



ASX ANNOUNCEMENT

3 June 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 a number of zones of between 3m and 15m gross thickness at depths of 330m to 480m. As reported last week the lower zones have been individually flow tested, flowing up to 1.5 MMscf/d with some water production. Further testing has given total combined rates for all zones tested of some 3 MMscf/d. Testing of the remaining upper zones is expected in the coming days.

Name of well	Kirmizihoyuk-1
Spud date	13 May 2009
Depth of well	Total Depth 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 Gazzata-1 exploration well was drilled to a depth of 1,764m and logging carried out. 12 ¼" casing is currently being run to 1,750m. Casing and cementing is expected to be completed in the next few days and then Gazzata-1 will recommence drilling ahead to the target depth.

Name of well	Gazzata-1
Spud date	19 May 2009
Depth of well	1,764m
OEL beneficial interest	50%

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

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 Macliver	Non exec Dir
Rufino Bomasang	Non exec Dir
John Jetter	Non exec Dir
Alex Parks	CEO
Emma McCormack	Comp Secretary

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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 Offer 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 is appears.