



Otis Energy Limited

A.C.N. 075 419 715
Registered Office;
Suite 25, 145 Stirling Hwy
Nedlands, Perth WA 6009

ASX Release

19th May 2014

Placement Disclosure under ASX LR 7.1A.4(b) and 3.10.5A

Otis Energy Limited (ASX: OTE) (the "Company") is pleased to advise that it has issued fully paid ordinary shares in the capital of the Company as per the Appendix 3B lodged with the ASX today.

The securities issued were 307,500,000 fully paid ordinary shares in the capital of the Company under a placement to sophisticated and institutional investors at an issue price of \$0.001 per share to raise a total of \$307,500 before costs ("Placement"). The Company was pleased to be offered subscriptions in excess of the original amounts sought in accordance with the ASX announcement made by the Company on 16 April 2014.

In accordance with ASX Listing Rule 7.1A.4(b) and 3.10.5A the Company makes the following disclosures in respect of the Placement:

- (a) The Company issued a total of 307,500,000 fully paid ordinary shares of which 127,956,451 were issued under Listing Rule 7.1A and the remaining shares were issued under the Company's 15% placement capacity under Listing Rule 7.1.

The securities issued under Listing Rule 7.1A resulted in the following dilution to existing holders of ordinary securities:

- Number of fully paid ordinary shares on issue prior to this issue of securities under LR7.1A was 1,279,564,508.
- Number of fully paid ordinary shares on issue following this issue of securities under LR7.1A was 1,407,520,959 (1,587,064,508 including shares issued under LR7.1 under the same Placement).
- Percentage of voting dilution following this issue is 9.1% (19.4% including shares issued under LR7.1 under the same Placement).

- (b) The Company elected to make the Placement in preference to a pro-rata issue on the basis the funds were required in a timely manner to meet the short term funding requirements of the Company. The Placement offered superior certainty and timeliness with a lower transaction cost than a pro-rata issue. The Company is grateful for the support of its long-term shareholders and where possible will continue to endeavour to afford those shareholders with opportunities to participate in capital raisings.

- (c) No underwriting arrangements were entered into.

- (d) Costs to be incurred in connection with this issue are estimated to be less than \$5,000.

For more information contact;
Barnaby Egerton-Warburton
Managing Director
Otis Energy Limited
+612 800 33438

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Otis Energy Limited

ABN

93 075 419 715

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 307,500,000 fully paid ordinary shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 307,500,000 fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.001 per share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Placement to be applied to working capital as announced to the ASX on 16 April 2014.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>22 October 2013</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>179,543,549</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	127,956,451						
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil						
6f	Number of securities issued under an exception in rule 7.2	Nil						
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	<p>Yes. Shares were issued on 19 May 2014 at \$0.001 each, representing no discount to the 15 day VWAP.</p> <p>Source: Etrade Australia</p>						
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A						
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<p>12,391,127 under rule 7.1</p> <p>0 under rule 7.1A</p>						
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	19 May 2014						
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Number</th> <th style="text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">1,587,064,508</td> <td>Ordinary Fully Paid Shares</td> </tr> <tr> <td style="text-align: center;">186,049,962</td> <td>Options (ASX: OTEO) (\$0.05, 31 Dec 2015)</td> </tr> </tbody> </table>	Number	+Class	1,587,064,508	Ordinary Fully Paid Shares	186,049,962	Options (ASX: OTEO) (\$0.05, 31 Dec 2015)
Number	+Class							
1,587,064,508	Ordinary Fully Paid Shares							
186,049,962	Options (ASX: OTEO) (\$0.05, 31 Dec 2015)							

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	10,000,000 Options (\$0.005, 1 Mar 2016)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change

Part 2 – Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	

+ See chapter 19 for defined terms.

20	Names of any underwriters	<input type="text"/>
21	Amount of any underwriting fee or commission	<input type="text"/>
22	Names of any brokers to the issue	<input type="text"/>
23	Fee or commission payable to the broker to the issue	<input type="text"/>
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	<input type="text"/>
25	If the issue is contingent on +security holders' approval, the date of the meeting	<input type="text"/>
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	<input type="text"/>
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	<input type="text"/>
28	Date rights trading will begin (if applicable)	<input type="text"/>
29	Date rights trading will end (if applicable)	<input type="text"/>
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	<input type="text"/>
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<input type="text"/>

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

32 How do +security holders dispose of their entitlements (except by sale through a broker)?

33 +Despatch date

Part 3 – Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 – 1,000
1,001 – 5,000
5,001 – 10,000
10,001 – 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

39 Class of +securities for which
quotation is sought

40 Do the +securities rank equally in
all respects from the date of
allotment with an existing +class
of quoted +securities?

If the additional securities do not
rank equally, please state:

- the date from which they do
- the extent to which they
participate for the next
dividend, (in the case of a
trust, distribution) or interest
payment
- the extent to which they do
not rank equally, other than in
relation to the next dividend,
distribution or interest
payment

41 Reason for request for quotation
now

Example: In the case of restricted securities, end
of restriction period

(if issued upon conversion of
another security, clearly identify
that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

- 4 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
- Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 
(Director/Company secretary)

Date: 19 May 2014

Print name: Winton Willesee
== == == == ==

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	1,154,564,508
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p style="text-align: center;">26/06/2013</p> <p style="text-align: right;">125,000,000</p>
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	Nil
“A”	1,279,564,508

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	191,934,676
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>19/05/2014 179,543,549</p>
“C”	122,043,549
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	191,934,676
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	179,543,549
Total [“A” x 0.15] – “C”	12,391,127 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities					
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated					
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,279,564,508				
Step 2: Calculate 10% of “A”					
“D” <i>Note: this value cannot be changed</i>	0.10				
Multiply “A” by 0.10	127,956,451				
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used					
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%; text-align: center;">19/05/2014</td> <td style="width: 50%;"></td> <td style="width: 50%; text-align: right;">127,956,451</td> </tr> </table>		19/05/2014		127,956,451
	19/05/2014		127,956,451		
“E”	127,956,451				

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	127,956,451
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	127,956,451
Total [“A” x 0.10] – “E”	- <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.



Otis Energy Limited

A.C.N. 075 419 715
Registered Office;
Suite 25, 145 Stirling Hwy
Nedlands, Perth WA 6009

ASX Release

19th May 2014

Notice under Section 708

OTIS ENERGY LIMITED (ASX: OTE) gives this notice pursuant to section 708A(5)(e) of the Corporations Act 2001 (Cth) ("Act").

The Company has issued fully paid ordinary shares in the capital of the Company ("Securities") as per the Appendix 3B lodged with the ASX today.

The Company advises that the Securities were issued without disclosure to investors under Part 6D.2 of the Act. The Company, as at the date of this notice, has complied with:

- (a) the provisions of Chapter 2M of the Act as they apply to the Company; and
- (b) section 674 of the Act.

Other than as detailed below, as at the date of this notice there is no information that is excluded information for the purposes of sections 708A(7) and (8) of the Act.

For further information please contact:

WINTON WILLESEE
Company Secretary