

**ASX ANNOUNCEMENT**

31 March 2020

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**SUCCESSFUL COMPLETION OF PLACEMENT AND INSTITUTIONAL ENTITLEMENT OFFER**

- Completion of A\$1.4m Placement and ~A\$6.4 million Institutional Entitlement Offer
- Strong support from existing institutional investor
- Partially underwritten Retail Entitlement Offer to raise up to A\$9.7 million
- Retail Entitlement Offer to open 3 April 2020 and closing 16 April 2020
- Balance sheet being shored up for current market conditions and emerging in a strong position once markets recover
- Finalize current development program at SM 71 and GC 21 and contingent expenditure on current developments to enhance cashflows
- Otto's focus on maintaining a strong balance sheet with sufficient liquidity for all existing development activities during 2020 and beyond with the majority of the Company's PDP production through 2022 hedged at an average of \$56 USD per barrel

Otto Energy ("Otto") (ASX: OEL) is pleased to announce the successful completion of the Placement and institutional component of its Entitlement Offer, which was announced to the ASX on 26 March 2020.

The funds raised from the Placement and the Entitlement Offer will be used by the Company for:

- Reimbursement of funding of the Company's 50% share of the South Marsh Island 71 F5 development well in the Gulf of Mexico;
- Contingent expenditure on current developments and future development wells; and
- for working capital including contingent development wells.

**Placement**

The Placement raised a total of A\$1.38m through the issue of approximately 231 million shares at A\$0.006 per share.

Shares issued under the placement will rank equally with existing shares on issue and are expected to be allotted on 31 March 2020. Trading will commence on the same day.

**Institutional Offer**

The Institutional Entitlement Offer raised a total of A\$6.4m through the issue of approximately 1,074 million shares at A\$0.006 per share.

The Institutional Entitlement Offer saw take-up of:

- 536.9m shares by institutional investor, Molton Holdings Limited (**Molton**) in its capacity as an existing institutional investor in the Company;

- 8.3m shares to other institutional investors through an institutional bookbuild, and
- 528.7m institutional shortfall shares to Molton in its capacity as sub-underwriter of the Entitlement Offer.

Shares issued under the Institutional Entitlement Offer will rank equally with existing shares on issue and are expected to be allotted on 8 April 2020.

### Retail Entitlement Offer

The retail component of the Entitlement Offer is partially underwritten and seeks to raise a further \$9.7 million through the issue of approximately 1,617 million shares at A\$0.006 per share on the basis of one new share for every 1 share held at the record date of 7pm (AEST) 31 March 2020.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferrable.

Otto has determined, in accordance with ASX Listing Rule 7.7.1, that the retail component of the Entitlement Offer will be offered to retail shareholders with registered addresses within Australia, New Zealand, the United Kingdom, Hong Kong, Singapore and Cambodia ("Eligible Retail Shareholders").

The Retail Offer Booklet, containing full details of the Entitlement Offer, will be sent to Eligible Retail Shareholders on 3 April 2020.

The Retail Entitlement Offer will open on 3 April 2020 and close at 5.00pm Sydney time on 16 April 2020 (unless extended).

### Offer Timetable

Key dates for the Entitlement Offer are set out below.

#### Timetable for Non-Renounceable Entitlement Offer

Shares trade ex-entitlement	31 March 2020
Record date for determining Eligible Shareholders	7:00pm (AEDT), 31 March 2020
Retail Entitlement Offer opens and Booklets despatched	3 April 2020
Settlement of New Shares issued under the Institutional Offer	7 April 2020
Allotment and normal trading of New Shares issued under Institutional Entitlement Offer	8 April 2020
Retail Entitlement Offer closes	16 April 2020
Allotment of New Shares issued under the Retail Entitlement Offer	23 April 2020
Despatch of holding statements and normal trading of New Shares	24 April 2020

Dates and times in this release are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

### Retail Investor Enquiries

For further information in regard to the Retail Entitlement Offer once the offer is open, please contact the Company on +61 8 6467 8800 at any time between 8.30am and 5.00pm (Sydney time), Monday to Friday. Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

### Further information

Euroz Securities Limited is acting as Lead Manager and Underwriter to the Entitlement Offer, Adelaide Equity Partners Limited as Financial Advisor and Steinepreis Paganin acting as legal advisor. Euroz Securities Limited have been appointed Managers to the offer.

Further information about the Entitlement Offer, including its strategic and financial benefits, is in Otto's market release and Investor Presentation, lodged with the ASX on 26 March 2020.

This release is authorized by the Board of Directors.

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