

13 October 2014

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

By E-Lodgement

NOTICE OF 2014 ANNUAL GENERAL MEETING

Otto Energy's Annual General Meeting will be held on Friday, 14 November 2014 at the University Club of Western Australia, Seminar Room 1, Hackett Drive, Crawley, Western Australia at 2.30pm.

The Notice of Meeting, Explanatory Memorandum and Proxy Form have been mailed to shareholders today. Copies of these documents follow this announcement.

The 2014 Annual Report has also been mailed today to shareholders who have elected to receive printed copies of the document. Copies of the 2014 Annual Report have previously been lodged with the ASX and are available on Otto Energy's website at www.ottoenergy.com.

Yours faithfully

Rick Crabb
Chairman

OTTO AT A GLANCE

- ASX-listed oil and gas company with a strategy to grow its oil and gas business across exploration, development and production
- Focused on South East Asia and East Africa
- Operator of the producing Galoc oil field in the Philippines, which provides cashflow

COMPANY OFFICERS

Rick Crabb	Chairman
Ian Macliver	Director
Rufino Bomasang	Director
John Jetter	Director
Ian Boserio	Director
Matthew Allen	CEO
Craig Hasson	CFO
Scott Blenkinsop	Chief Legal Counsel Company Secretary

www.ottoenergy.com

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OTTO ENERGY LIMITED
ABN 56 107 555 046

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2.30pm (WST)

DATE: 14 November 2014

PLACE: University Club of Western Australia
Seminar Room 1
Hackett Drive,
Crawley Western Australia

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on (08) 6467 8800.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

Notice is given that the Annual General Meeting of the Shareholders of Otto Energy Limited (**Company**) will be held at 2.30pm (WST) on 14 November 2014 at:

University Club of Western Australia
Seminar Room 1
Hackett Drive,
Crawley, Western Australia

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the time, date and at the place set out above.

VOTING BY PROXY OR DIRECTLY ONLINE

To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of Meeting as soon as possible and either:

- (a) send the Proxy Form by post to the Company's share registry Link Market Services, Locked Bag A14, Sydney South, NSW 1235; or
- (b) fax your Proxy Form to the Company's share registry on (+612) 9287 0309.

You may also register your voting instructions electronically by visiting the Company's share registry website www.linkmarketservices.com.au Select 'Investor Login' and enter the holding details as shown on the enclosed Proxy Form. Select the 'Voting' tab and follow the prompts.

To be valid, your proxy form or electronic voting instructions must be received by 2.30pm (WST) on 12 November 2014.

Proxy forms or electronic voting instructions received later than this time will be invalid.

NOTICE OF MEETING

Notice is given that the Annual General Meeting of Shareholders of Otto Energy Limited will be held at the University Club of Western Australia, Hackett Drive, Crawley, Western Australia at 2.30pm (WST) on 14 November 2014 (**AGM**).

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders on 12 November 2014 at 4.00pm (WST).

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the glossary of the Explanatory Statement.

AGENDA

The Explanatory Statement to this Notice of Meeting describes the matters to be considered at the Meeting.

ADOPTION OF THE ANNUAL FINANCIAL REPORT

To receive the Annual Financial Report, including Directors' declaration and accompanying reports of the Directors and auditors for the financial year ending 30 June 2014.

The Annual Report is available on our website – www.ottoenergy.com.

RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider, and if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the year ended 30 June 2014."

The Company will disregard any votes cast on Resolution 1 by or on behalf of a Restricted Voter¹. However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- (b) it is not cast on behalf of a Restricted Voter.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 1; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

Short Explanation: The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company's annual general meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

¹ Restricted Voter means the Key Management Personnel and their Closely Related Parties as defined in the glossary.

RESOLUTION 2 – RE-ELECTION OF MR JOHN JETTER AS DIRECTOR

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“To re-elect Mr Jetter as a director of the Company who retires by rotation and being eligible offers himself for re-election.”

Short Explanation: In accordance with ASX Listing Rule 14.4 (rotation of Directors) and the Company’s Constitution, one third of the Directors must retire by rotation at every Annual General Meeting. Accordingly, Mr Jetter retires by rotation and being eligible for re-election, offers himself for re-election at the Meeting.

RESOLUTION 3 – RE-ELECTION OF MR RUFINO BOMASANG AS DIRECTOR

To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

“To elect Mr Rufino Bomasang as a director of the Company who retires by rotation and being eligible offers himself for re-election.”

Short Explanation: In accordance with ASX Listing Rule 14.4 (rotation of Directors) and the Company’s Constitution, one third of the Directors must retire by rotation at every Annual General Meeting. Accordingly, Mr Bomasang retires by rotation and being eligible for re-election, offers himself for re-election at the Meeting.

DATED: 8 OCTOBER 2014

BY ORDER OF THE BOARD



**MR RICK CRABB
CHAIRMAN**

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Meeting.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Annual General Meeting.

SPECIAL BUSINESS OF THE MEETING

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report as set out in the Directors' Report be adopted at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the AGM.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at the 2014 AGM, and then again at the 2015 AGM, the Company will be required to put a resolution to the 2015 AGM to approve calling a general meeting (**spill resolution**). If more than 50% of Shareholders vote in favour of the spill resolution, the Company must convene an extraordinary general meeting (**spill meeting**) within 90 days of the 2015 AGM. All of the Directors who were in office when the 2015 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the spill meeting.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any share based compensation.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters may not vote on this Resolution and may not cast a vote as proxy, unless the appointment gives a direction on how to vote or the proxy is given to the Chair and expressly authorises the Chair to exercise your proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. The Chair will use any such proxies to vote in favour of the Resolution.

Shareholders are urged to carefully read the proxy form and provide a direction to the proxy on how to vote on this Resolution.

2. RESOLUTION 2 - RE-ELECTION OF MR JOHN JETTER AS DIRECTOR

Regulatory Requirements – ASX Listing Rule 14.4 and Constitution

In accordance with ASX Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third annual general meeting following their appointment or 3 years, whichever is longer.

Further, in accordance with the Company's Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office and are eligible for re-election.

Mr John Jetter retires by rotation and being eligible offers himself for re-election pursuant to Resolution 2.

Mr Jetter is a barrister and solicitor, 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 for JP Morgan in Germany.

3. RESOLUTION 3 - RE-ELECTION OF MR RUFINO BOMASANG AS DIRECTOR

Regulatory Requirements – ASX Listing Rule 14.4 and Constitution

In accordance with ASX Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third annual general meeting following their appointment or 3 years, whichever is longer.

Further, in accordance with the Company's Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office and are eligible for re-election.

Mr Rufino Bomasang retires by rotation and being eligible offers himself for re-election pursuant to Resolution 3.

Mr Bomasang is a mining engineer, having worked as an International Energy and Mining Consultant, focusing on the development of untapped indigenous energy resources in the Philippines. From 1996 to 2004 Mr Bomasang was President and Chief Executive Officer of Philippine National Oil Company-Exploration Corporation (PNOC-EC), where he was responsible for top level management of PNOC-EC's operations. Mr Bomasang previously worked with the United States Agency for International Development as an Energy Consultant, providing technical assistance to the Philippine Department of Energy and as Senior Advisor to the Department of Energy Gas Office. Mr Bomasang is currently the nonexecutive Chairman of the Company's wholly owned subsidiary Otto Energy Investments Limited (formerly NorAsian Energy Limited).

RESPONSIBILITY FOR INFORMATION

The information concerning the Company contained in this Explanatory Statement, including information as to the views and recommendations of the Directors has been prepared by the Company and is the responsibility of the Company.

The Explanatory Statement does not take into account the individual investment objectives, financial situation and particular needs of individual Shareholders. If you are in doubt as to what you should do you should consult your legal, financial or professional adviser prior to voting.

GLOSSARY

Accounting Standards has the meaning given to that term in the Corporations Act.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Closely Related Party has the meaning given to that term in the Corporations Act.

Company means Otto Energy Limited (ABN 56 107 555 046).

Corporations Act means the *Corporations Act* 2001 (Cth).

Directors mean the current directors of the Company.

Explanatory Statement means this explanatory statement to the Notice of Meeting.

Key Management Personnel has the meaning given to that term in the Accounting Standards.

Meeting means the general meeting of Shareholders convened by the Notice of Meeting.

Notice of Meeting means the notice of meeting which forms part of this Explanatory Statement.

Performance Rights means performance rights issued under the Performance Rights Plan.

Plan Options means options issued under the Option Plan.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Restricted Voter means Key Management Personnel and their Closely Related Parties.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the issued capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time.

\$ means Australian dollars.



Otto Energy Limited
ABN 56 107 555 046

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



By mail:
Otto Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Otto Energy Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐

**the Chairman
of the Meeting
(mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy.

Failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to vote on my/our behalf (including in accordance with the directions set out below or, if no directions have been given, to vote as the proxy sees fit, to the extent permitted by the law) at the Annual General Meeting of the Company to be held at 2:30pm (WST) on Friday, 14 November 2014 at the University Club of Western Australia, Seminar Room 1, Hackett Drive, Crawley, Western Australia (the Meeting) and at any postponement or adjournment of the Meeting.

I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

STEP 2

VOTING DIRECTIONS

Resolution 1

Adoption of Remuneration Report

For Against Abstain*

☐ ☐ ☐

Resolution 2

Re-election of director John Jetter

☐ ☐ ☐

Resolution 3

Re-election of director Rufino Bomasang

☐ ☐ ☐

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

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HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you appoint someone other than the Chairman of the Meeting as your proxy, you will also be appointing the Chairman of the Meeting as your alternate proxy to act as your proxy in the event the named proxy does not attend the Meeting.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:30pm (WST) on Wednesday, 12 November 2014**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE > www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



by mail:

Otto Energy Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**