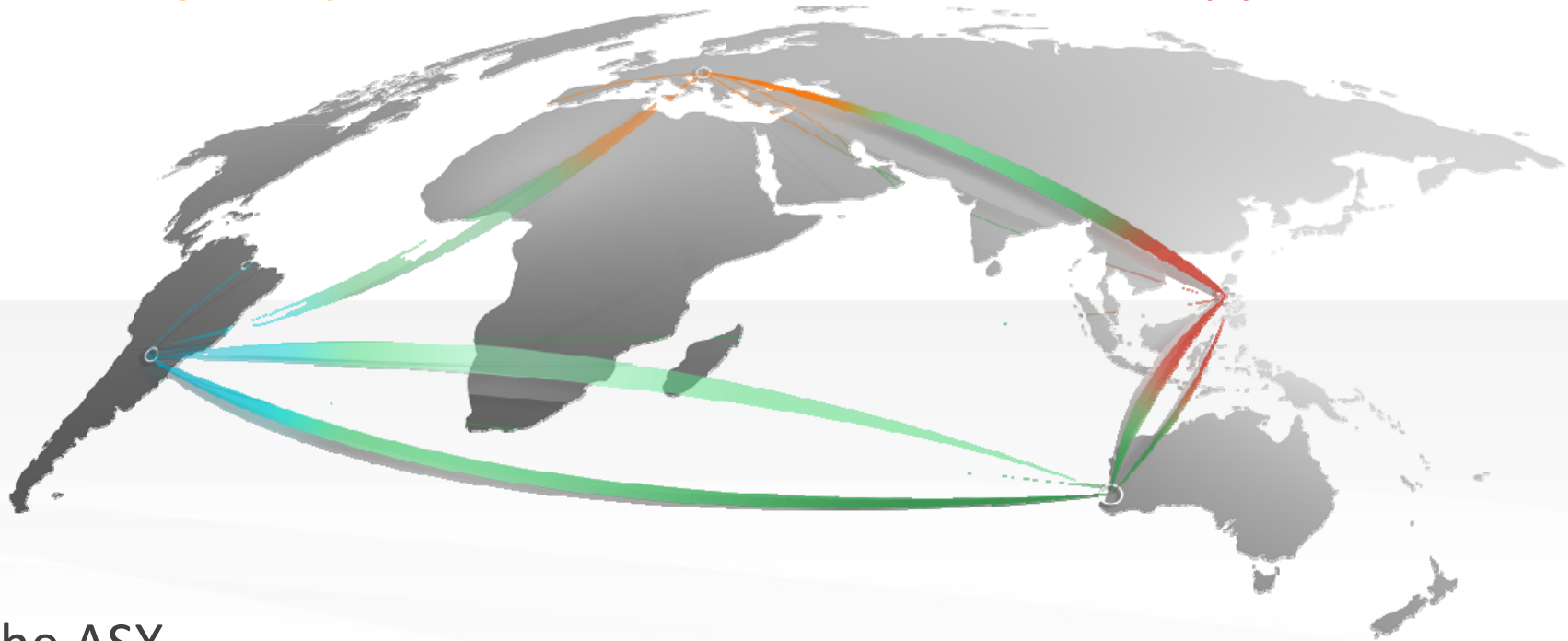
- Recent market reforms aimed at deregulation have enticed new/foreign oil companies to the Philippines
- Affirmed right of foreign owned companies to explore for, and develop, oil and gas resources in the Philippines
- Acreage is now largely licenced and farm-ins are main route to further entrants
- Otto has a dominant position, operating 4 Service Contract areas totalling **20,803 km<sup>2</sup>** of highly prospective, predominantly offshore acreage



# OTTO ENERGY

NON OPERATED  
Turkey, Italy, Argentina

OPERATED  
Philippines



- Listed on the ASX
- Assets worldwide
- 30 staff across 2 offices: Perth, Australia and Manila, Philippines

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# HIGH EQUITY. HIGH QUALITY SIGNIFICANT FOLLOW UP POTENTIAL

## NORTH/ SOUTH WEST PALAWAN

### SC50 (85%)

- Shallow water, modest Calait & Calait South Oil Fields: Appraisal drilling in 2009

### SC14C (18.28% INDIRECT)

- Mid water, Galoc Oil Field production commenced October 2008, Gross: 2P Reserves of 23.5 MMbbls

### SC55 (85%)

- Deep water, massive Marantao & Hawkeye prospects + 12 leads: Exploration Drilling in 2010



## EAST VISAYAN BASIN

### SC51 (80%)

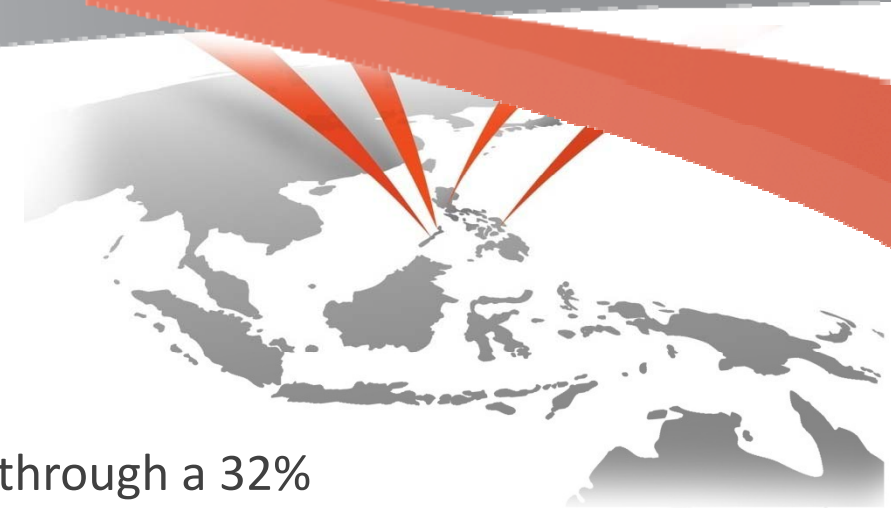
- Mid water, large Argao & Bahay prospects + 9 leads: Exploration Drilling in 2009

### SC69 (70%)

- New block awarded in May 2008, with over 20 identified structures: Potential for both oil and gas



## GALOC OIL FIELD SC14C



Otto has an indirect 18.28% interest in the Galoc Oil Field through a 32% shareholding in the field operator, Galoc Production Company, which holds 58% of the field.

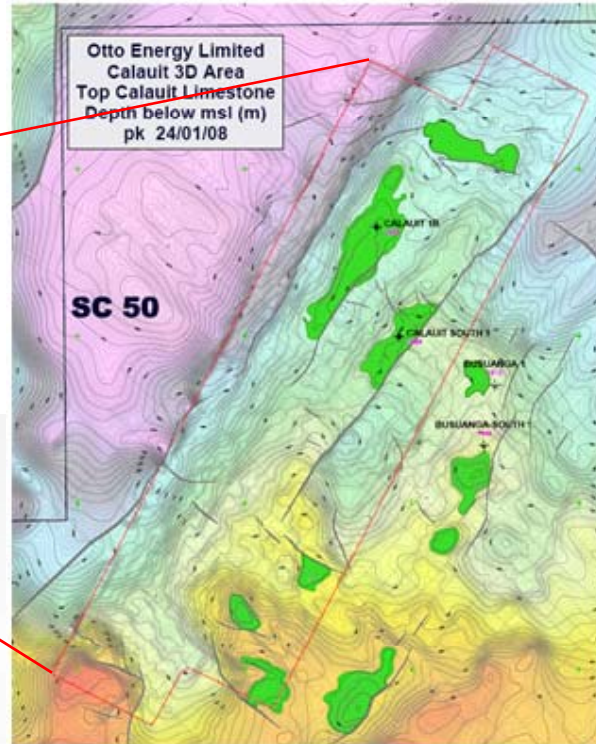
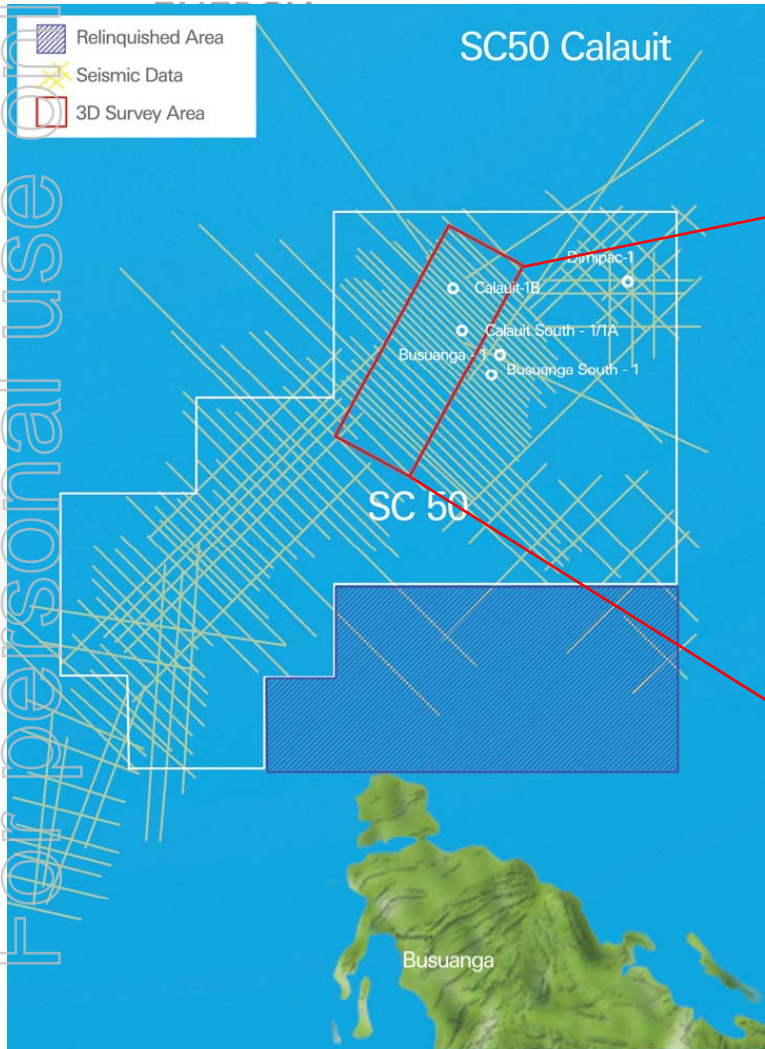
- Phase 1 Field development complete
- Commenced production in October 2008
- Initial gross production of 15,000 bopd
- Estimated value to Otto at \$60/bbl initially  
~US\$6m per month; reducing to ~US\$3m/month  
once development costs recovered
- Gross reserves range 10-40 MMbbls
- Phase 2 development now likely in 2009/2010



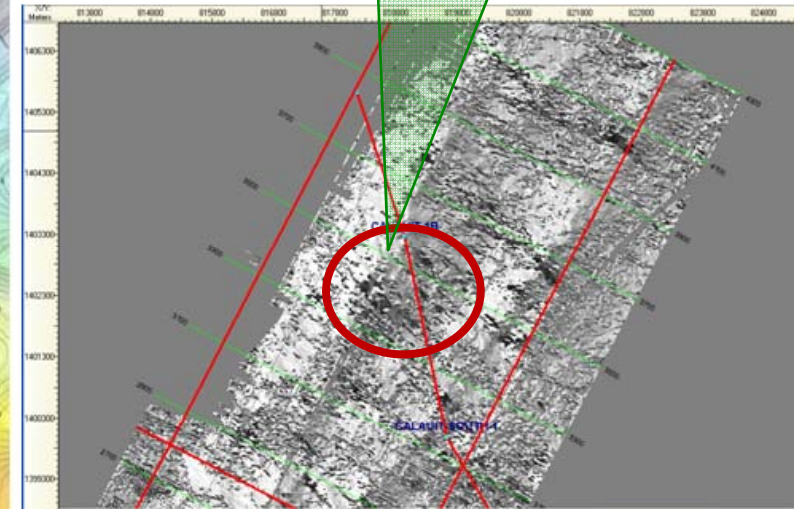
Revenue from Galoc will enable Otto to self-fund future exploration and new ventures

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# SC50: CALAUIT OIL FIELD



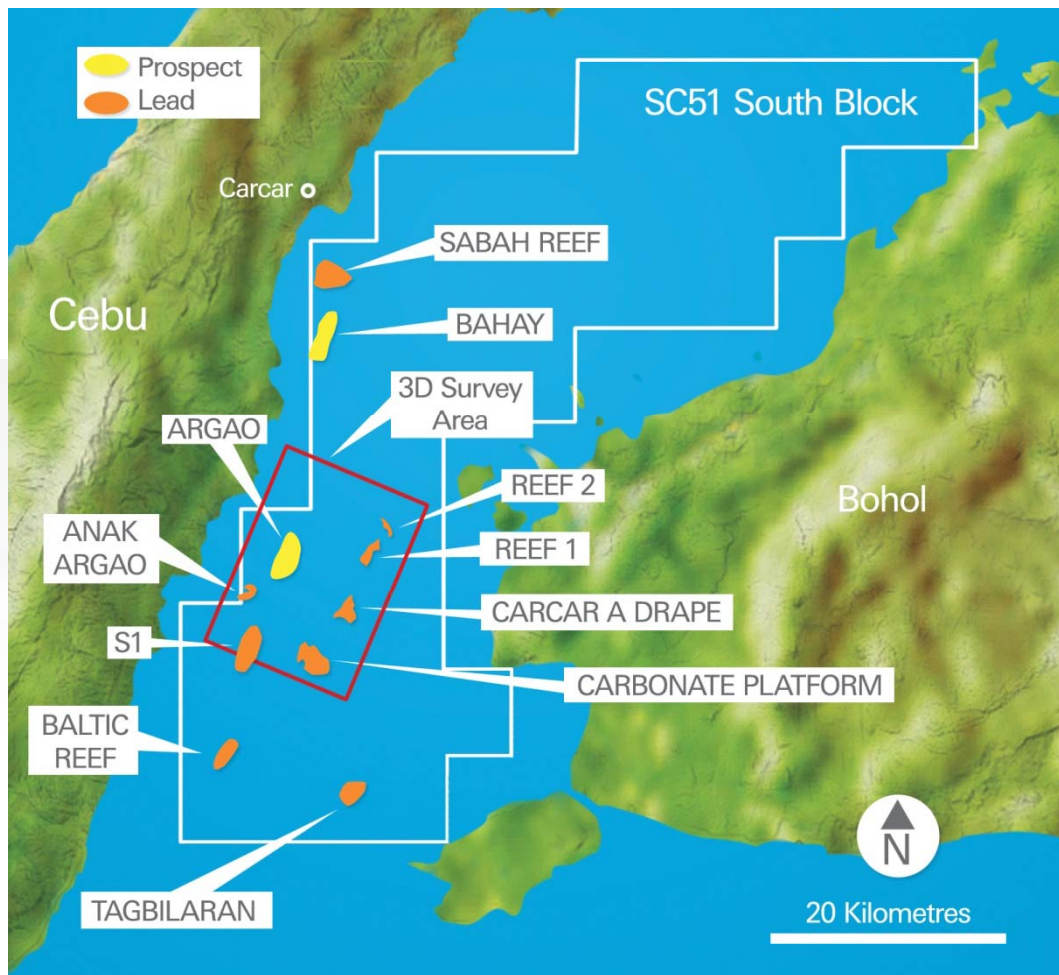
Fracture Swarms  
within closure



- 2007 undertook 3D seismic to delineate fields and optimise development drilling

- Calait and Calait South discoveries made in 1991 / 1992
- 3D seismic data shot by Otto in 2007 for better delineation of fields and fracture identification

# SC51: SOUTH BLOCK EAST VISAYAN BASIN



View of Cebu Strait off seismic vessel, Philippines

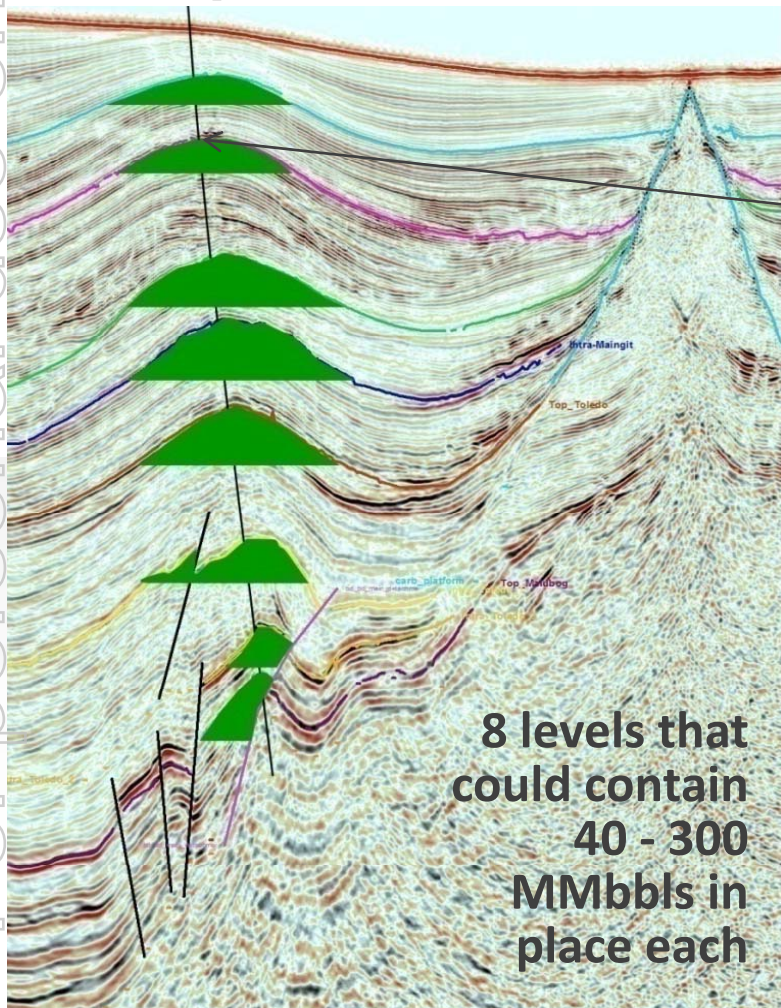
- 11 prospects and leads
- Combined potential of over 500 million barrels
- Main prospects: Argao and Bahay



# SC51: SOUTH BLOCK ARGAO PROSPECT

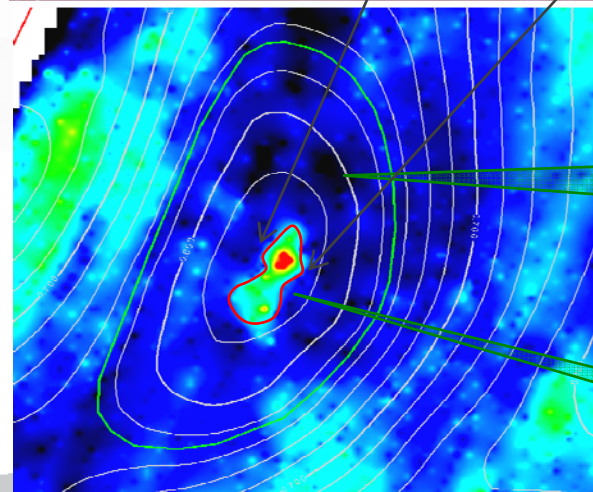
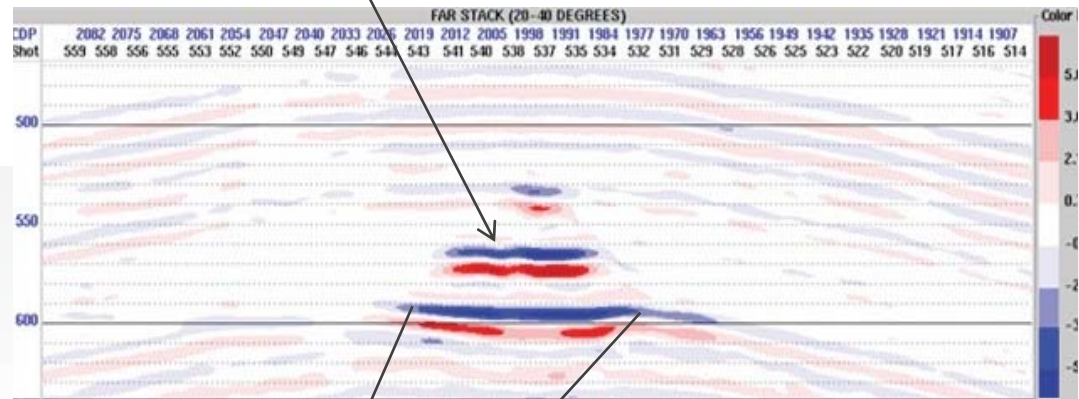


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E-W Section over Argao and Cabilao

DHIs Suggest Gas cap



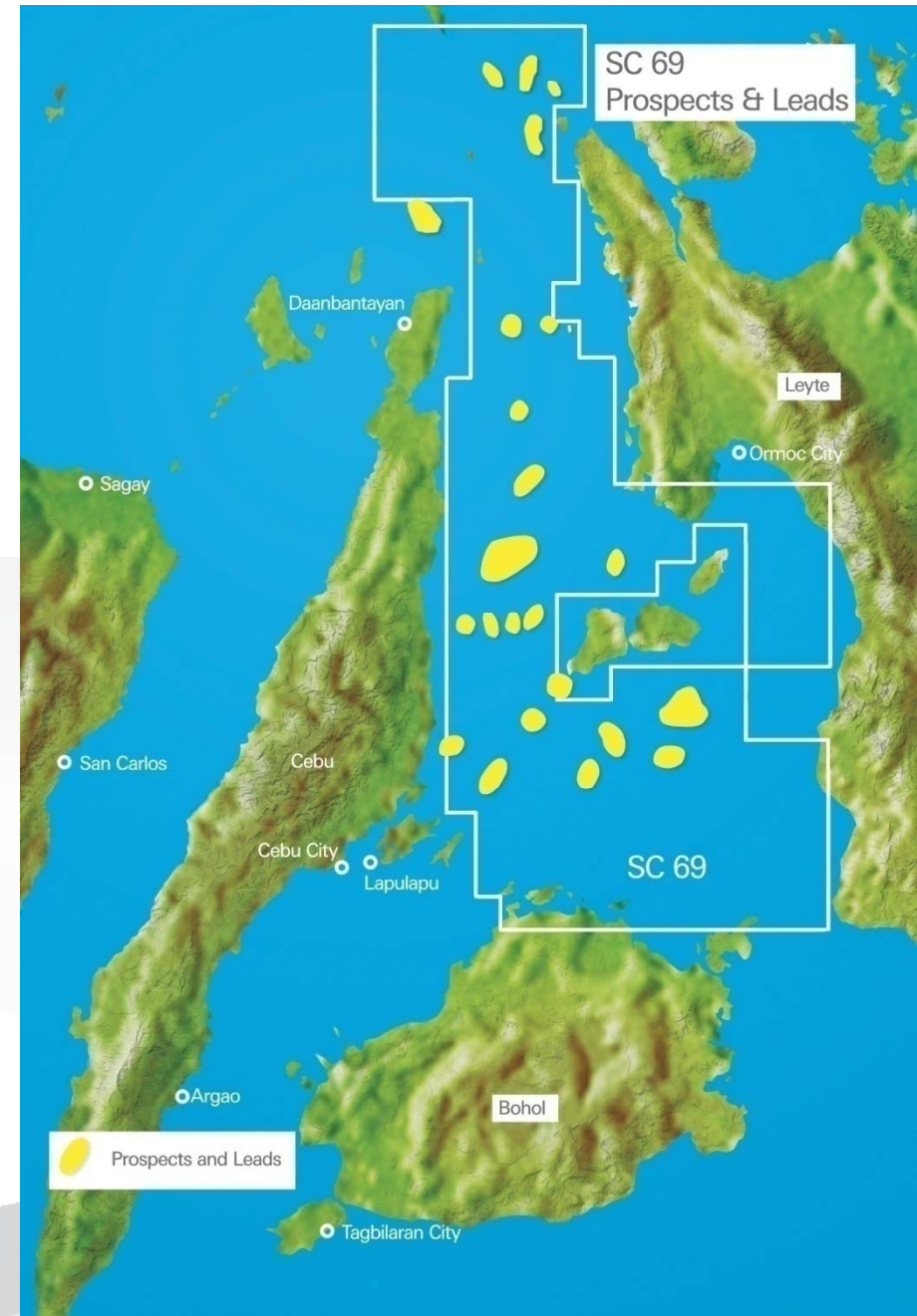
Potential Oil Leg

Gas Cap

AVOs SUGGEST POSSIBLE GAS ON OIL...

## SC69 NEW OFFSHORE LICENCE: 7,040 KM<sup>2</sup>

- SC69 was awarded to Otto and TransAsia in May 2008
- Prospective with over 20 leads
- The area forms part of the Visayan Basin with proven oil & gas
- Between Cebu, Leyte & Bohol
- ~4,500km of existing 2D seismic





# SC55: "ELEPHANT COUNTRY"

## SOUTH WEST PALAWAN BASIN

### DEEP WATER BLOCK (300-2000M)

- Area of 9,000km<sup>2</sup>
- Never previously licensed as a Service Contract
- Massive Reef and Turbidite potential

### OTTO ACQUIRED 2D SEISMIC IN TWO SURVEYS

- 400km of prospect specific in October 2006
- 963km of regional data in June 2007

### OTTO WILL FARM DOWN FROM 85% IN 2H 2008

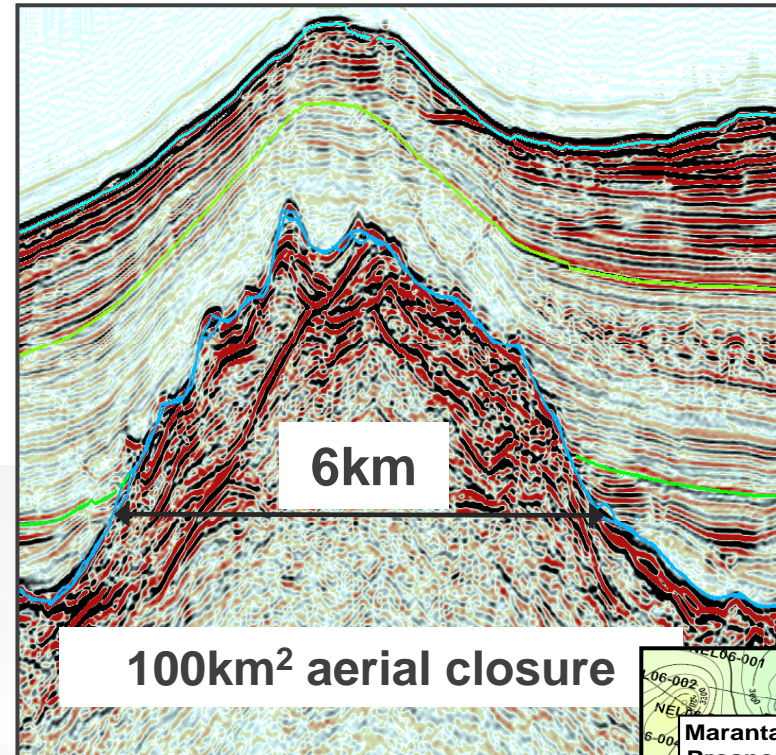
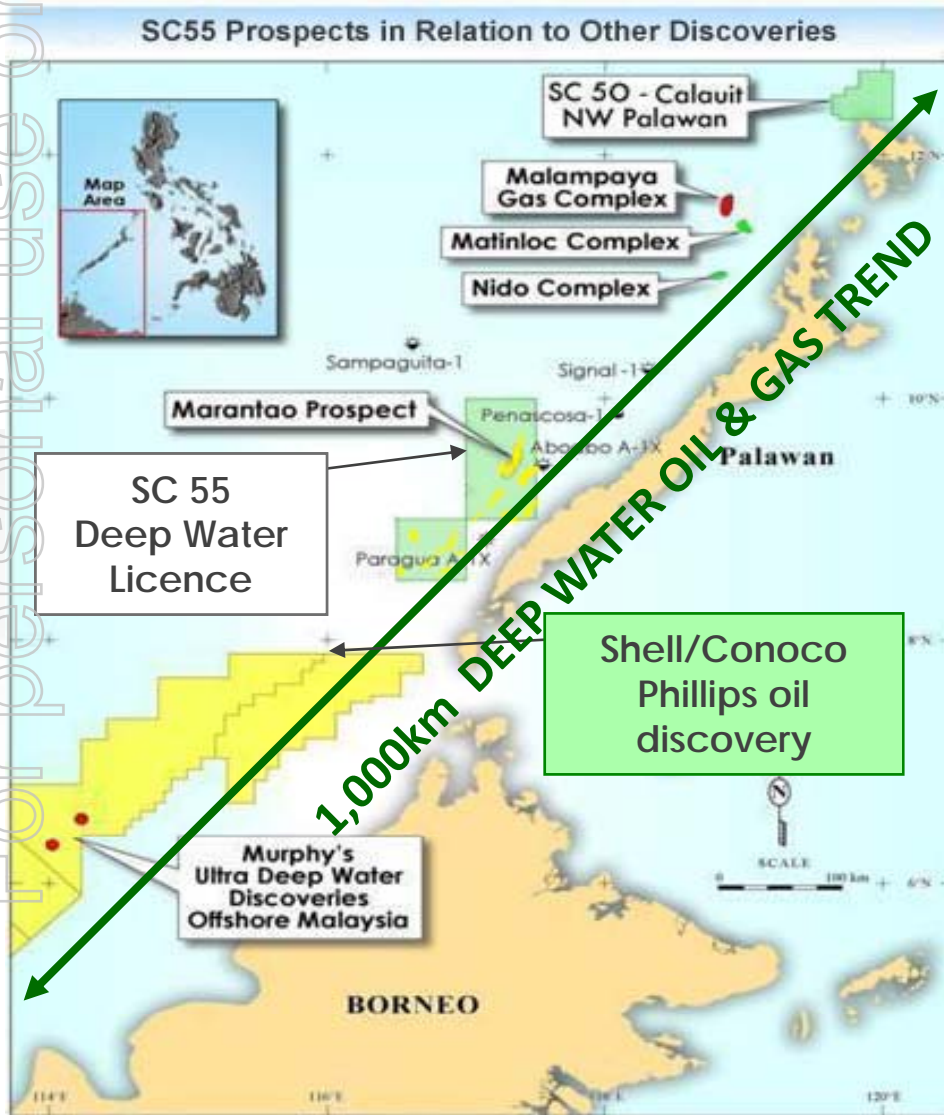
- 3D seismic and drilling in 2010
- Potential of multi billion bbls oil and/or multi TCF gas





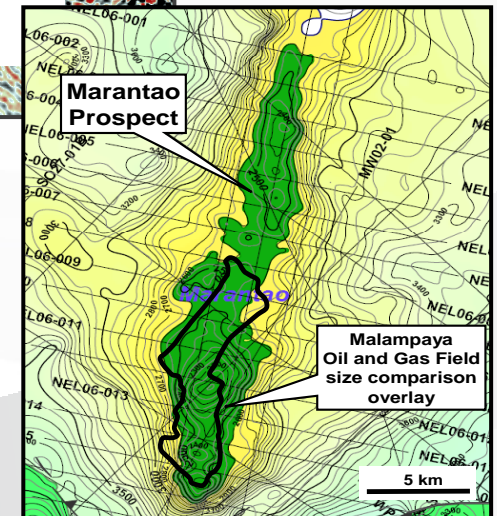
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## SC55: MARANTAO PROSPECT



GIANT MARANTAO  
REEF PROSPECT

Potentially over 1 Bbbls  
of oil or 13 Tcf of gas



## OTTO'S PHILIPPINES EXPLORATION ACTIVITIES

- 2005 - Otto entered Philippines with 50% of NorAsian
- Sept 2006 - Otto acquired 100% of NorAsian and Operatorship
- 2006 / 2007 - Extensive seismic campaign across all blocks
- H1 2008 - Seismic Interpretation and drilling planning
- July 2008 - Farm-out launched for SC50, SC51 & SC55
- Oct 2008 - Indicative bids received
- Q4 2008 - Q1 2009 - Finalise farm-out deals
- 2009 /2010 - 1<sup>st</sup> wells SC50, 51 & SC55
- Appraisal , Development & further exploration - 2012



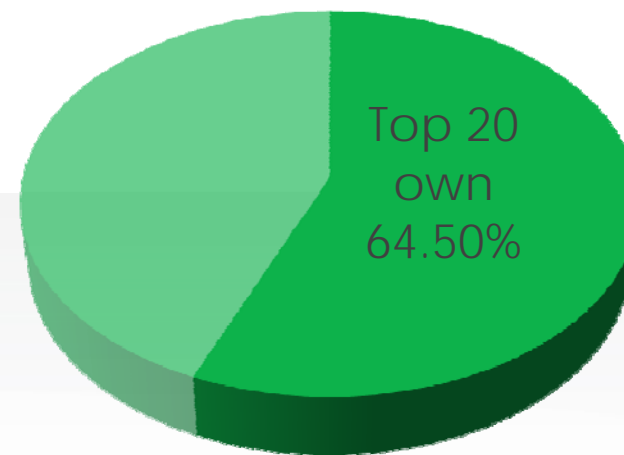


# AUSTRALIAN SECURITIES EXCHANGE ASX CODE "OEL"

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	SHARES	UNLISTED OPTIONS
ISSUED	492,423,863	~43,500,000
MARKET CAP	~A\$108m @ 22 cps	
CASH (1 October 2008)	~US\$7 million Galoc debt of ~US\$19 million Net income of US\$50-100 million over the next 12 months	

Shareholding Composition



## BOARD OF DIRECTORS



**RUFINO BOMASANG**

DIRECTOR  
(NON - EXECUTIVE)  
NORASIAN CHAIRMAN

Mr Rufino Bomasang, originally a mining engineer, has held numerous senior positions in Philippines industry and DoE. Including being former head of the Philippines DoE and former President of PNOC-EC.



**JAAP POLL**

DIRECTOR  
(NON - EXECUTIVE)  
PHD PHILOSOPHY AND  
GEOLOGY

Dr Jaap Poll is the founder of the company with a distinguished 40 year career in petroleum management worldwide. He has extensive work experience in the Middle East, Europe, Central America, Africa, Asia and Australia.



**RICK CRABB**

CHAIRMAN  
(NON - EXECUTIVE)  
B JURIS (HONS) LLB MBA

Mr Rick Crabb holds a degree in law and business administration from UWA. He practised as a solicitor from 1980 to 2004, specialising in resources. He is now a full time Director, also being Chairman of Paladin Resources and other resource companies.



**IAN MACLIVER**

DIRECTOR  
(NON - EXECUTIVE)

Mr Ian Macliver is Managing Director of Grange Consulting Group Pty Ltd, which provides specialist corporate advisory services. He has many years experience as a senior executive and director.



**JOHN JETTER**

DIRECTOR  
(NON - EXECUTIVE)

Mr Jetter is a solicitor and barrister, a member of the Australia Law Society and has extensive international finance and M&A experience, including being the former CEO and head of investment banking in JP Morgan in Germany.

- Distinguished board with 'big company' experience  
(Paladin, PNOC, Oil Search, JP Morgan)
- Board has the vision and ability to build Otto into a multi-billion dollar company



**OTTO**  
ENERGY

# CORPORATE & TECHNICAL TEAM



**Bruce Elsholz**  
CFO



**Alex Parks**  
CEO Otto Energy Ltd



**Craig Martin**  
COO



**Kris Fellowes**  
CEO NorAsian



**John Sheppard**  
Asset Mgr (NOA)



**Stefan Kleffmann**  
Geoscience Mgr



**Jane Secker**  
Calauit Project Mgr



**Richard King**  
Commercial Mgr



**Emma McCormack**  
Company Secretary



**Ruben Gan**  
COO / Geoscientist



**Jamie Parry**  
Operations Mgr- Manila



**Warren Morrow**  
Operations Manager



**Tim Lee**  
Drilling  
Superintendent



**Nick Pink**  
Sr Petroleum Engineer



**Jill Thomas**  
Corporate & Investor Relations



**Dennis Panganiban**  
Geoscientist



**Freddi Rillera**  
Geoscientist



**Phil Woods**  
Sr Geoscientist



**Peter Kirk**  
Sr Geoscientist



**Mark Lawrence**  
Geologist



**George Gacita**  
Drilling Engineer

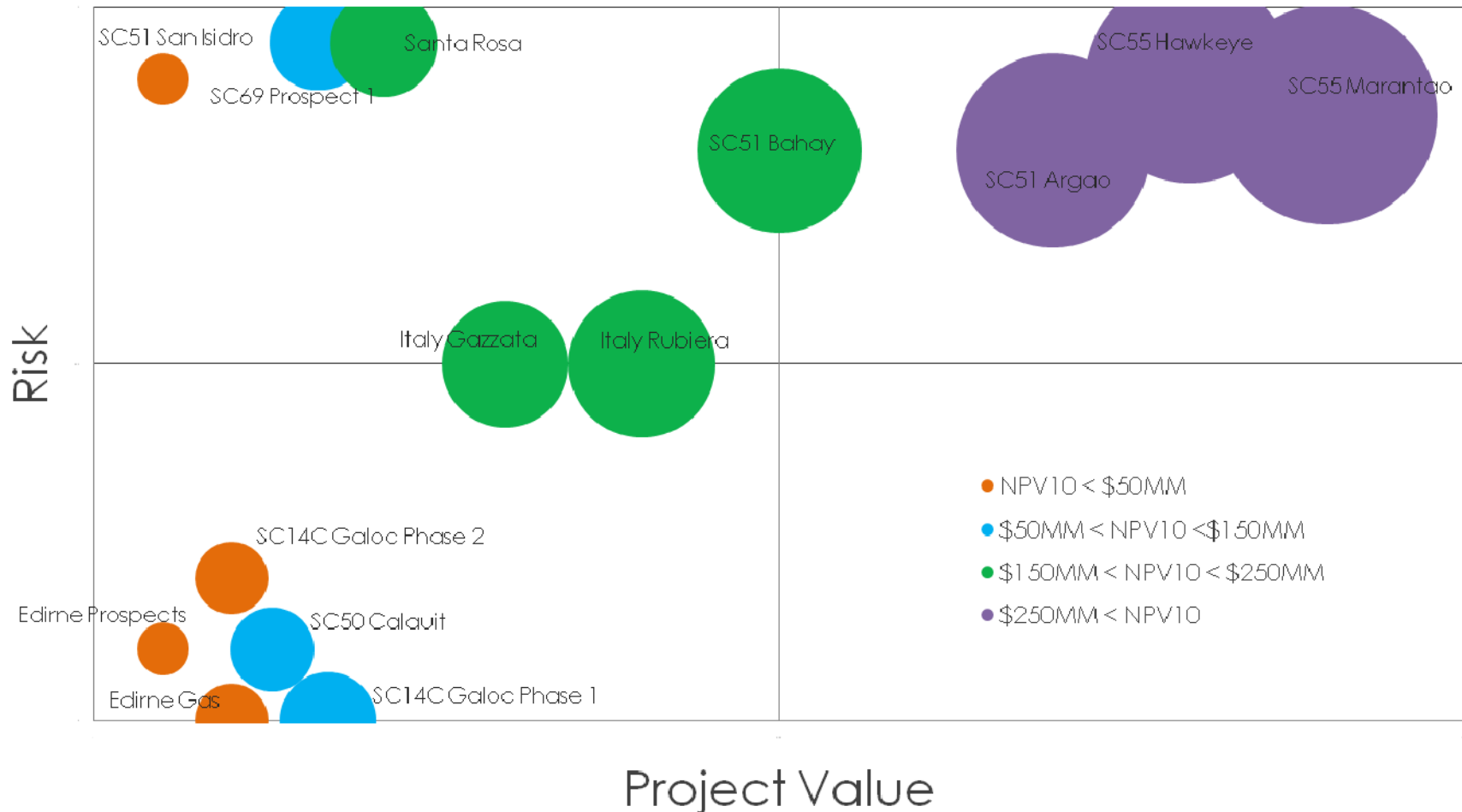
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# A BALANCED PORTFOLIO

## Project Value vs Risk

(Assumes farmout of 50% of Otto Philippines Interests)



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## UPCOMING NEWS FLOW

- Commenced production at Galoc **1<sup>ST</sup> CASH FLOW** Oct 2008
- Farm-out of Philippines projects Late 2008/ Early 2009
- Drilling of 100 Bcf target Gazzata-1 well in Italy Jan 2009
- Drilling 1 development well + 2 exploration wells in Turkey Q1 2009
- Drilling up to 100MMbbl target in Argentina H1 2009
- Commence production in Turkey **2<sup>ND</sup> CASH FLOW** Mid 2009
- Drilling in Philippines (SC50, SC51, SC55) 2009-2012
- Galoc Phase 2 development 2010
- Further new ventures, exploration and development across our other assets Ongoing

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## OTTO IS STRATEGICALLY PLACED WITH...

- Strong management and experienced technical team
- Funding via Galoc production
- A highly prospective asset portfolio with focus on Philippines
- Farm out negotiations underway
- Active exploration program about to commence



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