



6th December 2013

PHILIPPINE STOCK EXCHANGE, INC.

Tower One & Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **MS. JANET A. ENCARNACION**
Head – Disclosure Department

Dear Ms. Encarnacion,

The attached press release was announced yesterday, 5th December 2013, in the London Stock Exchange by Forum Energy Plc (“Forum”). Philex Petroleum Corporation holds a total direct and indirect interest in Forum of 64.45%. Forum holds a 2.27% participating interest in SC 14C1 Galoc.

Very truly yours,

CARLO S. PABLO

President & Chief Operating Officer

Company [Forum Energy Plc](#)

TIDM FEP

Headline Production commenced from Galoc Phase II

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Forum Energy Plc

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5 December 2013

FORUM ENERGY PLC

("Forum Energy" or the "Company")

COMMENCEMENT OF PRODUCTION FROM GALOC PHASE II

The Directors of Forum Energy note today's announcement released by Otto Energy Limited ("Otto") (ASX:OEL), the operator of the Galoc Phase II joint venture offshore the Philippines in which Forum Energy has a 2.27% participating interest.

The Otto announcement confirms that Galoc-5H and 6H wells have been successfully commissioned and that the four wells in the field are currently producing 14,500 barrels of oil per day ("bopd") (329 bopd net to Forum Energy).

Following the testing and optimisation period, which is likely to be completed in the middle of the first quarter of 2014, Forum Energy understands that production is then initially expected to be optimised at a lower level of up to 12,000 bopd (273 bopd net to Forum Energy). However, there is no guarantee that this optimised level of production will be achieved. The Company does not expect to be able to announce the ongoing level of production from the four wells until the optimisation period has completed.

The full Otto announcement appears below:

COMMENCEMENT OF PRODUCTION FROM GALOC PHASE II

Highlights:

- **Galoc-5H and 6H wells successfully commissioned and production commenced**
- **First production delivered just over 14 months after project approval**
- **Production from Galoc is currently at 14,500 barrels of oil per day and is expected to be operated at 12,000 barrels a day from four wells going forward**
- **Otto has a 33% stake in Galoc and is the field Operator**

Otto Energy Limited ("Otto") (ASX:OEL), on behalf of the Philippines Department of Energy (DOE) and the Galoc oil field Joint Venture, is pleased to announce that production has commenced from the Galoc-5H and 6H wells drilled and completed under the Phase II development of the field.

Commissioning of the Galoc Phase II project represents a major achievement for the DOE, Otto Energy (the Operator) and the other partners within the Galoc Joint Venture. Initial production is 14,500 barrels of oil per day and the four well system is expected to be operated at 12,000 barrels of oil per day going forward.

Galoc has produced more than 11 million barrels of oil since it was commissioned in 2008. Ultimate recovery from the field, with the addition of Galoc-5H and 6H, is expected to be approximately 25 million barrels of oil with end-of-field life extended beyond 2020.

Otto, as operator, has delivered Phase II from sanction to commencement of production in just over 14 months. Phase II has been delivered safely and close to both the original budget and schedule set in August 2012. The project has experienced many challenges including maintaining safe operations during the recent Super Typhoon Haiyan and successful drilling of the horizontal wells through the Galoc reservoir.

Otto Chief Executive Officer Gregor McNab said: "Development of any offshore field presents unique challenges - particularly so for a field like Galoc in a remote location - and so I would like to thank the Otto team who have committed their significant experience and professionalism to successfully bring Galoc Phase II into production. This achievement is a credit to the Department of Energy which has worked relentlessly to promote oil and gas activity in the Philippines, our joint venture partners and all of our contractors."

Mr. McNab added: "For Otto shareholders this represents a significant milestone, with our share of cash flow from Galoc set to increase substantially, providing the company with additional funds to finance our exploration and development activities in South East Asia and East Africa. It also represents a major validation of our capability as an operator as we consider new ways in which to grow the company and deliver returns to shareholders."

For further information please contact:

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Or visit the Company's website:

www.forumenergy.com