

## iSignthis Acquisition Update

### Highlights

- **Consolidation of securities to occur at a price of \$0.03 per share (1 for 10 Consolidation)**
- **Lead manager appointed to complete a share placement, pursuant to a prospectus, to raise up to \$2,400,000 at \$0.03 per share**

Further to the announcement of 22 October 2014, **Otis Energy Limited (ASX: OTE)** ("Otis" or "the Company") is pleased to provide an update on the progress of the proposed acquisition of 100% of the issued capital of online identification and payment authentication provider, iSignthis BV and ISX IP Ltd (together "iSignthis") from iSignthis Ltd ("Acquisition").

**About iSignthis (IST)** iSignthis is an Australian based business which has been granted USA, European, South African and Australian patents that significantly enhance online payment security, internet identity, e-mandates and e-contract validation services, to safeguard eCommerce operators, and assist Anti Money Laundering ("AML") and Counter Terrorism Funding ("CTF") obligated entities meet their compliance requirements. The company has patents pending in several other key jurisdictions, including China, Hong Kong, South Korea, Canada, Brazil and India.

As part of the Acquisition, the Company will complete a capital raising and consolidation of its issued capital. Subsequent to execution of the Share Sale Agreement and the Company's 22 October 2014 announcement, the parties have agreed to vary the capital raising terms and the consolidation ratio.

The capital raising will now be undertaken by way of a share placement to raise a minimum of \$2,000,000 and a maximum of \$2,400,000 at an issue price of \$0.03 per Share (post consolidation), and will be conducted by way of an offer to the general public via a prospectus rather than a priority offer to Shareholders as previously announced ("Capital Raising"). Cygnet Capital is acting as lead manager of the Capital Raising and encourages existing shareholders to participate under the prospectus.

The issued capital of the Company will now be consolidated on the basis of 1 Share for every 10 Shares held (with options also being consolidated in accordance with the ASX Listing Rules) ("Consolidation").

As previously announced, the acquisition of iSignthis will constitute a change in the nature of Otis' activities pursuant to Chapter 11 of the ASX Listing Rules. The Company is accordingly required to obtain shareholder approval for the change and also to re-comply with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

### Indicative Capital Structure

The indicative capital structure based on the revised consolidation ratio, following completion of the Acquisition, Capital Raising and re-instatement to trading on ASX is set out below.

	Shares	Options	Performance Shares
Current Shareholders	1,597,064,508	196,049,962	
<b>Post Share Consolidation</b>	<b>159,706,451<sup>3</sup></b>	<b>19,604,996<sup>1</sup></b>	
Consideration to acquire iSignthis	298,333,333		336,666,667 <sup>2</sup>
	66,666,667		
Capital Raising <sup>4</sup>			
<b>Post Acquisition Capital Structure</b>	<b>524,706,451</b>	<b>19,604,996</b>	<b>336,666,667</b>

Notes:

1. Existing options post Consolidation include 18,604,996 (ASX: OTEO) (\$0.50, 31 Dec 2015) and 1,000,000 Options (\$0.05, 1 Mar 2016)
2. 336,666,667 Performance Shares (post Consolidation) to convert a follows:
  - a. 112,222,222 Class A Performance Shares – on achievement of annual revenue of at least \$5,000,000. Annual revenue will be calculated on annualised basis over a 6 month reporting period. Class A Performance Shares will expire if unconverted within three (3) of completing the transaction;
  - b. 112,222,222 Class B Performance Shares – on achievement of annual revenue of at least \$7,500,000. Annual revenue will be calculated on annualised basis over a 6 month reporting period. Class B Performance Shares will expire if unconverted within three (3) of completing the transaction; and
  - c. 112,222,223 Class C Performance Shares – on achievement of annual revenue of at least \$10,000,000. Annual revenue will be calculated on annualised basis over a 6 month reporting period. Class C Performance Shares will expire if unconverted within three (3) of completing the transaction.

3. Proposed consolidation of securities to be completed on the basis of 10 to 1.
4. The above table assumes the raising of \$2,000,000 under the Capital Raising. If the Company raises an additional \$400,000 under the Capital Raising up to 13,333,333 additional shares may be issued.

**Timetable**

The revised indicative timing of the finalisation of the notice of meeting, the shareholder meeting and lodgement of the prospectus for the capital raising and re-compliance are detailed in the timetable below.

Event	Date
Dispatch of Notice of Meeting seeking approval for the acquisition of iSignthis BV	14 November 2014
Lodgement of Capital Raising prospectus with ASIC	5 December 2014
Shareholder Meeting to approve the acquisition of iSignthis BV	15 December 2014
Closing date of Capital Raising offer	19 December 2014
Share Consolidation complete – Issue new holding statements	22 December 2014
Despatch final holding statements	On or before 30 January 2015
Complete Acquisition of iSignthis BV	On or before 30 January 2015
Re-quotation of shares on ASX / Announce Board	On or before 31 January 2015

For more company information please visit our website at [www.otisenergy.com](http://www.otisenergy.com) or contact:

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