

ASX ANNOUNCEMENT

3 April 2020

Not for distribution to US newswire services or distribution in the United States

RETAIL ENTITLEMENT OFFER BOOKLET DISPATCHED & OFFER OPEN

Otto Energy Limited (ASX:OEL) ("Otto") advises that the Retail Entitlement Offer, as announced on 26 March 2020, is now open and the Retail Offer Booklet is being dispatched to Eligible Shareholders today.

Eligible Shareholders may access a copy of the Offer Booklet and download a copy of their personalized Entitlement and Acceptance Form which includes BPAY payment details at www.ottoenergy.com by clicking on the 'Retail Entitlement Offer' button.

Please contact the Company on 08 6467 8800 (within Australia) and +61 8 6467 8800 (outside Australia) between 8:30am and 5:30pm (Perth time) Monday to Friday if you have any questions.

This announcement has been authorised for release by the Company's board of directors.

Contact: Matthew Allen Managing Director & CEO +61 8 6467 8800 info@ottoenergy.com	Media: Investor Relations: Mark Lindh +61 414 551 361
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Otto Energy Limited

ACN 107 555 046

Retail Offer Booklet

1 for 1 pro-rata accelerated non-renounceable entitlement offer of Otto Energy Limited ordinary shares at an Offer Price of \$0.006 per New Share to raise up to \$16,149,444 (before costs).

Retail Entitlement Offer closes at 5pm (AEDT) on 16 April 2020.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

If you are an Eligible Retail Shareholder, this Retail Offer Booklet and the personalised Entitlement and Acceptance Form that accompanies it contain important information and require your immediate attention. You should read both documents carefully and in their entirety. This Retail Offer Booklet is not a prospectus under the *Corporations Act 2001* (Cth) (**Corporations Act**) and has not been lodged with the Australian Securities and Investments Commission (**ASIC**). If you have any questions, please call your stockbroker, accountant or other professional adviser or the Company on +61 8 6467 8800 between 11:30am and 8:30pm (AEDT), Monday to Friday.

Important Notices

This Retail Offer Booklet is dated 3 April 2020 and has been issued by Otto Energy Limited (ACN 107 555 046) (**Otto or Company**). It relates to the Retail Entitlement Offer, which is part of the Entitlement Offer by Otto to raise up to \$16,149,444. Unless otherwise defined in this section, capitalised terms in this section have the meaning given to them elsewhere in this Retail Offer Booklet.

The Retail Entitlement Offer is made in accordance with section 708AA of the Corporations Act (as modified by the *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*). This Retail Offer Booklet is not a disclosure document or a product disclosure statement under the Corporations Act and it has not been lodged with ASIC. This Retail Offer Booklet does not contain all the information which would be required to be disclosed in a disclosure document or a product disclosure statement. As a result, it is important for you to read and understand all the publicly available information on Otto and the Entitlement Offer (for example, the information available on the Australian Securities Exchange (**ASX**) website at <http://www.asx.com.au>) prior to deciding whether to accept your Entitlement and apply for New Shares. The information in this Retail Offer Booklet does not constitute financial product advice, and does not take into account your investment objectives, financial situation or particular needs.

There may be additional announcements made by Otto throughout the period that the Retail Entitlement Offer is open that may be relevant to your consideration of whether to take up your Entitlement in whole or in part, or to do nothing in respect of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Otto (by visiting the ASX website at www.asx.com.au) before submitting your application to take up your Entitlement or doing nothing with your Entitlement.

Please contact your stockbroker, accountant or other professional adviser or the Company on +61 8 6467 8800 between 11:30am and 8:30pm (AEDT), Monday to Friday, if you have any questions.

This Retail Offer Booklet should be read in its entirety (including the accompanying Entitlement and Acceptance Form) before you decide whether to participate in the Retail Entitlement Offer. In particular, the Investor Presentation in 04 of this Retail Offer Booklet details important factors and risks that could affect the financial and operating performance of Otto.

Importantly, please refer to the "Key Risks" sections of the Investor Presentation for details of the risks applicable to the Company and your investment in the Entitlement Offer. When making an investment decision in connection with the Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues (some of which have been outlined in **Error! Reference source not found.** of this Retail Offer Booklet).

In addition to reading the entirety of this Retail Offer Booklet, in conjunction with Otto's other periodic and continuous disclosure announcements on the ASX, you should conduct your own independent review, investigations and analysis of Otto and the New Shares and obtain any professional advice

you require to evaluate the merits and risks of an investment in Otto before making any investment decision.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions in the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

Foreign jurisdictions – restrictions and limitations

This Retail Offer Booklet, the Investor Presentation, any accompanying ASX Announcements and the Entitlement and Acceptance Form have been prepared to comply with the requirements of the securities laws of Australia, New Zealand, the United Kingdom, Singapore, Hong Kong and Cambodia.

This Retail Offer Booklet, the Investor Presentation, any accompanying ASX Announcements and the Entitlement and Acceptance Form do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia, New Zealand, the United Kingdom, Singapore, Hong Kong and Cambodia.

The distribution of this Retail Offer Booklet or the Entitlement and Acceptance Form (including an electronic copy) outside Australia, New Zealand, the United Kingdom, Singapore, Hong Kong and Cambodia may be restricted by law. If you come into possession of the information in this Retail Offer Booklet or the Entitlement and Acceptance Form, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Hong Kong

This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise

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caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the Entitlement Offer, New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore and the New Shares will be offered pursuant to one or more exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"). Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than on reliance of one or more exemptions under the SFA and in accordance with the conditions of, any other applicable provision of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Save for the Eligible Shareholders in reliance of one or more exemptions under the SFA, the Entitlement Offer is not directed or targeted at persons in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Cambodia

This document has not been, and will not be, registered as a disclosure document under the Public Offering Rules and Listing Rules of the SECC. No action has been taken in Cambodia to authorise or register this document with the SECC or to permit the distribution of this document or any documents issued in connection with it in Cambodia. Accordingly, the New Shares may not be offered or sold in Cambodia other than as permitted under Cambodian law.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not, please return this document immediately. You may not forward or circulate this document to any other person in Cambodia.

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Cambodia or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Cambodia (except if required to do so by the securities laws and regulations of Cambodia) other than with respect to the New Shares that are or are intended to be disposed of only to persons outside Cambodia.

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The Offer is made to you on the condition that you will not sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Cambodia.

Not for distribution or release in the United States

This Retail Offer Booklet, the Investor Presentation, any accompanying ASX Announcements and the Entitlement and Acceptance Form do not constitute an offer to sell, or invitation to buy, any securities in the United States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States).

The Entitlements and the New Shares have not been and will not be registered under the US Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction in the United States, and may not be offered, sold or resold, directly or indirectly, in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold Securities and are acting for the account or benefit of a person in the United States) except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States.

Under the Retail Entitlement Offer, Entitlements may not be issued to, taken up, purchased or exercised by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States). The Entitlements and the New Shares may only be offered and sold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act. Because of these legal restrictions, you must not distribute, release or send copies of this Retail Offer Booklet, the Investor Presentation, any accompanying ASX Announcements, the Entitlement and Acceptance Form, or any other material relating to the Retail Entitlement Offer, to any person in the United States.

British Virgin Islands

The New Shares may not be offered in the British Virgin Islands unless the Company or any person offering the New Shares on its behalf is licensed to carry on business in the British Virgin Islands. The Company is not licensed to carry on business in the British Virgin Islands. The New Shares may be offered to British Virgin Islands business companies from outside the British Virgin Islands without restriction.

Future performance and forward-looking statements

This Retail Offer Booklet contains certain “forward looking statements”. Forward looking statements can generally be identified by the use of forward looking words such as “expect”, “anticipate”, “likely”, “intend”, “propose”, “should”, “could”, “may”, “guidance”, “outlook”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target”, and other similar expressions within the meaning of securities laws of applicable jurisdictions. The forward looking statements contained in this Retail Offer Booklet are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Otto, its directors and management, and may involve significant elements of

subjective judgement and assumptions as to future events which may or may not be correct.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Retail Offer Booklet in light of those disclosures. You are cautioned not to place undue reliance on any forward-looking statements.

No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Retail Offer Booklet.

The forward-looking statements are based on information available to Otto as at the date of this Retail Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules), Otto undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

Past performance

Investors should note that any past performance information, including past share price performance and pro forma historical information, is provided for illustrative purposes only, and cannot be relied upon as an indicator of (and provides no guarantee or guidance as to) future Otto performance, including future financial position or share price performance. The pro forma historical information is not represented as being indicative of Otto's views on its future financial condition and/or performance.

References to “you” and “your Entitlement”

In this Retail Offer Booklet, references to “you” are references to Eligible Retail Shareholders and references to “your Entitlement” (or “your personalised Entitlement and Acceptance Form”) are references to the Entitlements (or personalised Entitlement and Acceptance Form) of Eligible Retail Shareholders.

Times and dates

Times and dates in this Retail Offer Booklet are indicative only and subject to change. All times and dates refer to Australian Eastern Daylight Time (AEDT) unless otherwise stated. Refer to the “Key Dates” section of this Retail Offer Booklet for more details.

Currency

Unless otherwise stated, all dollar values in this Retail Offer Booklet are in Australian dollars (A\$).

Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. This Retail Offer Booklet does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. Otto recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

Privacy

Otto collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the applicant's shareholding in Otto.

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By submitting an Entitlement and Acceptance Form, you will be providing personal information to Otto (directly or through the Share Registry). Otto collects, holds and will use that information to assess your Application. Otto collects your personal information to process and administer your shareholding in Otto and to provide related information to you. Otto may disclose your personal information for purposes related to your shareholding in Otto, including to the Share Registry, Otto's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to your personal information held by (or on behalf of) Otto. To make a request for access to your personal information held by (or on behalf of) Otto, please contact Otto through the Share Registry.

Governing law

This Retail Offer Booklet, the Retail Entitlement Offer, and the contracts formed on acceptance of the Applications are governed by the laws of Western Australia, Australia. Each Eligible Retail Shareholder who submits an Application submits to the exclusive jurisdiction of the courts of Western Australia, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in the Retail Offer Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Retail Offer Booklet, the accompanying Entitlement and Acceptance Form and any accompanying ASX announcements, may not be relied upon as having been authorised by Otto or any of its officers in connection with the Retail Entitlement Offer.

Underwriter

Euroz Securities Limited (the **Underwriter**) has acted as the lead manager, bookrunner and underwriter to the Entitlement Offer (including the Retail Entitlement Offer). Neither the Underwriter, nor any of its affiliates, related bodies corporate (as that term is defined in the Corporations Act), nor any of its respective directors, employees, officers, representatives, agents, partners, consultants and advisers nor the advisers to Otto or any other person including clients named in this document, have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Retail Offer Booklet (or any other materials released by Otto) and none of them makes or purports to make any statement in this Retail Offer Booklet and there is no statement in this Retail Offer Booklet which is based on any statement by any of them.

The Underwriter may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from Otto.

Disclaimer

Determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Otto and the Underwriter. To the maximum extent permitted by law, Otto and the Underwriter and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion.

Statements made in this Retail Offer Booklet are made only as the date of this Retail Offer Booklet. The information in this Retail Offer Booklet remains subject to change without notice.

Trading New Shares

Otto and Underwriter, and each of their respective directors, officers, employees, agents and consultants, will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Otto or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, accountant or other professional adviser.

No Entitlements trading

The Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares. You cannot withdraw an Application once it has been submitted.

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Summary of the Retail Entitlement Offer

Offer Price	\$0.006 per New Share
Your Entitlement	1 New Share for every 1 existing Shares held on the Record Date

Key dates for the Retail Entitlement Offer

Event	Date
Announcement of Entitlement Offer	26 March 2020
Institutional Entitlement Offer opens	27 March 2020
Institutional Entitlement Offer closes	30 March 2020
Record date for eligibility in the Retail Entitlement Offer (7:00pm, AEDT)	31 March 2020
Retail Entitlement Offer opens (9:00am, AEDT)	3 April 2020
Retail Offer Booklet despatched, including personalised Entitlement and Acceptance Form	3 April 2020
Retail Entitlement Offer closes (5:00pm, AEDT)	16 April 2020
Settlement of Retail Entitlement Offer	22 April 2020
Allotment of New Shares under the Retail Entitlement Offer	23 April 2020
Quotation and normal settlement trading of New Shares under the Retail Entitlement Offer	24 April 2020
Despatch of holding statements	24 April 2020

Note: The timetable above is indicative only and subject to change. Otto reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Otto reserves the right to extend the closing date of the Retail Entitlement Offer, to accept late applications under the Retail Entitlement Offer (either generally or in particular cases) and to withdraw or vary the Retail Entitlement Offer without prior notice. Any extension of the closing date may have a consequential effect on the issue date of New Shares. The commencement of quotation of New Shares is subject to confirmation from ASX.

No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to submit their personalised Entitlement and Acceptance Form as soon as possible after the Retail Entitlement Offer opens.

Enquiries

If you have any questions, please call the Company on +61 8 6467 8800 or the Company Secretary on +61 8 8232 8800.

Alternatively, contact your stockbroker, accountant or other professional adviser.

Chairman's Letter

3 April 2020

Dear Shareholder,

On behalf of the Otto Energy Limited (**Otto**) Board, I would like to invite you to participate in a 1 for 1 pro-rata accelerated non-renounceable entitlement offer of new Otto ordinary shares (**New Shares**) at an offer price of \$0.006 per New Share (**Offer Price**), to raise gross proceeds of up to \$16,149,444 (**Entitlement Offer**).

On 26 March 2020, the Company also announced a placement of 231,109,326 Shares at an issue price of \$0.006 (**Placement**) which, together with the Entitlement Issue, will raise a maximum total of \$17.536 million

Purpose of the Entitlement Offer

The funds raised will be used in conjunction with cash flows from Otto's 50% owned SM 71 oil field and future cash flows from the Lightning development to fund the SM71 F5 development well and shore-up the balance sheet, and accordingly the Placement and Entitlement Offer:

- Reimburses for funding OEL's net share of the currently drilling SM71 F5 development well and contingent side-track operations
- Provides additional balance sheet strength considering the impact of the sudden oil price decline
- Provides a buffer against cost overruns, project delays and contingent expenditure

Further information about the Entitlement Offer is in Otto's market release and Investor Presentation lodged with the ASX and included in this Retail Offer Booklet in Section 4.

Details of the Entitlement Offer

The Entitlement Offer comprises an institutional component (the **Institutional Entitlement Offer**) and a retail component (the **Retail Entitlement Offer**). Otto successfully completed the Institutional Entitlement Offer on 30 March 2020, raising approximately \$6.444 million for Otto, which represents approximately 39.9% of total entitlements available under the Entitlement Offer. The Retail Entitlement Offer is expected to raise up to \$9.705 million.

Under the Retail Entitlement Offer, Eligible Retail Shareholders are being offered the opportunity to subscribe for 1 New Share for every 1 existing Otto ordinary shares (**Shares**) held on the Record Date of 7:00pm (AEDT) on Tuesday, 31 March 2020 (**Entitlements**). Eligible Retail Shareholders who take up their Entitlements in full may also apply to subscribe for Additional New Shares in excess of their Entitlements under the Retail Shortfall Offer set out in this Retail Offer Booklet.

The Offer Price of \$0.006 per New Share represents a 25% discount to the Company's last closing price of \$0.008 on Tuesday, 24 March 2020, being the last trading day before the Entitlement Offer was launched.

The Entitlement Offer is partially underwritten by the Underwriter up to a maximum of the Underwritten Amount. The Underwriter has entered into a sub-underwriting agreement in respect of the Entitlement Offer with Molton (the Sub-underwriter). The arrangement between the Underwriter and the Sub-underwriter is that Molton have made a firm commitment for a total of \$10,613,344 including a commitment to take up their Entitlements for \$3,221,814 and to sub-underwrite up to a maximum of \$7,391,530.

As at the date of this notice, the Sub-underwriter holds an interest in 12.43% of the voting shares in the Company, and following completion of the Placement will hold an interest in 19.95% of the voting shares in the Company.

Details of the potential control effect of the sub-underwriting are set out in Section 3.

Other information

This offer booklet (**Retail Offer Booklet**) relates to the Retail Entitlement Offer and contains important information about the Retail Entitlement Offer and Otto's business under the following headings:

- Key dates for the Retail Entitlement Offer;
- Summary of options available to you;
- Actions required by you (including instructions on how to participate in the Retail Entitlement Offer if you choose to do so);

- ASX announcements (including the Investor Presentation, which provides information on Otto, including information relating to the purpose of the Entitlement Offer, and a summary of some of the key risks associated with an investment in Otto); and
- Additional information.

Accompanying this Retail Offer Booklet is your personalised Entitlement and Acceptance Form which contains details of your Entitlement. Your Entitlement may have value and it is important that you determine whether to take up or do nothing in respect of your Entitlement. If you choose to do nothing, your Entitlement will lapse, and you will receive no value for your Entitlement.

The Retail Entitlement Offer closes at 5:00pm (AEDT) on Thursday, 16 April 2020.

To participate, you need to ensure that you have completed your application by paying the Offer Price multiplied by the number of New Shares you are applying for (**Application Monies**) by BPAY®, or by lodging your personalised Entitlement and Acceptance Form with your Application Monies paid by cheque, bank draft or money order so that they are received before 5:00pm (AEDT) on Thursday, 16 April 2020 in the manner described in this Retail Offer Booklet. Eligible Retail Shareholders whose holdings are registered overseas may pay by direct bank transfer by following the instructions set out on the personalised Entitlement and Acceptance Form. Please note that your bank may apply fees or charges to any transfer and any conversion to Australian dollars from a foreign currency will impact the amount of Australian dollars received by Otto.

Please carefully read this Retail Offer Booklet in its entirety before you invest. In particular, you should read and consider the “Key Risks” section of the Investor Presentation included in 0 of this Retail Offer Booklet which contains a summary of some of the key risks associated with this Entitlement Offer, together with an investment in Otto.

Please consult your stockbroker, accountant or other professional adviser before making your investment decision.

If you have any questions in respect of the Entitlement Offer please call the Company on +61 8 6467 8800 between 11:30am and 8:30pm (AEDT), Monday to Friday, if you have any questions.

All directors of the Company intend to take up their entitlements.

On behalf of the Board of Otto, I thank you for your continued support and encourage you to consider this investment opportunity.

Yours sincerely

John Jetter
Chairman

Section 1 Summary of options available to you

If you are an Eligible Retail Shareholder, you may take any one of the following actions:

- take up all of your Entitlement;
- take up all of your Entitlement and apply for additional New Shares under the Retail Shortfall Offer (see Section 2.6);
- take up some of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your entire Entitlement will lapse, and you will receive no value for your lapsed Entitlement.

The Retail Entitlement Offer closes at 5:00pm (AEDT) on Thursday, 16 April 2020.

If you are a retail shareholder that is not an Eligible Retail Shareholder, you are an Ineligible Retail Shareholder. Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer.

Options available to you	Key considerations
1. Take up all of your Entitlement	<ul style="list-style-type: none"> • You may elect to purchase New Shares at the Offer Price and take up all of your Entitlement (see Section 2.4.1 for instructions on how to take up all of your Entitlement). • The New Shares will rank equally in all respects with existing Shares (including rights to dividends and distributions). • If you take up your Entitlement in full, you may also apply for additional New Shares at the Offer Price. Details of the Retail Shortfall Offer are set out in Section 2.6.
2. Take up part of your Entitlement	<ul style="list-style-type: none"> • If you do not take up your Entitlement in full, that portion of your Entitlement not taken up will lapse and you will not receive any payment or value for them (see Section 2.4.2 for details on taking up part of your Entitlement). • If you do not take up your Entitlements in full, your percentage holding in Otto will be substantially diluted, and you may not apply for additional New Shares under the Retail Shortfall Offer.
3. Do nothing, in which case your Entitlements will lapse, and you will receive no payment or value for those lapsed Entitlements	<ul style="list-style-type: none"> • If you do not take up any of your Entitlements, you will not be allocated any New Shares and your Entitlements will lapse. Your Entitlements are non-renounceable, which means your Entitlements are non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can they be privately transferred. You will not receive any payment or value for Entitlements not taken up. • Although you will continue to own the same number of Otto shares, your percentage holding in Otto will be substantially diluted.

Section 2 Actions required by you

2.1 Overview of the Entitlement Offer

Otto intends to raise up to \$16,149,444 under the Entitlement Offer. As part of the Entitlement Offer, Eligible Retail Shareholders are being offered the opportunity to subscribe for 1 New Share for every 1 existing Share held as at 7:00pm (AEDT) on Tuesday, 31 March 2020 (**Record Date**), at the Offer Price of \$0.006 per New Share.

The Entitlement Offer is comprised of:

- **Institutional Entitlement Offer** – eligible institutional shareholders have the opportunity to take up all or some of their Entitlements at the Offer Price of \$0.006 per New Share. Entitlements under the Institutional Entitlement Offer are non-renounceable; and
- **Retail Entitlement Offer** – Eligible Retail Shareholders are being offered Entitlements under the Retail Entitlement Offer which can be taken up in whole or in part. Entitlements are non-renounceable and are not tradeable or otherwise transferable.
- **Retail Shortfall Offer** - Eligible Shareholders may also apply for any number of additional New Shares at the Issue Price under the Retail Shortfall Offer. Applications for shortfall shares by retail applicants are allocated prior to the underwriter.

The Entitlement Offer is partially underwritten up to the Underwritten Amount. Euroz Securities Limited has been appointed by Otto as the underwriter (the **Underwriter**).

You have a number of decisions to make in respect of your Entitlement. These decisions may materially affect the value (if any) that may be received in respect of your Entitlement. You should read this Retail Offer Booklet carefully before making any decisions in relation to your Entitlement.

Further details on the Retail Entitlement Offer are set out below.

2.2 The Retail Entitlement Offer

The Retail Entitlement Offer opens at 9:00am (AEDT) on Friday, 3 April 2020, and will close at 5:00pm (AEDT) on Thursday 16 April 2020.

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*), which allows rights issues to be offered without a prospectus, provided certain conditions are satisfied. This Retail Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Retail Entitlement Offer. As a result, it is important for you to read carefully and understand the information on Otto and the Retail Entitlement Offer made publicly available, including the information lodged by Otto with ASX as part of its continuous disclosure obligations, prior to deciding whether to take up all or some of your Entitlement or do nothing in respect of your Entitlement. In particular, please refer to this Retail Offer Booklet and other announcements Otto has made available at <http://www.asx.com.au> (including announcements which may be made by Otto after publication of this Retail Offer Booklet).

Please consult with your stockbroker, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer.

Eligible Retail Shareholders should be aware that an investment in Otto involves risks. The key risks identified by Otto are set out in the “Key Risks” section of the Investor Presentation (enclosed in 04 of this Retail Offer Booklet).

2.3 Your Entitlement

Your personal Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 1 existing Share you held as at the Record Date. If the result is not a whole number, your Entitlement has been rounded up to the nearest whole number of New Shares.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

New Shares issued under the Retail Entitlement Offer will be fully paid and from allotment rank equally in all respects with existing Shares and will be entitled to dividends/distributions on the same basis as existing Shares.

See Sections 5.4 and the 'Important Notices' section for information on restrictions on participation in the Retail Entitlement Offer.

2.4 Options available to you

If you are an Eligible Retail Shareholder, you may take any of the following actions. Each of these options may have a materially different outcome on any value you receive in respect of your Entitlement:

- (a) take up your Entitlement in full (see Section 2.4.1); or
- (b) take up part of your Entitlement, in which case the balance of your Entitlement would lapse (see Section 2.4.2); or
- (c) do nothing, in which case your Entitlement will lapse and you will receive no payment or value for your lapsed Entitlement (see Section 2.4.3).

If you wish to take up your Entitlement in full, you may also subscribe for New Shares that are in excess of your Entitlement as part of the Retail Shortfall Offer (**Additional New Shares**) (see Section 2.6).

The Entitlements are non-renounceable and are not tradeable or otherwise transferable in any way. Shareholders who do not take up their Entitlement in full will not receive any payment or value for any part of their Entitlement they do not take up. Their percentage holding in Otto will be substantially diluted.

Otto reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Retail Entitlement Offer closes. The Retail Entitlement Offer closes at 5:00pm (AEDT) on Thursday 16 April 2020 (however, that date may be varied by Otto, subject to the Corporations Act, the ASX Listing Rules and other applicable laws).

2.4.1 Taking up all of your Entitlement

If you wish to take up all of your Entitlement, please either:

- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies; or
- pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form; or
- for Eligible Retail Shareholders whose holdings are registered overseas, pay your Application Monies via Electronic Funds Transfer (**EFT**) by following the instructions set out on the personalised Entitlement and Acceptance Form. Please note that your bank may apply fees or charges to any transfer and any conversion to Australian dollars from a foreign currency will impact the amount of Australian dollars received by Otto,

in each case, by no later than 5:00pm (AEDT) on Thursday 16 April 2020.

The net Australian dollar funds received by Otto will be considered as an Application for as many New Shares as your Application Monies will pay for in full at the Offer Price

If you take up and pay for all or some of your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on Wednesday 22 April 2020.

2.4.2 Take up part of your Entitlement and allow the balance to lapse

If you wish to take up only some of your Entitlement, please either:

- complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies; or
- pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form; or
- for Eligible Retail Shareholders whose holdings are registered overseas, pay your Application Monies via EFT by following the instructions set out on the personalised Entitlement and Acceptance Form. Please note that your bank may apply fees or charges to any transfer and any conversion to Australian dollars from a foreign currency will impact the amount of Australian dollars received by Otto,

in each case, by no later than 5:00pm (AEDT) on Thursday 16 April 2020. The net Australian dollar funds received by Otto will be considered as an Application for as many New Shares as your Application Monies will pay for in full at the Offer Price

If Otto receives an amount that is less than the Offer Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares as your Application Monies will pay for in full at the Offer Price.

2.4.3 Allowing your Entitlement to lapse

If you take no action, you will not be allocated any New Shares and your Entitlement will lapse.

2.5 Consequences of not taking up all or part of your Entitlement

If you do not take up all or part of your Entitlement in accordance with the instructions set out above, those New Shares representing your Entitlement (or the part of your Entitlement not taken up) will form part of the Retail Shortfall Offer or may be acquired by the Underwriter.

By allowing all or part of your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares representing that part of your Entitlement not taken up and will not receive any value for that part of your Entitlement. Your interest in Otto will also be diluted.

2.6 Taking up more than your Entitlement

In addition to taking up your Entitlement in full, you may apply for Additional New Shares under a 'top up' facility whereby Otto is offering Additional New Shares to those Eligible Retail Shareholders who take up their Entitlements in full (**Retail Shortfall Offer**).

Additional New Shares will only be available where there is a shortfall between the Entitlements being offered to Eligible Retail Shareholders under the Retail Entitlement Offer and the Entitlements taken up by Eligible Retail Shareholders (the **Shortfall**). In the event there is a Shortfall, the Shortfall will be offered to Eligible Retail Shareholders pursuant to the Retail Shortfall Offer.

The terms on which you may apply for Additional New Shares are as follows.

- If you take up all of your Entitlement, you are entitled to subscribe for Additional New Shares in excess of your Entitlement under the Retail Shortfall Offer.
- The offer of Additional New Shares opens at the same date and time as the Retail Entitlement Offer and will close at the same date and time as the Retail Entitlement Offer.
- Additional New Shares will be offered at the same Offer Price for each New Share.
- There is no maximum number of Additional New Shares for which you may subscribe. However, the maximum number of Additional New Shares that may be allotted to investors under the Shortfall will be equal to the number of New Shares comprising the Shortfall (subject to the Board's discretion).
- If the number of New Shares comprising the Shortfall is equal to or greater than the total number of Additional New Shares subscribed for, you will be allotted the number of Additional New Shares that you applied for (subject to the Board's discretion).
- If the number of New Shares comprising the Shortfall is less than the total number of Additional New Shares subscribed for, the number of Additional New Shares you will be allocated will be scaled back on a pro rata basis.

All decisions regarding the allocation of Additional New Shares and application of any scale-back will be made by the Board of Otto (in conjunction with the Underwriter) and will be final and binding on all Eligible Retail Shareholders. The Board expects that the discretion not to issue Additional New Shares would only be exercised in exceptional circumstances.

The Board of Otto reserves the right to issue any Additional New Shares which comprise the Shortfall in their discretion (in conjunction with the Underwriter). Therefore, a subscription for Additional New Shares may not be successful (in whole or part), in which case excess Application Monies will be refunded without interest. The decision of the Board of Otto on the number of Additional New Shares to be allocated will be final, other than to parties acting as sub-underwriters as disclosed in this Retail Offer Booklet.

The Board of Otto will not in any event issue any Additional New Shares to any person if the issue may result in the person's voting power in Otto increasing to 20% or more.

Shareholders are encouraged to register their bank account details with Link Market Services in order to enable a faster refund. Overseas shareholders in New Zealand are able to register a New Zealand dollar bank account and receive any refund in New Zealand dollars.

2.7 Payment

You can pay in the following ways:

- by BPAY®; or
- by cheque, bank draft, or money order; or
- for Eligible Retail Shareholders whose holdings are registered overseas, by direct bank transfer by following the instructions set out on the personalised Entitlement and Acceptance Form. Please note that your bank

may apply fees or charges to any transfer and any conversion to Australian dollars from a foreign currency will impact the amount of Australian dollars received by Otto.

Cash payments will not be accepted. Receipts for payment will not be issued. Otto will treat you as applying for as many New Shares as your payment will pay for in full at the Offer Price.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

2.7.1 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only, use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that personalised Entitlement and Acceptance Form and in Section 2.8; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Monies.

It is your responsibility to ensure that your BPAY® payment is received by the Share Registry by no later than 5:00pm (AEDT) on Thursday 16 April 2020. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should take this into consideration in the timing of when you make payment.

2.7.2 Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to “**Otto Energy Limited Entitlement Offer**” and crossed “**Not Negotiable**”.

Your cheque, bank draft or money order must be:

- for an amount equal to the full Application Monies (being \$0.006 multiplied by the number of New Shares that you are applying for); and
- in Australian currency drawn on an Australian branch of a financial institution. Payment cannot be made in any other currency. Overseas resident shareholders must arrange for payment to be made in Australian dollars.

If payment is made by cheque, you should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque, bank draft or money order for Application Monies (or the amount for which a cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form) and to have made the representations and warranties in Section 2.8. Alternatively, your application will not be accepted.

Please return your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Mailing address:
Otto Energy Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand delivery address:

Otto Energy Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(Please do not use this address for mailing purposes)

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at Otto's registered or corporate offices or other offices of the Share Registry.

2.7.3 Payment by Electronic Funds Transfer (EFT) – OVERSEAS HOLDERS ONLY

Eligible Retail Shareholders whose holdings are registered overseas may pay by EFT. For payment by EFT, please follow the instructions on the personalised Entitlement and Acceptance Form.

If you are paying by EFT, please ensure you include your unique Entitlement Number on your personalised Entitlement and Acceptance Form as the payment reference on the transfer. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only, use the Entitlement Number specific to that holding. If you do not use the correct Entitlement Number specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by EFT:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that personalised Entitlement and Acceptance Form and in Section 2.8; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Monies.

It is your responsibility to ensure that your EFT payment is received by the Share Registry by no later than 5:00pm (AEDT) on Thursday, 16 April 2020. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should take this into consideration in the timing of when you make payment.

By following the instructions set out on the personalised Entitlement and Acceptance Form. Please note that your bank may apply fees or charges to any transfer and any conversion to Australian dollars from a foreign currency will impact the amount of Australian dollars received by Otto.

2.8 Representations by acceptance

A payment made through BPAY®, EFT (overseas holders) or a completed and lodged Entitlement and Acceptance Form together with the payment of requisite Application Monies constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Retail Offer Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid Application for New Shares. Otto's decision as to whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY®, EFT (overseas holders) or otherwise applying to participate, you will be deemed to have represented and warranted to Otto on behalf of yourself and each person on whose account you are acting that you are an Eligible Retail Shareholder and you:

- acknowledge that you have received, read and understand this Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet, and Otto's constitution;
- authorise Otto to register you as the holder of any New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete, accurate and up to date;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;

- acknowledge that there is no cooling off period under the Retail Entitlement Offer and that once Otto receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY® or EFT (overseas holders), you may not withdraw your application or funds provided except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY® or EFT (overseas holders) at the Offer Price per New Share;
- authorise Otto, the Underwriter, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- acknowledge and agree that:
 - determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Otto and/or the Underwriter; and
 - each of Otto and the Underwriter, and each of their respective affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Retail Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Retail Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Otto and is given in the context of Otto's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the "Key Risks" section of the Investor Presentation contained in 0 of this Retail Offer Booklet, and that investments in Otto are subject to risk;
- acknowledge that none of Otto, the Underwriter, or their respective related bodies corporate and affiliates and their respective directors, contractors, partners, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the New Shares or the performance of Otto, nor do they guarantee the repayment of capital from Otto;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- authorise Otto to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- represent and warrant (for the benefit of Otto, the Underwriter, and their related bodies corporate and affiliates) that you did not participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that the law of any place does not prohibit you from being given access to this Retail Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that you are not in the United States and you are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States, and are not otherwise a person to whom it would be illegal to make an offer or issue of Entitlements or New Shares under the Retail Entitlement Offer and under any applicable laws or regulations;
- understand and acknowledge that the Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Accordingly, you understand and acknowledge that the Entitlements may not be issued to, taken up, purchased or exercised by, and the New Shares may not be offered or sold to, persons in the United States or to persons who are acting for the account or benefit of a person in the United States (to the extent such a person is acting for the account or benefit of a person in the United States);

- represent and warrant that you are subscribing for Entitlements and/or purchasing New Shares outside the United States in “offshore transactions” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- have not and will not send this Retail Offer Booklet, the personalised Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia, New Zealand, the United Kingdom, Hong Kong, Singapore and Cambodia;
- if you (or any person for whom you are acquiring the New Shares) are in Cambodia, you (and any such person):
 - acknowledge that your holding of the Company’s existing shares (or any person for whom you are holding the existing shares) does not violate any applicable laws of Cambodia; and
 - acknowledge that the offer of the New Shares is subject to the restrictions (including selling restrictions) set out in the Retail Offer Booklet;
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the personalised Entitlement and Acceptance Form is resident in Australia, New Zealand, the United Kingdom, Hong Kong, Singapore and Cambodia and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Retail Offer Booklet, the personalised Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person; and
- make all other representations and warranties set out in this Retail Offer Booklet.

2.9 Enquiries

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions regarding the Entitlement Offer, please contact the Company on +61 8 6467 8800 or the Company Secretary on +61 8 8232 8800 between 11:30am to 8:30pm (AEDT), Monday to Friday. Alternatively, you can access information about the Retail Entitlement Offer online at <https://www.asx.com.au>. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

Neither this Retail Offer Booklet, the Investor Presentation, nor the accompanying Entitlement and Acceptance Form may be distributed to, or relied upon by, persons in the United States or persons that are acting for the account or benefit of a person in the United States (to the extent such persons are acting for the account or benefit of a person in the United States).

Section 3 Effect on Control of the Company

The potential effect the Placement and Entitlement Offer will have on the control of Otto, and the consequences of that effect will depend on a number of factors including the number of New Shares taken up by Eligible Shareholders (including Top-up Shares under the uncapped top up facility available under the Retail Entitlement Offer) and the number of Entitlements placed to institutional and/or sophisticated investors under the Institutional Bookbuild.

The Entitlement Offer is partially underwritten by the Underwriter up to a maximum of the Underwritten Amount. The Underwriter has entered into a sub-underwriting agreement in respect of the Entitlement Offer with Molton (the **Sub-underwriter**). The arrangement between the Underwriter and the Sub-underwriter is that Molton have made a firm commitment for a total of \$10,613,344 including a commitment to take up their Entitlements for \$3,221,814 and to sub-underwrite up to a maximum of \$7,391,530.

As at the date of this notice, the Sub-underwriter holds an interest in 12.43% of the voting shares in the Company, and following completion of the Placement will hold an interest in 19.95% of the voting shares in the Company.

The potential control effect of Molton's partial sub-underwriting of the Entitlement Offer is set out below. Also set out below are the various strategies that the Company has implemented to reduce this potential control effect.

The Underwriter is not presently a shareholder of the Company and is not a related party of the Company for the purpose of the Corporations Act.

To the extent that Molton (and their associates) hold shares in the Company at the Record Date, and subject to other terms and conditions under the sub-underwriting agreement, they have each agreed to take up their full Entitlements.

No New Shares will be issued under the Entitlement Offer (including via the Institutional Bookbuild or via the top-up facility) if the issue of New Shares would contravene the Corporations Act. Similarly, no New Shares will be issued via the Institutional Bookbuild or via the top-up facility to any related parties of the Company.

Any Entitlement not taken up pursuant to the Institutional Entitlement Offer, along with all Entitlements of Ineligible Shareholders will form the Institutional Bookbuild. To the extent that these Entitlements are not then placed via the Institutional Bookbuild, they will be allocated to the Underwriter as underwriter and to the Sub-underwriter as sub-underwriter.

Any Entitlement not taken up pursuant to the Retail Entitlement Offer and the Top-up Facility will be allocated to the Underwriter as underwriter and to the Sub-underwriter as sub-underwriter.

The Underwriter shall not be allocated any New Shares that may result in the Underwriter and the Sub-underwriter, collectively, being allocated New Shares in excess of the Underwritten Amount.

Some further commentary about the effect of the Offer on control of the Company is as follows:

- (a) if all Eligible Shareholders take up their full Entitlement under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of the Company;
- (b) the proportional interests of shareholders who are not Eligible Shareholders will be diluted because such shareholders are not entitled to participate in the Entitlement Offer;
- (c) Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by approximately 54%;
- (d) Depending on the outcome of the Entitlement Offer (and the Placement) and assuming that Molton takes up all of its Entitlements under the Entitlement Offer, it is likely that Molton may increase its voting power in the Company to above 20%;
- (e) The table below sets out Molton's voting power in the Company as at the Record Date and the potential increase to its voting power under several scenarios relating to the percentage acceptance of Entitlements under the Offer. This table assumes Molton always takes up its Entitlement as a shareholder in the Company; and
- (f) The Board has actively taken steps to minimise the control effect of the Entitlement Offer by encouraging institutional and sophisticated investors to take further shares in the Institutional Bookbuild and has encouraged Eligible Shareholders to take up Top-up Shares.

Event	Number of Shares held by Molton and its associates ¹	Voting power of Molton ¹
As at the Record Date	536,969,023	19.95%
75% take up from Eligible Shareholders (excluding Molton and associates)	1,612,589,303	29.96%
50% take up from Eligible Shareholders (excluding Molton and associates)	2,151,240,560	39.96%
25% take up from Eligible Shareholders (excluding Molton and associates)	2,305,859,697	46.13%
0% take up from Eligible Shareholders (excluding Molton and associates) ²	2,305,859,697	51.70%

Notes:

1. Based on a total of 2,691,574,051 Shares on issue following the issue of the Placement Shares and 5,383,148,102 Shares on issue following completion of the Offer (including the issue of the Placement Shares).
2. The Company considers this to be an unlikely scenario on the basis that:
 - (a) the Directors have confirmed their present intentions to take up their full Entitlements; and
 - (b) the Company has in place a dispersion policy which is expected to materially reduce the number of Shortfall Shares, namely it is conducting an Institutional Bookbuild under which institutional investors can subscribe for shares beyond their entitlement and an uncapped top-up facility for Eligible Retail Shareholders to subscribe for shares beyond their entitlement.

Section 4 ASX Announcements (including Otto Investor Presentation)

ASX ANNOUNCEMENT
26 March 2020

Not for distribution to US newswire services or distribution in the United States

OTTO ANNOUNCES EQUITY RAISE

- **A\$1.4 million Placement to sophisticated and institutional investors and a partially underwritten 1 for 1 accelerated Entitlement Offer of ~A\$16.15 million to raise a total of ~A\$17.5 million**
- **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 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 Limited (ACN 107 555 046) (**the Company, Otto; ASX:OEL**) has today announced that it is currently finalizing an institutional placement (**Placement**) and will undertake a partially underwritten, accelerated non-renounceable pro rata entitlement offer (**Entitlement Offer**) which together intend to raise up to a total of approximately A\$17.5 million (before associated costs).

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.

Further information about the Entitlement Offer, including its strategic and financial benefits, is in Otto's Investor Presentation, lodged with the ASX today.

Otto's Managing Director, Matthew Allen, commented: *"The Board of Otto have taken a rapid initiative, with the support of our long-term shareholder in Molton Holdings Ltd, to shore up the company's balance sheet in these rapidly deteriorating market conditions. This will ensure that the business is well positioned for the eventual recovery phase, however we do expect that business conditions will continue to worsen in the short term."*

All shareholders will have the opportunity to participate in this process and we encourage shareholders to take up their entitlements and support the company."

Impact on Strategy

Otto has a disciplined approach to investing in oil and gas projects and successfully growing shareholder value. The focus of the business is to achieve the following:

- Current portfolio of production assets to achieve strategic goal of 5,000 boepd by end 2020;

- Delivery of 8.9 Mmboe in 2P1 reserves net to Otto with NPV 10 of ~US\$210m as at 29 October 2019 since embarking on its Gulf of Mexico program (before US corporate tax);
- Sustained cashflow from current projects to be reinvested into;
 - Future buy-back or dividends to equity holders; and/or
 - Reinvestment into value accretive production and exploration assets.

This capital raising will ensure that Otto's balance sheet remains robust and can accommodate the Company's currently envisaged operational scenarios and objectives in this very uncertain business environment. The Company expects that with a strong balance sheet it will be able to emerge during the oil and gas sector recovery phase and be able to avail potentially value accretive opportunities not available to other companies with distressed balance sheets.

Funding of the Company's development and drilling program

The Proposed capital raising of ~A\$17.5 million will complement cash on hand and future cash flows from Otto's 50% owned SM 71 oil field and 37.5% owned Lightning gas/condensate discovery to fund Otto's development program over the next year.

Placement

Under the Placement, the Company has received a commitment from Molton Holdings Limited (a shareholder currently holding 12.43% of the Company's shares on issue) (**Molton**) for approximately A\$1.4 million (before associated costs).

Under the Placement, the Company proposes to issue Molton 231,109,326 fully paid Otto shares (**Shares**) at a price of \$0.006 per New Share (**Offer Price**). The Placement will complete later today, 26 March 2020.

The Offer Price of A\$0.006 represents a 25% discount to the last close of A\$0.008 on Tuesday 24 March 2020.

No Shares may be issued under the Placement that may result in any shareholder having a relevant interest in more than 19.99% of the Company's Shares.

Entitlement Offer

The Company is also pleased to announce that it will be offering existing shareholders the opportunity to subscribe for additional shares at the Offer Price of A\$0.006 per share pursuant to a pro-rata accelerated non-renounceable Entitlement Offer to raise a further approximately A\$16.1 million.

The Entitlement Offer will comprise an accelerated institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

The Institutional Entitlement Offer will open tomorrow, 27 March 2020 and close at 12:00pm (AEDT) on 30 March 2020. During this time, Euroz Securities Limited (**Underwriter**) will seek investment from sophisticated and institutional investors.

Under the Retail Entitlement Offer, eligible shareholders with addresses in Australia, New Zealand, Singapore, Hong Kong, British Virgin Islands, United Kingdom and Cambodia (**Eligible Shareholders**) will be invited to subscribe for 1 new fully paid Otto share (**New Share**) for every 1 Otto share held as at the Record Date, being 5.00pm (AEDT) on Tuesday, 31 March 2020 at the Offer Price. The Retail Entitlement Offer opens on Friday, 3 April 2020 and closes on Thursday, 16 April 2020.

Approximately 2,691,574,051 New Shares will be issued pursuant to the Entitlement Offer.

An indicative timetable for the Entitlement Offer is included at the conclusion of this announcement.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferrable. If an Eligible Shareholder takes no action, they will not be issued New Shares, their entitlements will lapse, they will not receive or be entitled to any payment or value for their lapsed entitlements, and their shareholding in Otto will be diluted by approximately 54%.

Otto shareholders with registered addresses outside of Australia, New Zealand, Singapore, Hong Kong, British Virgin Islands, United Kingdom and Cambodia will not be eligible to participate in the Entitlement Offer (**Ineligible Shareholders**). The Company has appointed the Underwriter as its nominee to arrange for the sale of the entitlements that would have been offered to Ineligible Shareholders, with the net proceeds, if any, distributed to the Ineligible Shareholders proportionately.

Top-up Shares

- Eligible Shareholders may apply for Shares under a top-up facility (**Top-up Shares**) being offered in addition to the Retail Entitlement Offer. Under the top-up facility, Eligible Retail Shareholders may apply for, in addition to their Entitlements, additional New Shares. The issue price for each Top-Up Share shall be the Offer Price. Any New Shares not taken up as part of the Retail Entitlement Offer or in the top-up facility will form the Retail Shortfall and will fall to the Underwriter and to the Sub-underwriters.
- The Company notes that no New Shares will be issued under the Entitlement Offer (including via the Institutional Bookbuild or via the top-up facility) if the issue of New Shares would contravene the Corporations Act. Similarly, no Shares will be issued via the Institutional Bookbuild or via the top-up facility to any related parties of the Company.
- The allocation of any Top-up Shares will be limited to the number of New Shares for which valid applications are not received before the Entitlement Offer closes (**Shortfall Shares**). Top-up Shares will, however, only be allocated to Eligible Shareholders who apply for them (up to the number applied for) to the extent there are Shortfall Shares and, in the event of competition for the Shortfall Shares, applications will be scaled back on a pro rata basis.

Underwriting

The Entitlement Offer is partially underwritten by the Underwriter up to a maximum of \$10,613,344 (**Underwritten Amount**). The Underwriter has entered into a sub-underwriting agreement in respect of the Entitlement Offer with Molton (the **Sub-underwriter**).

The arrangement between the Underwriter and the Sub-underwriter is that Molton have made a firm commitment for a total of \$10,613,344 including a commitment to take up their entitlements for \$3,221,814 and to sub-underwrite up to a maximum of \$7,391,530.

As at the date of this notice, the Sub-underwriter holds an interest in 12.43% of the voting shares in the Company, and following completion of the Placement will hold an interest in 19.95% of the voting shares in the Company.

Additionally, to the extent that the Sub-Underwriter (and their relevant associates) will hold Shares at the Record Date, the Sub-Underwriter and their associates have agreed to take up their full Entitlements.

Subject to demand, any Entitlements not taken up pursuant to the Institutional Entitlement Offer, together with the Entitlements of Ineligible Shareholders will form the Institutional Bookbuild.

During the Institutional Bookbuild, the Underwriter will invite applications from institutional and/or sophisticated investors for these remaining Shortfall Shares, at an issue price that is not less than the Offer Price. The Company's Board reserves the right to issue Shortfall Shares at its discretion (in conjunction with the Underwriter).

To the extent that any Entitlements are not placed, they will be allocated to the Underwriter as underwriter and to the Sub-underwriters. The Underwriter shall not be allocated any New Shares that may result in the Underwriter and the Sub-underwriters, collectively, being allocated New Shares in excess of the Underwritten Amount.

The Underwriter is not presently a shareholder of the Company and is not a related party of the Company for the purpose of the Corporations Act.

Key terms of the Underwriting Agreement

The Entitlement Offer is partially underwritten by the Underwriter up to the Underwritten Amount pursuant to the terms of an Underwriting Agreement. The Sub-Underwriter (through the Underwriter) is choosing to sub-underwrite the Entitlement Offer to the Underwritten Amount with the objective of ensuring that Otto is able to meet its operating expenditure requirements and obligations for the next 12 months.

The terms of the Underwriting Agreement have been negotiated by Otto at arm's length acting on independent professional advice. The Otto Board believes the agreed terms are reasonable in the circumstances.

The fees payable to the Underwriter are as follows. Each of the following are payable by the Company to the Underwriter in cash:

- an underwriting fee of 2% of the funds raised under the Placement;
- a management fee of 1% of the funds raised under the Placement;
- an underwriting fee of 3% of the funds raised under the Institutional Entitlement Offer;
- a management fee of 1% of the funds raised under the Institutional Entitlement Offer;
- an underwriting fee of 3% of the funds raised under the Retail Entitlement Offer; and

- a management fee of 1% of the funds raised under the Retail Entitlement Offer.

The Underwriting Agreement is subject to conditions precedent that Otto regards as customary and reasonable, including all necessary ASIC and ASX approvals for the Entitlement Offer being obtained and all due diligence sign-offs being delivered to the Underwriter. The Underwriting Agreement includes certain warranties and indemnities from Otto to the Underwriter, including in relation to the compliance of all offer documentation to be released by the Company with all applicable laws and the accuracy of all information disclosed to the Underwriter in connection with the Entitlement Offer.

The Underwriter has the right to terminate the Underwriting Agreement in certain events. These events are set out in the Schedule to this announcement. If the Entitlement Offer were to be extended by the Company, the Underwriting Agreement has an end date of 30 June 2020, and the Underwriter's obligations in relation to the Entitlement Offer will end on that date.

Further information

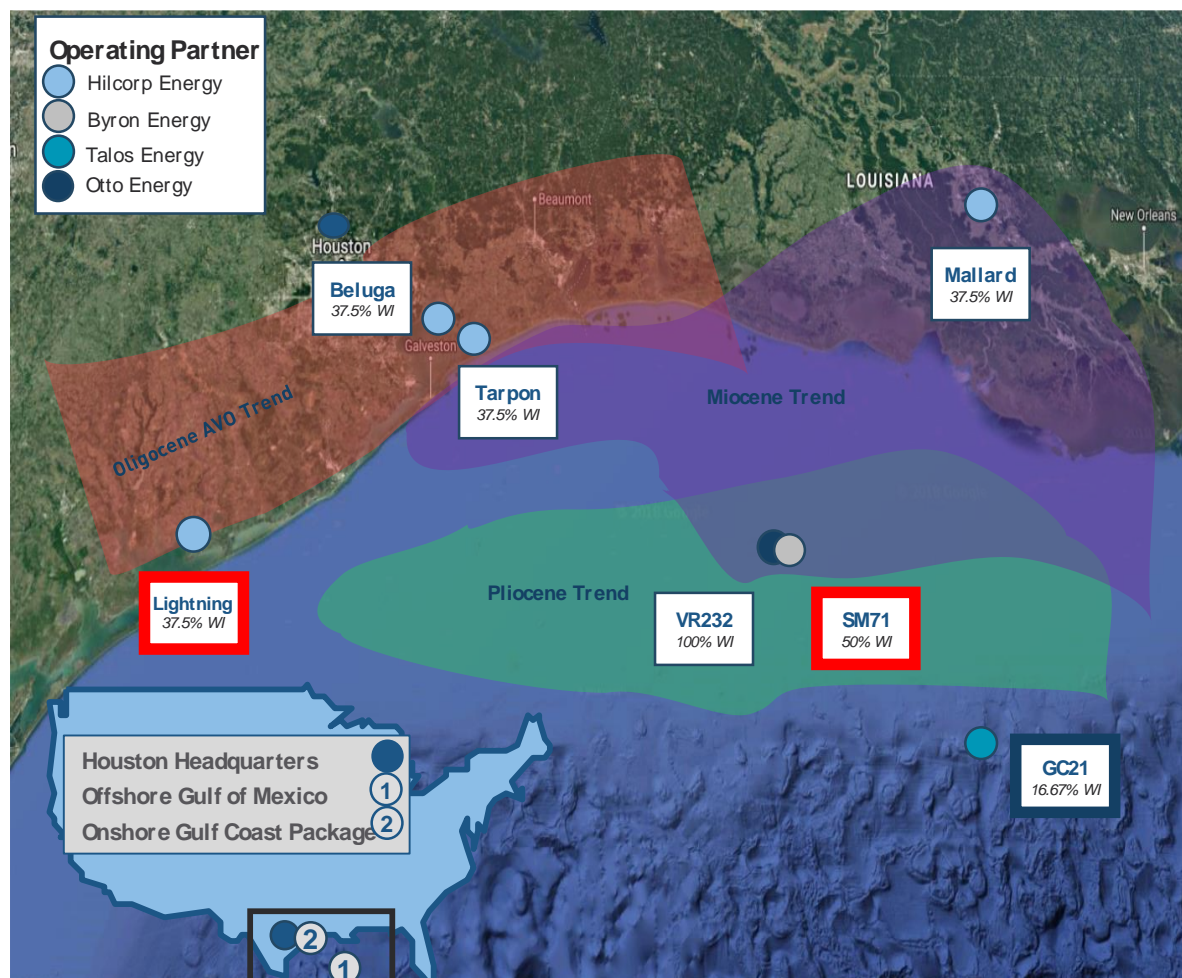
Euroz Securities Limited is acting as lead manager and underwriter to the entitlement offer with Steinepreis Paganin acting as legal advisor and Adelaide Equity as Corporate Advisor.

Offer Timetable

An indicative Entitlement Offer timetable is set out below.

Timetable for Non-Renounceable Entitlement Offer	
Announcement of the Equity Raising	26 March 2020
Completion of Placement	26 March 2020
Institutional Entitlement Offer and Bookbuild opens	27 March 2020
Institutional Entitlement Offer and Bookbuild closes	30 March 2020
Results of Institutional offer announced and trading halt lifted	31 March 2020
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.



Otto Energy Location and Formation – Gulf of Mexico

1. The promote only applies to the initial test well, land (if applicable) and associated costs. All subsequent other costs after discovery are at the working interest share.
2. Alaska is not included here as little activity and expenditure is expected over the coming period.

This release is authorized by the Board of Directors.

Contact: Matthew Allen Managing Director & CEO +61 8 6467 8800 info@ottoenergy.com	Media: Investor Relations: Mark Lindh +61 414 551 361
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This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities

described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

Competent Persons Statement

The information in this report that relates to oil and gas reserves and resources at SM 71 was compiled by technical employees of independent consultants Collarini and Associates, under the supervision of Mr Mitch Reece BSc PE. Mr Reece is the President of Collarini and Associates and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Evaluation Engineers (SPEE), Society of Petroleum Engineers (SPE), and American Petroleum Institute (API). The reserves and resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves and resources information reported in this Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Reece. Mr Reece is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to oil and gas reserves and resources at the Lightning Field was compiled by technical employees of independent consultants Ryder Scott Company, under the supervision of Mr. Ali Porbandarwala PE. Mr. Porbandarwala is a Senior Vice President at Ryder Scott Company and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Engineers (SPE). He has a B.S. Chemical Engineering from the University of Kansas and an MBA from the University of Texas. The reserves included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves information reported in this Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of Mr. Porbandarwala. Mr. Porbandarwala is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to oil and gas prospective resources in relation to the Gulf Coast Package (Mustang, Beluga, Oil Lake, Tarpon and Mallard) in the Gulf of Mexico was compiled by technical employees of Hilcorp Energy Company, the Operator of the Gulf Coast Package, and subsequently reviewed by Mr Ed Buckle B.S. Chemical Engineering (Magna Cum Laude) who has consented to the inclusion of such information in this report in the form and context in which it appears.

Mr Buckle is a full-time contractor of the Company, with more than 30 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE). The resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/ American Association of Petroleum Geologists (AAPG)/ Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Buckle. Mr Buckle is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to oil and gas reserves and resources at the Green Canyon 21 Field was compiled by technical employees of independent consultants Ryder Scott Company, under the supervision of Mr. Ali Porbandarwala PE. Mr. Porbandarwala is a Senior Vice President at Ryder Scott Company and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Engineers (SPE). He has a B.S. Chemical Engineering from the University of Kansas and an MBA from the University of Texas. The reserves included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves information reported in this Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of Mr. Porbandarwala. Mr. Porbandarwala is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Reserves cautionary statement

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which

may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward looking estimates.

Prospective Resources Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Reserves and Resources Governance

Otto's reserves estimates are compiled annually. The operator of SM 71, Byron Energy, engages Collarini and Associates, a qualified external petroleum engineering consultant, to conduct an independent assessment of the SM 71 reserves on behalf of the joint venture. Collarini and Associates is an independent petroleum engineering consulting firm that has been providing petroleum consulting services in the USA for more than fifteen years. Collarini and Associates does not have any financial interest or own any shares in the Company. The fees paid to Collarini and Associates are not contingent on the reserves outcome of the reserves report.

Otto engages Ryder Scott Company, a qualified external petroleum engineering consultant, to conduct an independent assessment of the Lightning Field reserves on behalf of Otto. Ryder Scott Company is an independent petroleum engineering consulting firm that has been providing petroleum consulting services in the USA for more than fifty years. Ryder Scott Company does not have any financial interest or own any shares in the Company. The fees paid to Ryder Scott Company are not contingent on the reserves outcome of the reserves report.

Pricing Assumptions

Oil price assumptions used in the independent report represent forward prices (CME Nymex) as at 28 June 2019.

ASX Reserves and Resources Reporting Notes

- The reserves and prospective resources information in this document is effective as at 30 June, 2019 (SM 71 and Lightning) and 29 October 2019 (GC 21) (Listing Rule (LR) 5.25.1)
- The reserves and prospective resources information in this document has been estimated and is classified in accordance with SPE-PRMS (Society of Petroleum Engineers - Petroleum Resources Management System) (LR 5.25.2)
- The reserves and prospective resources information in this document is reported according to the Company's economic interest in each of the reserves and prospective resource net of royalties (LR 5.25.5)
- The reserves and prospective resources information in this document has been estimated and prepared using the probabilistic method (LR 5.25.6)
- The reserves and prospective resources information in this document has been estimated using a ratio of 6,000 cubic feet of natural gas to one barrel of oil. This conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency (LR 5.25.7)
- The reserves and prospective resources information in this document has been estimated on the basis that products are sold on the spot market with delivery at the sales point on the production facilities (LR 5.26.5)
- The method of aggregation used in calculating estimated reserves was the arithmetic summation by category of reserves. As a result of the arithmetic aggregation of the field totals, the aggregate 1P may be a very conservative estimate and the aggregate 3P may be a very optimistic estimate due to the portfolio effects of arithmetic summation (LR 5.26.7 & 5.26.8)
- Prospective resources are reported on a best estimate basis (LR 5.28.1)
- For prospective resources, the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons (LR 5.28.2)
- The reserve numbers assume some investment over the life of the field outlined above.

Definitions

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| <ul style="list-style-type: none"> - "A\$" means Australian Dollars - "US\$" means United States dollars - "bbl" means barrel - "bbls" means barrels - "BOE" or boe means barrel of oil equivalent determined using a ratio of 6,000 cubic feet of natural gas to one barrel of oil – 6:1 conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency - "boepd" means barrels of oil equivalent per day - "bopd" means barrels of oil per day | <ul style="list-style-type: none"> - "Mbbl" means thousand barrels - "Mcf" means 1000 cubic feet - "Mboe" or "MBoe" means thousand BOE - "MMbbl" means million barrels - "MMcf" means million cubic feet - "MMboe" means million BOE - "Peak Production Rate" means the maximum steady state rate at which a well is expected to produce. - "VWAP" is the volume weighted average price. - "TERP" the theoretical ex - rights prices at which Otto Energy shares should trade immediately after the ex - date of the Entitlement Offer. |
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Schedule – termination events in Underwriting Agreement

The following are the termination events set out in the Underwriting Agreement.

The Underwriter may by notice to Otto, at any time and without cost, terminate the Underwriting Agreement and relieve itself of all obligations under the Underwriting Agreement if any of the following events occurs prior to 4.00pm on the on the Entitlement Offer settlement date (**Settlement Date**):

- (a) (**delisting**) ASX announces that the Company will be removed from the official list or that its Shares will be delisted or suspended from quotation by ASX for any reason (excluding any suspensions in place in connection with the Offer or, for the avoidance of doubt the Trading Halt);
- (b) (**market fall**) at any time prior to 4.00pm on the Third Settlement Date, the S&P/ASX 200 Index as published by ASX & IRESS or the WTI Crude Oil Price is at any time after the date of this agreement at a level that is 10% or more below its respective level as at the close of business on the Trading Day prior to the date of this agreement;
- (c) (**quotation**) ASX does not, or states that it will not, agree to grant official quotation of all the Offer Shares on an unconditional basis (or on a conditional basis provided such condition would not, in the opinion of the Underwriter (acting reasonably), have a material adverse effect on the Offer) by the Third Settlement Date or if permission for the official quotation of the Offer Shares, is granted before the date of allotment and issue of those Offer Shares, the approval is subsequently withdrawn, qualified (other than by way of customary conditions) or withheld;
- (d) (**delay**)
 - (i) any event specified in the Timetable which occurs on or prior to a Settlement Date is delayed for more than one Business Day, without the prior written consent of the Underwriter (whose consent may be withheld or delayed in its absolute and unfettered discretion); or
 - (ii) the Third Issue Date does not occur on or before 22 June 2020;
- (e) (**capital structure**) the Company alters its capital structure or amends its Constitution in any material respect without the consent of the Underwriter;
- (f) (**forecasts**) the Offer Documents include any forecast, expression of opinion, belief, intention or expectation which is not based on reasonable grounds (including having regard to ASIC Regulatory Guide 170);
- (g) (**withdrawal**) the Company withdraws the Offer or indicates that it does not intend to or is unable to proceed with the Offer or any part of it;
- (h) (**Certificate**) any Certificate which is required to be furnished by the Company under this agreement is not furnished when required or a statement in that Certificate is false, misleading, untrue or incorrect in a material respect (including by omission);
- (i) (**insolvency**) any one of the following occurs:
 - (i) the Company (or any of its material Subsidiaries):

- (A) being or stating that it is unable to pay its debts as and when they fall due or becomes insolvent including within the meaning of section 95A of the Corporations Act or it is insolvent under administration within the meaning of section 9 of the Corporations Act;
 - (B) failing to comply with a statutory demand;
- (ii) circumstances existing which would permit a presumption of insolvency in relation to the Company (or any of its material Subsidiaries) under subsection 459C of the Corporations Act (regardless of whether or not an application has been made as referred to in that section)
- (iii) any step being taken which will or is likely to result in any of the following (except, in the case of matters affecting Related Bodies Corporate of the Company, as part of restructuring in the ordinary course of the Group's business):
 - (A) an application being made to a court for an order to appoint, or a step is taken to appoint, a controller, administrator, receiver, liquidator, provisional liquidator, trustee for creditors in bankruptcy or analogous person to the Company (or any of its material Subsidiaries) or any property of the Company (or any of its material Subsidiaries); or such an appointment being made; or
 - (B) the Company (or any of its material Subsidiaries) being wound up or dissolved or entering into a scheme, moratorium, composition or other arrangement with, or to obtain protection from, its creditors or any class of them or an assignment for the benefit of its creditors or any class of them;
- (iv) the holder of a Security Interest or any agent on its behalf exercising any rights under the Security Interest or chapter 4 of the PPSA; or
- (v) the Company (or any of its material Subsidiaries) suspends payment of its debts or enters, or takes any step towards entering, a compromise or arrangement with, or assignment for the benefit of, any of its members or creditors; or
- (vi) anything analogous or having a substantially similar effect occurring in relation to the Company (or any of its material Subsidiaries), including under the laws of any other jurisdiction;
- (j) **(material adverse change)** there is a material adverse change, or an event occurs which is likely to give rise to a material adverse change, in the financial position, results, condition, operations or prospects of the Company (or any of its material Subsidiaries) from the position fairly disclosed by the Company to the Underwriter before the date of this agreement;
- (k) **(force majeure)** there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Government Agency which makes it illegal for the Underwriter to satisfy an obligation under this agreement, or to market, promote, underwrite or settle the Offer;
- (l) **(Offer Materials)** a statement contained in, or the issue of, the Offer Materials is or becomes misleading or deceptive in a material respect (including by omission) or likely to mislead or deceive in a material respect, or the Offer Materials omit any material information they are required to contain (having regard to sections 708 and 708AA of the Corporations Act and any other applicable requirements), or any expression of opinion or intention in the Offer Materials is

not fairly and properly supportable in a material respect or there are no reasonable grounds for the making of any material statement in the Offer Materials relating to future matters;

- (m) **(non-compliance with disclosure requirements)** it transpires that the Offer Materials or the issue of the Offer Materials or Offer Shares do not comply with the Corporations Act, the Listing Rules, Constitution, ASX Waivers, ASIC Modifications and all applicable laws and related policy including the Takeovers Panel guidance;
- (n) **(corrective statement)** the Company gives ASX a notice in accordance with sections 708A(10) or 708AA(11) of the Corporations Act (as included in the Corporations Act by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84) or lodges with ASX any other form of supplementary Offer Material that has not been approved by the Underwriters in accordance with this agreement;
- (o) **(Listing Rule 10)** the Company is required, or ASX indicates the Company may be or may have been required, to seek shareholder approval pursuant to Listing Rule 10 in relation to any aspect of the Offer;
- (p) **(restriction on allotment)** the Company is prevented from allotting the Shares within the time required by this agreement, the Corporations Act, the Listing Rules, Constitution, ASX Waivers, ASIC Modifications and all applicable laws and related policy including the Takeovers Panel guidance or any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority including the Takeovers Panel;
- (q) **(waivers / modifications)** ASX or ASIC withdraws or revokes the ASX Waivers or the ASIC Modifications or ASX or ASIC amends in a materially adverse respect the ASX Waivers or the ASIC Modifications, including the withdrawal of ASIC's approval of a nominee for foreign shareholders in accordance with section 615 of the Corporations Act;
- (r) **(fraud)** the Company or any of its directors, Managing Director & Chief Executive Officer, Chief Financial Officer or Vice President Exploration and New Business are found to have engaged in any fraudulent conduct or activity whether or not in connection with the Offer;
- (s) **(indictable offence)** a director or member of senior management of the Company is:
 - (i) charged with an indictable offence relating to financial or corporate matters relating to the Company or any regulatory body commences any public action against a director or a member of senior management in his or her capacity as a director or senior management of the Company (as applicable) or announces that it intends to take any such action; or
 - (ii) is disqualified from managing a corporation under section 206B, 206C, 206D, 206E, 206F or 206G of the Corporations Act;
- (t) **(change in management)** a change in the board of directors or senior management of the Company occurs;
- (u) **(investigation)** any of the following:
 - (i) any person brings, or threatens to bring, an application to the Takeovers Panel, in relation to any aspect of the Offer or the Company (including Board composition

including but not limited to the notice issued to the Company on 3 March 2020 pursuant to section 249D of the Corporations Act);

- (ii) a Government Agency makes a decision, ruling or judgment (other than an interim order of the Takeovers Panel) which may have a negative impact on any aspect of the Offer, including but not limited to the Takeovers Panel making a declaration of "unacceptable circumstances" in relation to any aspect of the Offer;
- (iii) ASIC or any person, issues or threatens to issue proceedings in relation to the Offer or commences any formal inquiry or investigation into the Offer;
- (iv) * ASIC or any other Government Agency commences or gives notice of an intention to commence a prosecution of the Company or any director or employee of the Company; or
- (v) * ASIC or any other Government Agency commences or gives notice of an intention to commence a hearing or investigation into the Company;
- (v) * **(breach)** the Company is in breach of any terms and conditions of this agreement;
- (w) * **(representations)** any representation or warranty is or becomes incorrect, untrue or misleading;
- (x) * **(information)** the Due Diligence Report or any information supplied by or on behalf of the Company to the Underwriter for the purposes of the Due Diligence Investigations, the Offer Materials or the Offer, is false, misleading or deceptive (including by omission), in each case when considered in its final form and in the light of all other information so supplied in writing to the Underwriter before the date of this agreement;
- (y) * **(change in law)** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of this agreement) any of which does or is likely to prohibit or regulate the Offer, capital markets or stock markets;
- (z) * **(change of control)** a scheme of arrangement or reconstruction is announced by the Company, or another offer to Shareholders is announced by another person, which, is bona fide and is reasonably capable of being completed and which, if implemented, may result in a person and their associates acquiring a beneficial interest in, or voting power of, 50% of more of the interests in the Company;
- (aa) * **(charges)** the Company (or any of its material Subsidiaries) charges, or agrees to charge, the whole or a material part of the Company's (or any of its material Subsidiaries') respective businesses or property other than:
 - (i) a charge over any fees or commissions to which the Company (or any of its material Subsidiaries) or the Sellers (as applicable) are or will be entitled;
 - (ii) as disclosed in the Offer Materials; or
 - (iii) as agreed with the Underwriter (acting reasonably), or as disclosed to the Underwriter prior to the date of this agreement;

(bb) **(contravention of law)** either:

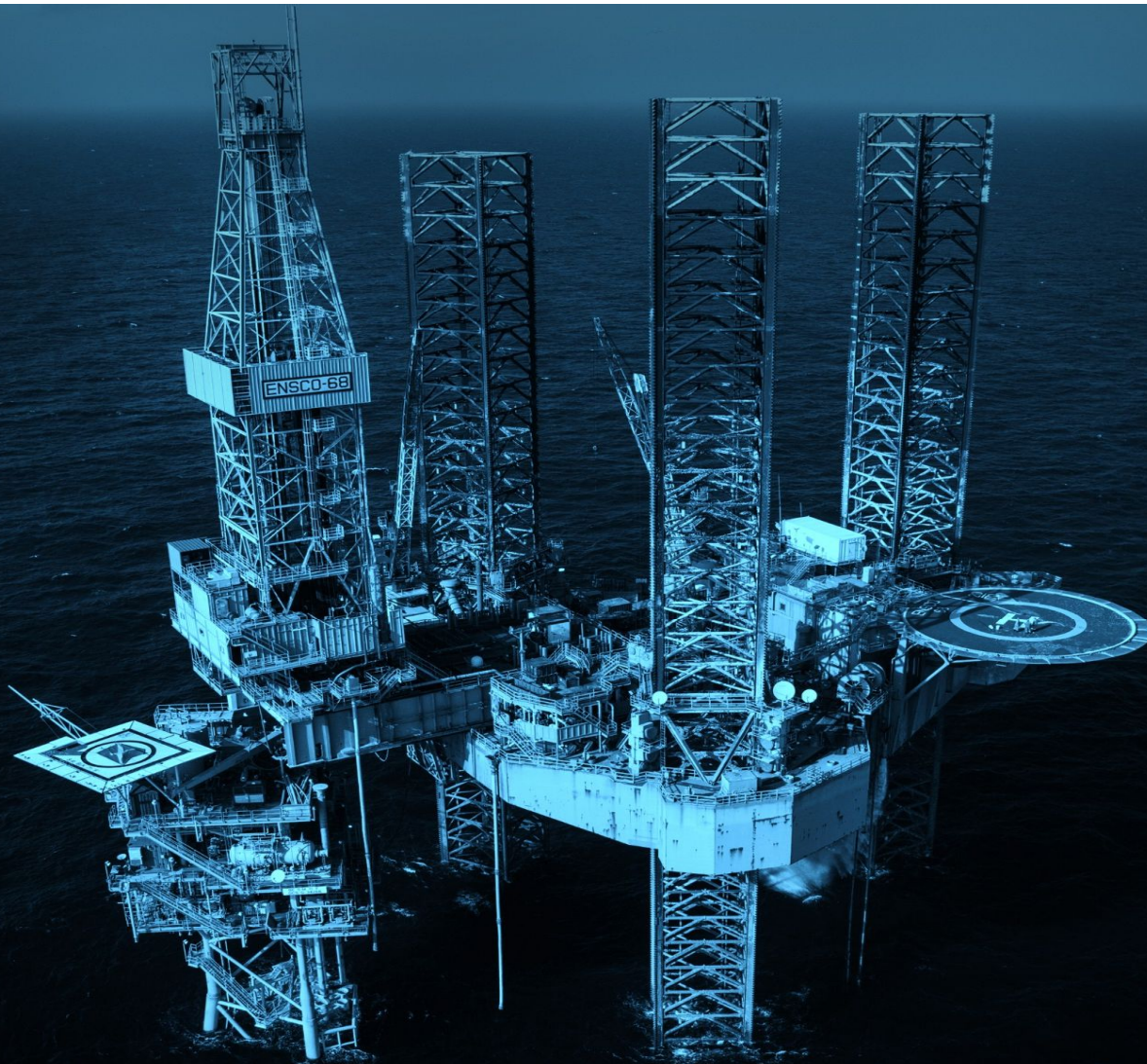
- (i) a contravention by the Company of the Corporations Act, its Constitution, the Listing Rules, ASX Waivers, ASIC Modifications and all applicable laws and related policy including the Takeovers Panel guidance, any other applicable law or regulation (as amended or varied) or order or request made by or on behalf of ASIC, ASX or any Government Agency;
- (ii) any aspect of the Offer does not comply with the Corporations Act, its Constitution, the Listing Rules, ASX Waivers, ASIC Modifications and all applicable laws and related policy including the Takeovers Panel guidance;
- (iii) the Company is prevented from allotting and issuing the Offer Shares under the Listing Rules, Constitution, the Corporations Act, ASX Waivers, ASIC Modifications, any applicable laws or related policy including the Takeovers Panel guidance, applicable laws or an order of a court of competent jurisdiction or a Government Agency;

(cc) **(market disruption):**

- (i) * trading of all securities quoted on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect;
- (ii) * a general moratorium on commercial banking activities in Australia, the United States or the United Kingdom is declared by the relevant central banking authority in any of those countries or there is a material disruption in commercial banking or securities settlement or clearance services in any of those countries;
- (iii) * any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Hong Kong, the European Union, the United States of America, the United Kingdom or the international financial markets or any change in national or international political, financial or economic conditions; or
- (iv) * hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the People's Republic of China, Russia, Japan, North Korea, the United Kingdom or any member state of the European Union or an outbreak or escalation of a pandemic or an epidemic (such as novel coronavirus, a recurrence of Severe Acute Respiratory Syndrome or an outbreak of swine or avian influenza) in these markets.

(dd) **(debt facilities):**

- (i) any debt facility of the Company or Group Member is terminated by the lender or amended in a material respect without the Underwriter's prior written consent (such consent not to be unreasonably withheld or delayed);
- (ii) a Group Member breaches, or defaults under, any provision, undertaking, covenant or ratio of a debt or financing arrangement or any related documentation to which that entity is a party; or
- (iii) an event of default or review event has resulted in a lender or financier exercising its rights to accelerate or require repayment of the debt or financing or other similar event occurs under or in respect to any such debt or financing arrangement or related documentation.



INVESTOR PRESENTATION

March 2020

ASX: OEL

Not for release to US wire services or distribution in the United States

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Disclaimer

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To the maximum extent permitted by law, Otto, the Underwriter and their respective related bodies corporate, shareholders, advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation and, with regards to the Underwriters, their advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents, have not independently verified any such information and take no responsibility for any part of this Presentation or the Offer.

The Underwriter and its advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no recommendations as to whether you or your related parties should participate in the Offer nor do they make any representations or warranties to you concerning the Offer, and you represent, warrant and agree that you have not relied on any statements made by the Underwriters, or any of their advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents in relation to the Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them.

The information in this presentation is current as at the date on the cover of the presentation and remains subject to change without notice, in particular the Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

You acknowledge and agree that:

- determination of eligibility of investors for the purposes of the institutional and retail components of the Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Otto and the Underwriters; and
- each of Otto, the Underwriter and its respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Otto reserves the right to withdraw or vary the timetable for the Offer without notice. By attending an investor presentation or briefing, or accepting, accessing or reviewing this Presentation you acknowledge and agree to the terms set out in this important notice and disclaimer.

Capital Raising Overview

Capital Raising to shore-up Balance Sheet for all future scenarios considering current market conditions

Balance sheet positions Otto to ride through the current market conditions and emerge in a strong position

- OEL has successfully delivered on its ambitious transition from an explorer to producer, with SM71 and Lightning fields delivering production and cashflow and the Green Canyon 21 “Bulleit” development expected to come online in Q4 2020.
- Today’s announced equity raise ensures a strong balance sheet through the remaining development activities and for all contingent activities, in light of current market conditions.

Partially Underwritten Equity Raising for maximum A\$17.5 million

- Completed placement of 231.1 million shares to raise A\$1.387 million
- A 1 for 1 accelerated non-renounceable entitlement to raise \$16.14m

Funding enabled by support from one of Otto’s major shareholders

- Placement and Entitlement offer enabled by support from one of Otto’s major shareholders

Placement proceeds used to fund SM71 F5 development well and shore-up balance sheet

- Allows for Otto to be opportunistic in the recovery phase once the current market conditions improve
- Reimburses for funding OEL’s net share of the currently drilling SM71 F5 development well and contingent sidetrack operations
- Provide additional balance sheet strength considering the impact of the sudden oil price decline
- Ensure sufficient funding for cost overruns, project delays and contingent expenditure

Capital Raising Summary

Otto is undertaking a ~A\$17.5 million equity raising via a A\$1.386 million placement and a partially underwritten 1 for 1 entitlement offer

Capital Raising Structure	<ul style="list-style-type: none"> Equity raise of approximately A\$17.5 million via: <ul style="list-style-type: none"> Placement of approximately 231.1m shares to raise A\$1.387 million under 7.1 placement capacity; and A 1 for 1 partially underwritten accelerated non-renounceable entitlement offer to existing shareholders.
Support from major shareholder	<ul style="list-style-type: none"> Placement of 231.1 million ordinary shares to existing major shareholder. Firm commitment from the same major shareholder (representing 12.43% of shares on issue) to take up their entitlements and sub-underwrite for no less than \$7.39 million
Pricing	<ul style="list-style-type: none"> The offer will be priced at A\$0.006 per New Share, which represents a 25% discount to the close on 24 March 2020 of \$0.008
Retail Entitlement Offer	<ul style="list-style-type: none"> The retail entitlement offer opens on 3 April 2020 and closes on 16 April 2020 The retail entitlement offer includes a top-up facility, under which eligible retail shareholders who take up their entitlement in full may also apply for additional shares in the retail entitlement offer that were not taken up by other eligible retail shareholders
Underwriting	<ul style="list-style-type: none"> The entitlement offer is partially underwritten by Euroz Securities Ltd (Euroz) Euroz is sole lead manager and book-runner to the offer
Use of Funds	<ul style="list-style-type: none"> The proceeds of the Offer will be used to reimburse OEL's share of the upcoming SM71 F5 well funding, for contingent expenditure on current developments and future developments, working capital to provide a prudent cash buffer given the impact of current market and oil price conditions.
New Shares	<ul style="list-style-type: none"> New Shares issued under the equity raising will rank equally with existing ordinary shares.

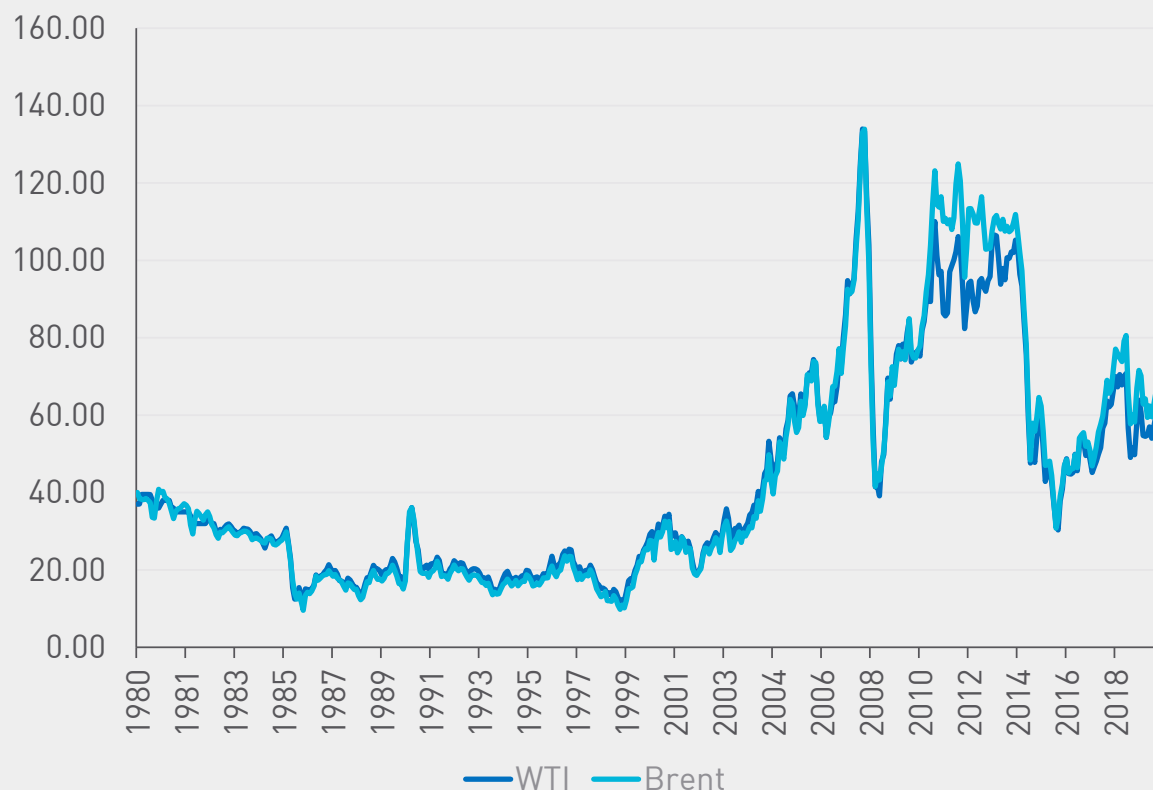
Timetable for Capital Raising

Timetable for Equity Raising	
Announcement of Transaction, release of Appendix 3B and Cleansing Statement	26 March 2020
Institutional Entitlement Offer Opens	27 March 2020
Settlement of Placement	30 March 2020
Institutional Entitlement Offer Closes	30 March 2020
Announce Results of the Institutional Offer And Bookbuild	31 March 2020
Reinstatement to Quotation	31 March 2020
Issue of New Shares under the Placement	31 March 2020
Record Date for Eligibility in Offer	31 March 2020
Retail Entitlement Offer Opens	3 April 2020
Retail Offer Book Dispatched	3 April 2020
Settlement of Institutional Entitlement Offer	7 April 2020
Issue of New Shares under the Institutional Entitlement Offer and release of Appendix 2A	8 April 2020
Quotation of New Shares under the Institutional Entitlement Offer	9 April 2020
Retail Offer Closes	16 April 2020
Announce Results of the Retail Offer	20 April 2020
Settlement of Retail Entitlement Offer	22 April 2020
Issue of New Shares Under the Retail Entitlement Offer and release of Appendix 2A	23 April 2020
Quotation of New Shares under the Retail Offer	24 April 2020

FY20 Outlook

The impact of OPEC+ and COVID-19 on oil markets – the oil market has weathered systemic change before

Crude Oil (US/bbl)

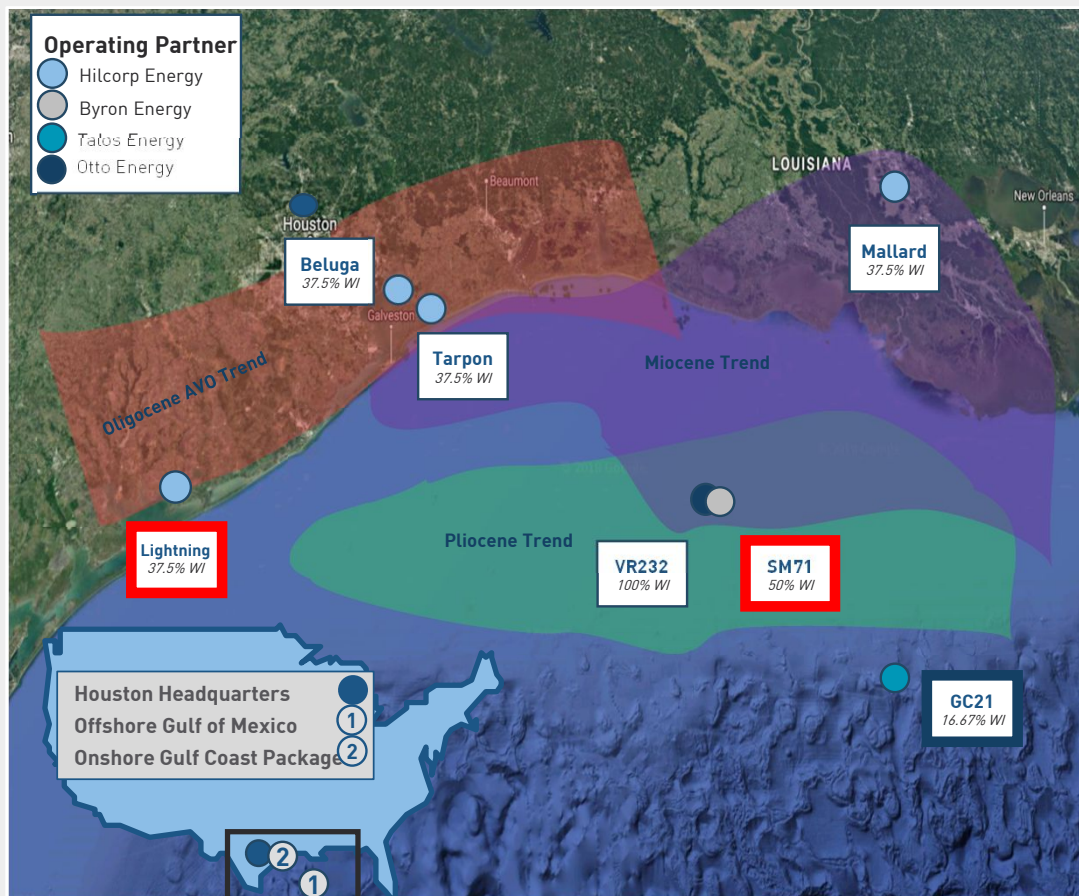


Recent Events

- Supply side disruption amongst OPEC + reverses over 2.1 mmbbl/day in cuts
- Supply side war emerges amongst key market participants
- Demand side disruption due to COVID-19 impacts by over 2.7 mmbbl/day
- US shale producers are the first to be impacted with major reductions in activity already announced this week
- Conventional projects are amongst the lowest cost projects

FY20 Outlook

A disciplined approach to investing in oil and gas projects and successfully growing shareholder value



Otto's strategy

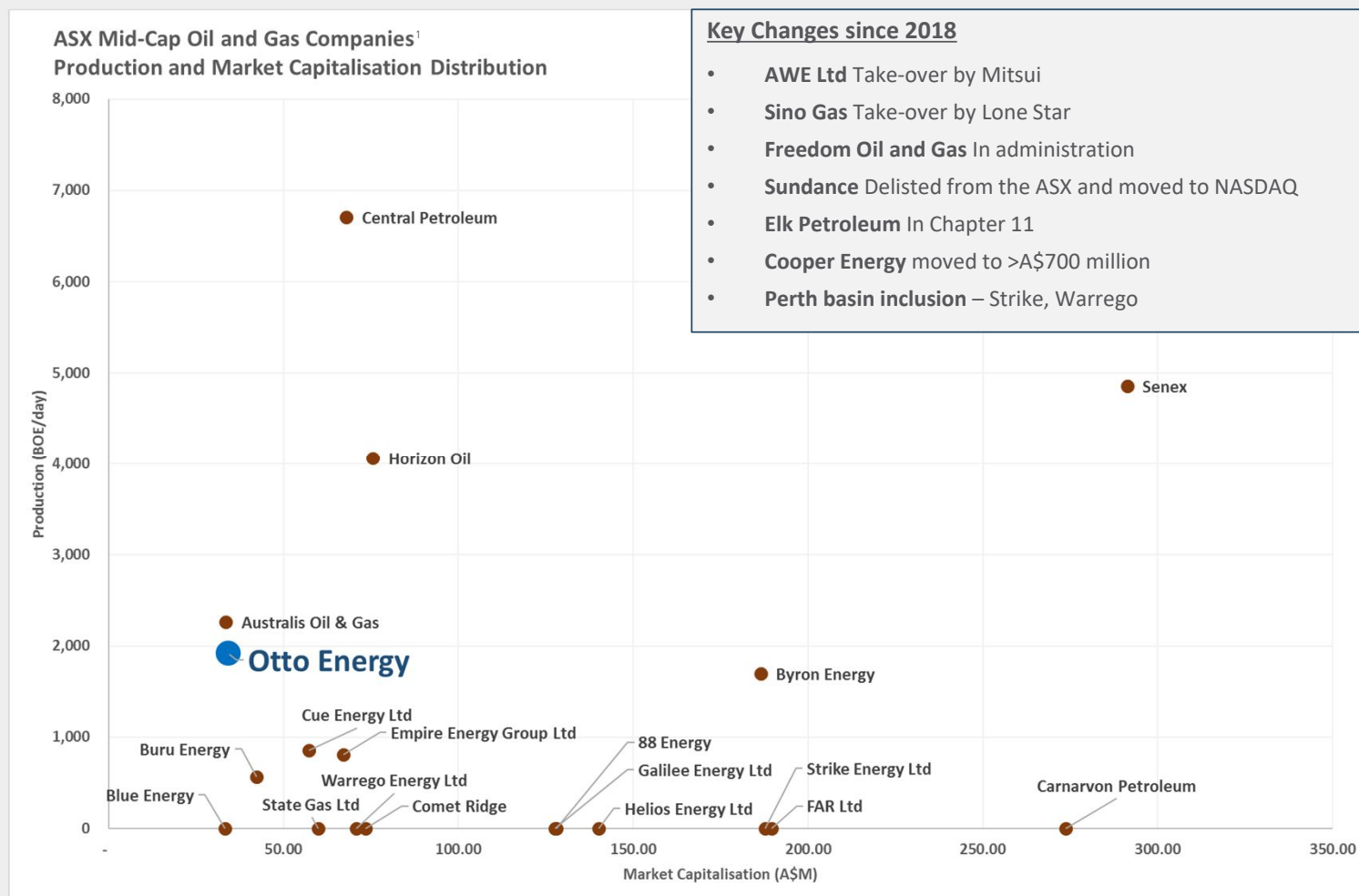
- Current portfolio of production assets to achieve strategic goal of 5,000 boepd by end 2020
- Delivery of 8.9 Mmboe in 2P¹ reserves net to Otto with NPV 10 of ~US\$210m² as at 29 October 2019 since embarking on its Gulf of Mexico program (before US corporate tax)
- Sustained cashflow from current projects to be reinvested into:
 - Reinvestment into value accretive production and exploration assets; and/or
 - Future buy-back or dividends to equity holders
- Well-respected Board and Management team with a track record of successfully growing, operating and divesting oil and gas assets globally who understand risk and capital management, and whose incentives are aligned with shareholders.

[1] Per independent reserves audit via Collarini and Associates and Ryder Scott as at 30 June 2019 and 29 October 2019 released to the ASX on 19 September 2019 and 7 November 2019. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements of 19 September 2019 and 7 November 2019 and that all the material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Refer to slides 23-25 for further information on reserves and prospective resources.

[2] Net Present Value at 10% pre-tax (NPV-10) does not purport, nor should it be interpreted, to represent the fair market value of oil and gas properties

ASX Listed Peer Group

Exposure to production and cashflows is limited in small cap oil and gas companies on ASX

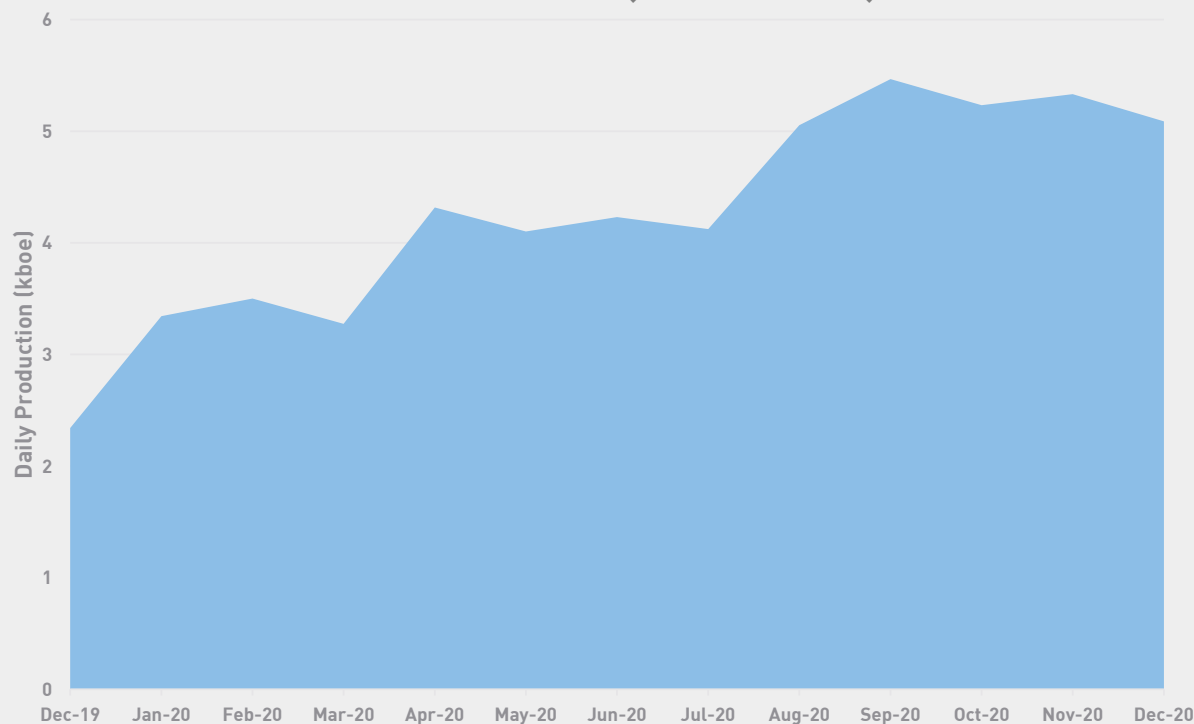


[1] Market capitalisation as at 9 March 2020, all data taken from IRESS
[1] Production per day taken from most recent quarterly report (31 December 2019)

Otto Energy - Investment Exposure to the Gulf of Mexico

ASX-listed, US focused, diversified conventional oil and gas production and exploration business

Otto Production (2P Forecast)

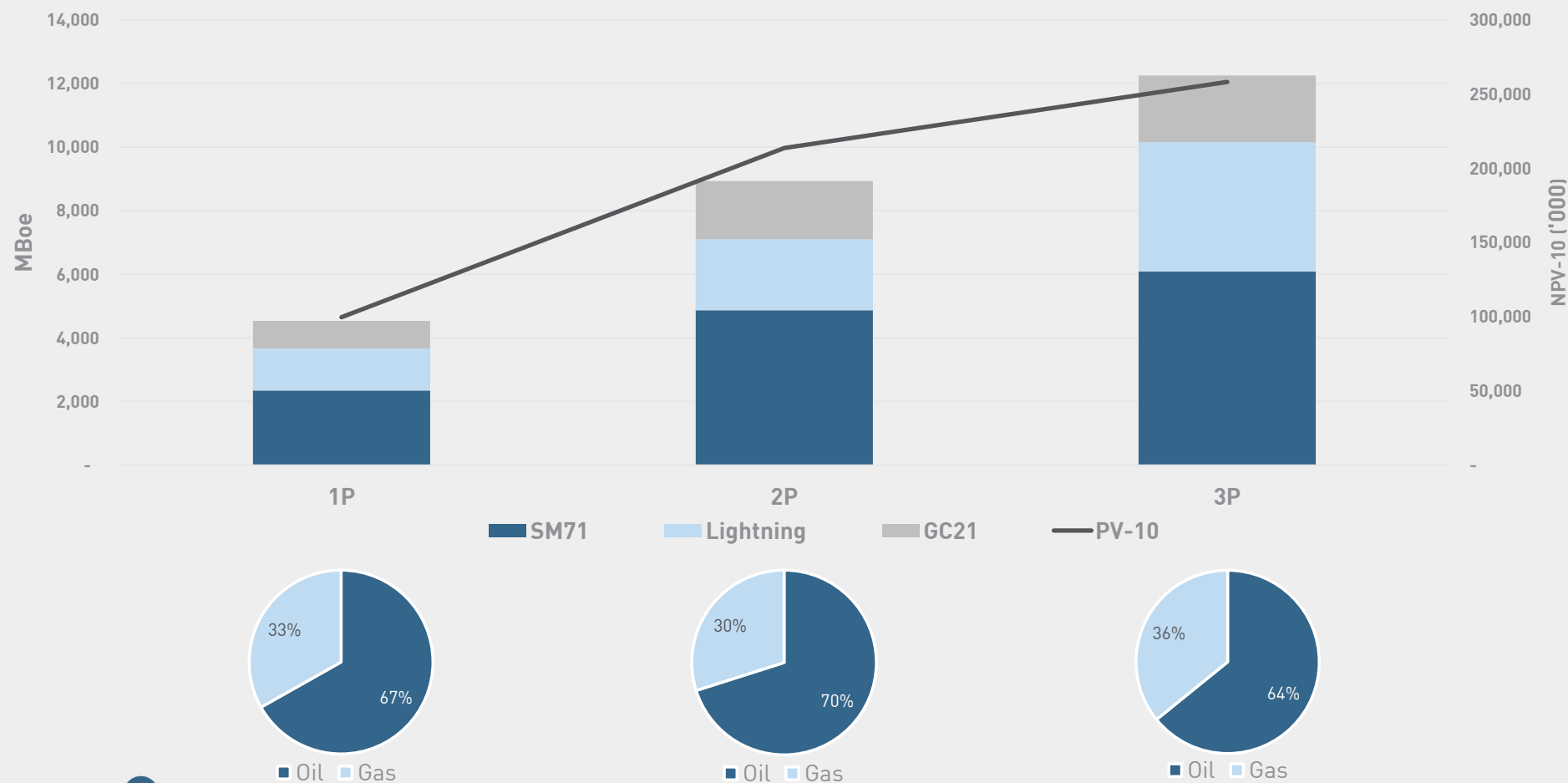


Otto's activity

- Green #2 production commenced in February 2020
- SM71 F5 development well currently drilling – contingent sidetrack operation being planned
- Green Canyon 21 “Bulleit” well in development with first production expected Q3 CY20
- Gulf Coast Package I with Hilcorp exploration wells currently deferred pending market improvements
- Further development drilling Lightning field undergoing evaluation

Otto Energy – Reserves at SM 71, Lightning and GC 21 in the Gulf of Mexico

Otto reserves have NPV10 value of US\$ 213 MM at the 2P level net to Otto delivered from the active drilling program

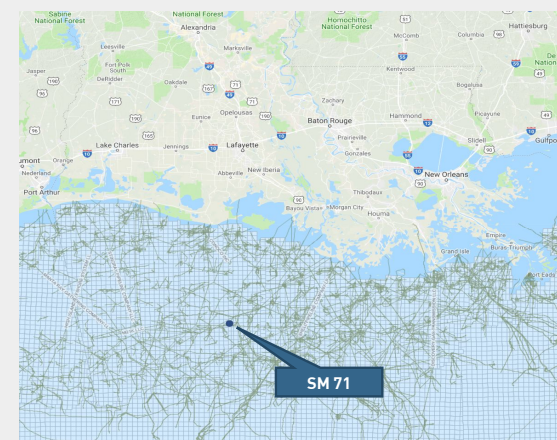


Production - South Marsh Island 71, offshore Gulf of Mexico

Oil and gas revenue provides strong cashflow foundation for growth

South Marsh Island 71

Joint Venture	Otto Energy	50.0%		
	Byron Energy (operator)	50.0%		
Fiscal Terms	Federal Royalty	18.75%		
	Held by production licence			
Location	Offshore Federal OCS, 40 meters water depth (131 feet)			
Geology	Pleistocene to Pliocene age sands ranging in depth from 5,000 feet to 8,800 feet Total Vertical Depth ("TVD"). Productive from discrete hydrocarbon-bearing sandstone reservoirs which are primarily trapped in three-way structural closures bound either by salt or stratigraphic thinning, on their updip edge.			
Drilling	Well	Drilled	Reservoir	Depth (MD)
	F1	April 2016	D5	7,477 feet
	F2	Nov 2017	B55	7,700 feet
	F3	Jan 2018	D5	7,717 feet
Production (gross)	Current	2,900 bopd plus 1.6 MMscf/d		
	Cumulative	2.0 MMbbl and 2.9 Bcf (through 31 Dec 2019)		
Net Reserves ⁽¹⁾	1P 2.34 MMBoe	2P 4.87 MMboe	3P 6.08 MMboe	
Facilities	F Platform, owned by joint venture Capacity for up to 6 production wells and 5,000 bopd			
Development	F-5 well spud in March 2020 and contingent sidetrack operation being planned			

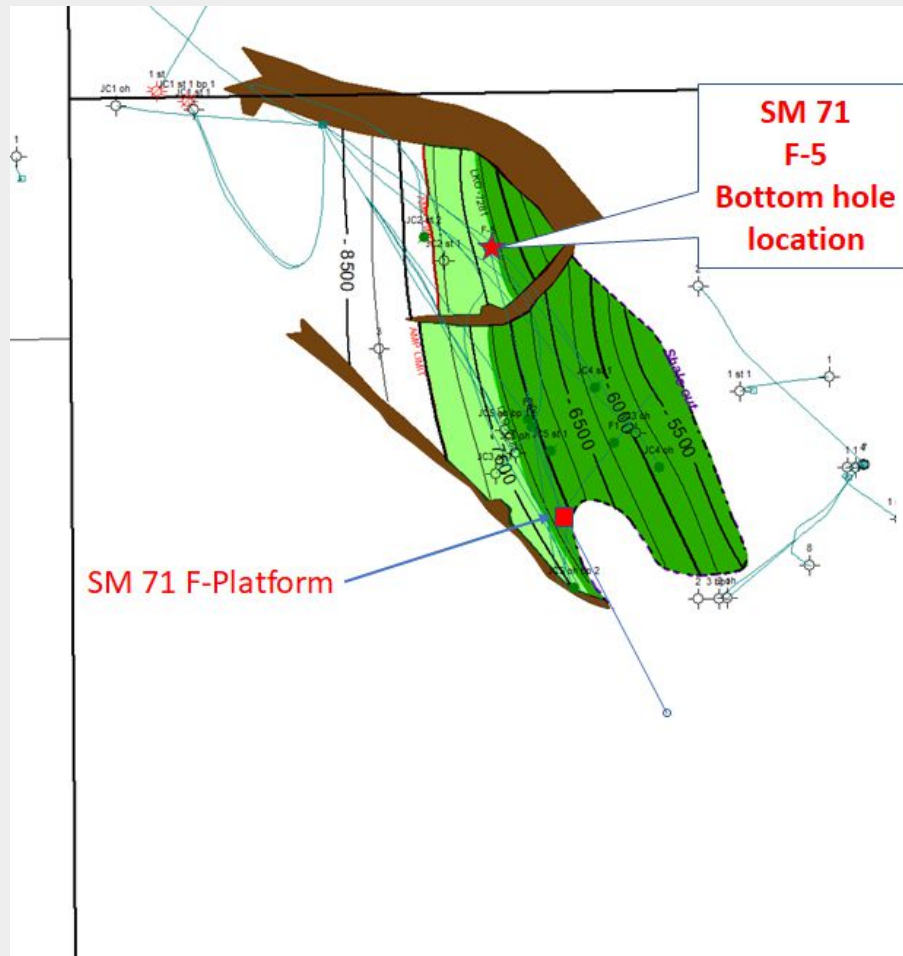


SM 71 F Production Platform (Gulf of Mexico)

[1] Per Collarini independent reserves estimation 30 June 2019. Refer to slides 23-25 for further information on reserves and prospective resources.

South Marsh Island 71, offshore Gulf of Mexico

Drilling of the F5 well is underway

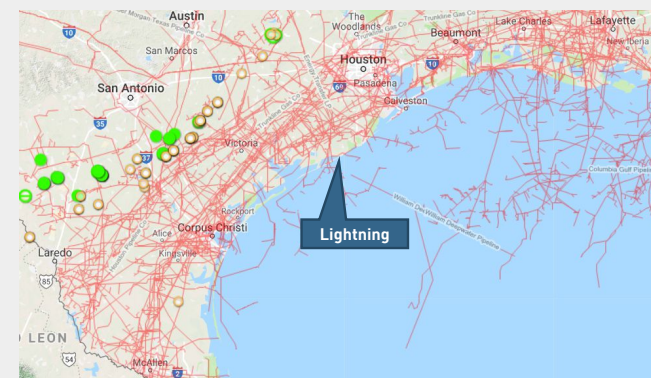


Production - Lightning, onshore Texas Gulf Coast

First discovery under Gulf Coast Drilling program – 2nd development well in progress to increase production

Lightning Discovery

Joint Venture	Otto Energy	37.5%		
	Hilcorp Energy (operator)	62.5%		
Fiscal Terms	Landowner Royalty Held by production licence	24.9%		
Location	Onshore Matagorda County, Texas			
Geology	Slope channel/fan setting within Oligocene (Tex Miss). Overlaying production from the shallower Miocene levels dates back to the early 1930's. Recent modern 3D seismic has yielded discoveries that prove working analogues in the slope channel/fan setting at Baer Franklin in the deeper Oligocene setting.			
Drilling	Well	Drilled	Reservoir	Depth (MD)
	Green #1	Feb 2019	Tex Miss (Oligocene)	15,218 feet
	Green #2	Oct 2019	Tex Miss (Oligocene)	15,121 feet
Production (gross)	Current	~26 MMscf/day and ~800 bopd condensate		
Net Reserves ⁽¹⁾	1P 1.32 MMBoe	2P 2.23 MMboe	3P 4.07 MMboe	
Facilities	Surface facilities to handle gas/condensate production, tie in to nearby gas export pipeline completed in Q2 2019			
Development	Development well (Green #2) commenced production in February 2020 Further field evaluation ongoing			



Lightning location map, showing gas pipeline infrastructure

[1] Per Ryder Scott independent reserves estimation 30 June 2019. Refer to slides 23-25 for further information on reserves and prospective resources.

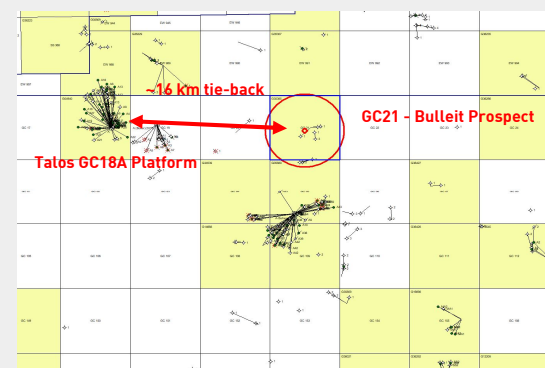
Discovery – Green Canyon 21 “Bulleit”, offshore Gulf of Mexico

Two target discovery with Talos Energy – wellbore suspended for completion in mid CY20

Green Canyon 21 “Bulleit” Prospect

Joint Venture	Otto Energy	16.67%
	Talos Energy (operator)	50.00%
	Enven Energy Ventures LLC	33.33%
Fiscal Terms	Federal Royalty	18.75%
	Primary term exploration lease	
Location	Offshore Federal OCS, 370 meters water depth (1,200 feet)	
Geology	Bulleit is an amplitude-supported Pliocene prospect with similar seismic attributes to the analogous sand section in Talos’s Green Canyon 18 field, which has produced approximately 39 MMboe to date.	
Drilling	Well Bulleit	Drilled May-Aug 2019
	Reservoir Pliocene	Depth 15,675’ (MD)/13,828’ (TVD)
Production	Talos intends to complete the well as a subsea tieback in mid2020 with first production expected in late Q3 CY2020	
Discovery	Approx. net 140 ft TVD oil pay encountered in DTR-10 interval Approx. net 110 ft TVD oil pay encountered in MP interval	
Facilities	Talos will complete well as a subsea tieback to the Talos operated GC 18A Platform.	
Net Reserves ^[1]	Maiden pre-production reserves announced to the ASX on 7 Nov 2019 1P 0.86 MMBoe 2P 1.83 MMboe 3P 2.09 MMboe	

[1] Per Ryder Scott independent reserves estimation 29 Oct 2019. Refer to slides 23-25 for further information on reserves and prospective resources.



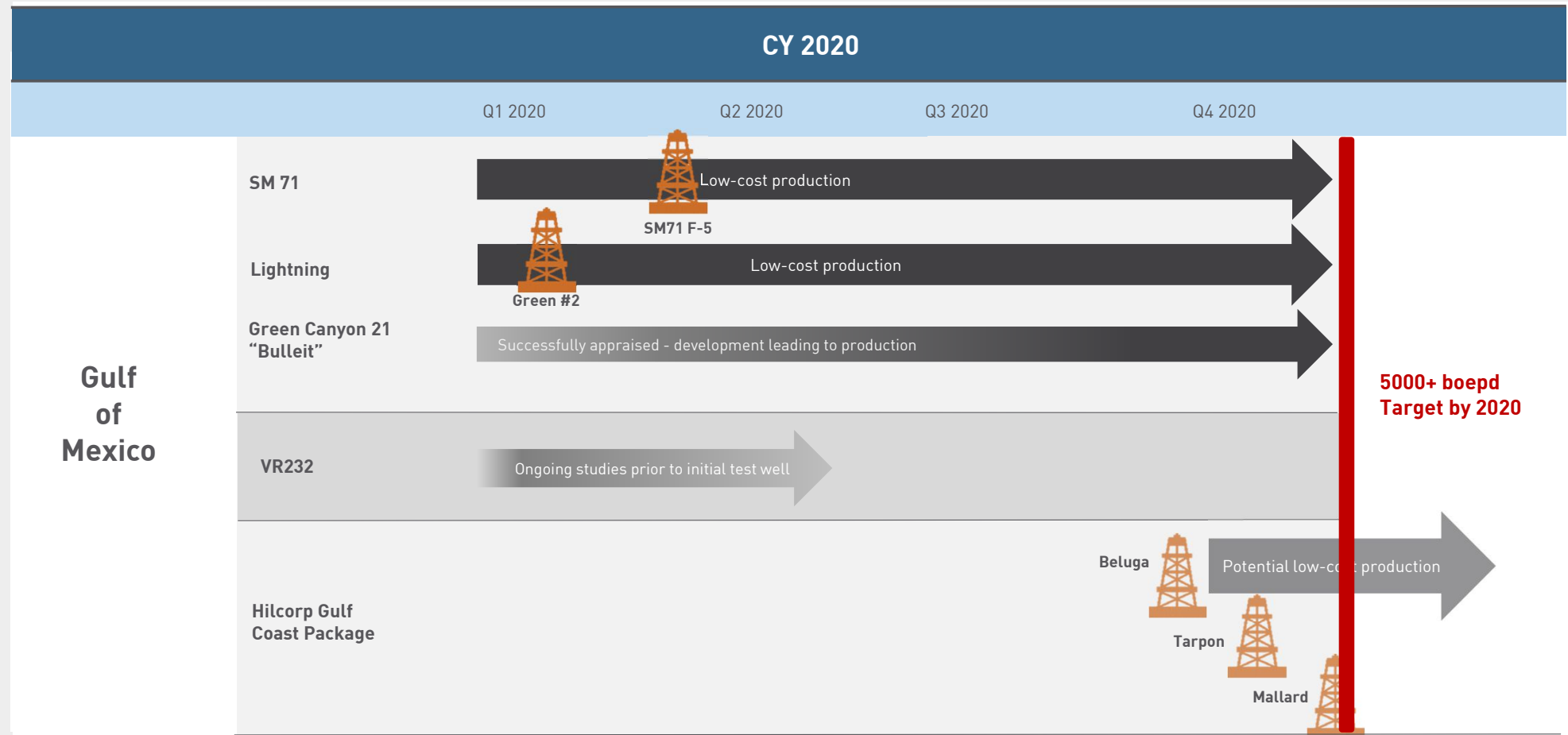
Green Canyon 21 proximity to Green Canyon 18A platform



Green Canyon 18A Production Facility

Pipeline of Opportunities

Otto has assembled an exciting pipeline of upcoming activities as a result of its non-operating partnership strategy



Appendix



Otto Energy – Reserves at SM 71, Lightning and GC 21 in the Gulf of Mexico

Otto reserves have NPV10 value of US\$ 213 m at the 2P level net to Otto delivered from the active drilling program

Total	Gross (100%)			Otto Net			NPV 10 US\$ MM*
	Oil (Mbbbl)	Gas (MMscf)	MBoe	Oil (Mbbbl)	Gas (MMscf)	MBoe	Otto Share
Proved Producing	3,219	12,599	5,318	1,271	3,910	1,923	52,808
Proved Behind Pipe	682	3,765	1,310	265	1,118	452	5,446
Proved Undeveloped	7,508	16,360	3,779	1,490	3,991	2,156	41,339
Proven (1P)	11,409	32,724	10,407	3,027	9,019	4,531	99,593
Probable	12,217	26,576	9,398	3,234	7,001	4,401	114,069
Proven Plus Probable (2P)	23,626	59,300	33,509	6,260	16,021	8,930	213,662
Possible	3,664	34,468	9,409	1,599	10,306	3,316	44,441
Proven Plus Probable Plus Possible (3P)	27,290	93,768	42,918	7,859	26,326	12,247	258,103

* Before US Corporate Tax

Note: Above table summarises the net present worth of Otto's reserves in SM71, Lightning and GC21 as at 1 July 2019 and has been adjusted for GC21. The NPV 10 has been calculated by Collarini and Associates for SM 71 and Ryder Scott for Lightning and GC 21 using pricing assumptions provided by Otto Energy

Corporate Snapshot (ASX:OEL)

CAPITAL STRUCTURE

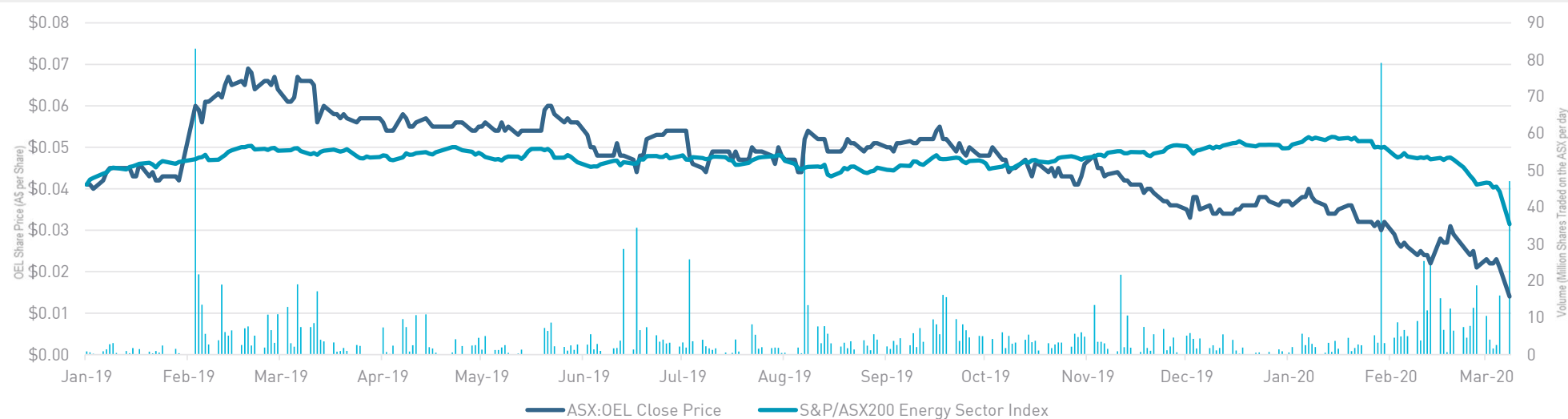
Fully paid ordinary shares	2.460b
Performance Rights	36.6m
Unlisted Options	42.5m
Market capitalisation ¹	A\$34.4m

FUNDING POSITION

Cash (31 Dec 2019)	US\$25.7m
Debt - Commitment	\$55m
- Currently Drawn (31 Dec 2019)	\$22m

SHAREHOLDERS

Perennial Value Management	14.9%
Molton Holdings	12.4%
AMP	5.0%
Directors & Management	2.9%



[1] As at 9 March (undiluted at 1.4 cents per share)

Otto Energy Gulf of Mexico Area Key Projects¹

Strong cashflow base to fund growth from oil and gas sales at SM 71 and Lightning

Metric	SM 71	Lightning	Gulf Coast	Green Canyon 21	VR 232
Type	JV	JV	JV	JV	JV
Ownership Structure	50% WI	37.5% WI	37.5% WI (50% of Cost ²)	16.67% WI	100% WI
NRI	40.625%	28.50%	28.50%	13.336%	81.25%
Status	Production	Production	Exploration	Development	Exploration
Onshore/Offshore	Offshore	Onshore	Onshore	Offshore	Offshore
Operator	Byron Energy (50% WI)	Hilcorp (62.5% WI)	Hilcorp (62.5% WI)	Talos Energy (50% WI)	Otto Energy
Comments	3 Wells Generating ~US\$2 Mil. Op Net Cashflow per month and F5 currently drilling	Steady state oil and gas production. 2 nd dev well , Green #2, started up	3-4 wells remaining depending on permitting and approvals	Commercial oil discovery. Talos to complete well first oil Q3 2020	Block adjacent to SM 71

[1] Alaska is not included here as little activity and expenditure is expected over the coming period.

[2] The promote only applies to the initial test well, land (if applicable) and associated costs. All subsequent other costs after discovery are at the working interest share.

Board of Directors



Ian Boserio
Non-Executive Chairman
BSc (Hons)

Executive Technical Director of Pathfinder Energy Pty Ltd. Former executive positions with Shell & Woodside in international exploration roles.



John Jetter
Non-Executive Director
LLB, BEc INSEAD

Former MD/CEO J.P. Morgan Germany. Non-Executive Director of Venture Minerals and Peak Resources Ltd.



Paul Senycia
Non-Executive Director
BSc (Hons), MAppSc

International oil & gas experience gained over 35 years. Specific focus on Australia, USA, South East Asia & Africa. Previous roles at Beach, Woodside Energy and Shell International.



Matthew Allen
Managing Director & CEO
BBus, FCA, FFin, GAICD

Global exposure to the upstream oil and gas industry with over 18 years experience in Asia, Africa, USA, Australia and Middle East. Previous senior roles with Woodside over an 8 year period.



Kevin Small
Executive Director & Senior Geophysicist
BSc (Geophysical Engineering)

Extensive Gulf of Mexico exploration experience with Blue Streak Exploration, Westport Oil and Gas Company, Superior Oil Company and McMoran Oil and Gas.

Management Team



Matthew Allen
Managing Director & CEO
BBus, FCA, FFin, GAICD

Global exposure to the upstream oil and gas industry with over 18 years experience in Asia, Africa, USA, Australia and Middle East. Previous senior roles with Woodside over an 8 year period.



Sergio Castro
Chief Financial Officer
BBus, CPA, CFE

Extensive oil and gas experience with Contango Oil and Gas Company. Accounting experience with Arthur Andersen.



Philip Trajanovich
Senior Commercial Manager
B.Com (First Class Honours)

Global experience as a commercial manager working with Aurora Oil & Gas, ConocoPhillips and Woodside. Extensive international and US experience in all facets of upstream oil and gas operations and commercial structures.



Will Armstrong
Vice President, Exploration and New Business
B.S Geology, M.S. Geology (Geophysics and Hydrogeology)

Over 30 year's experience working the Gulf Coast and Gulf of Mexico as an explorer both as a prospect generator and prospect screener. Previous roles with Tri-C, Newfield, CL&F, Westport, Petroquest and Tenneco Oil Company based in Houston and Lafayette.



Mark Sunwall
Senior Exploration Consultant
B.S Geology, M.S. Geology

Successful 40+ year career with onshore Gulf Coast and Gulf of Mexico major and independent operators. Mark has worked with Aurora Oil & Gas, Woodside and Texaco.



Mike Smith
Chief Geologist
B.S. Geology

Extensive Gulf of Mexico and Gulf Coast exploration experience with Marlin Energy, Ocean Energy, and CNG Producing

December Quarter FY20 Highlights

Otto continues to build towards the strategic objective of 5,000 boepd by the end of CY 2020

Oil and Gas Sales

- WI Share of hydrocarbon sales equate to 1912 boepd, a 27% decrease over prior quarter
- WI share ~131,002 bbls oil, 238,092 Mscf gas, and 5,265 bbls NGLs

Sales Proceeds

- US\$7.9 m in proceeds net of royalties relating to September, October and November 2019 production
- A 16% decrease in sales revenue over the prior quarter

Corporate

- Closing cash balance of US\$25.7m (A\$38.3m)
- During the quarter, finalization of US\$55m finance facility to fund developments

Production

- Production of 1224 MMscf/d in raw gas and 98 bbl/d in condensate (WI share) from Lightning and 1383 bbl/d oil and 1.4 MMscf/d gas (WI share) from SM 71
- Maiden reserves reported at GC21

Subsequent Events

- Green #2 development well at Lightning commenced production subsequent to end of the quarter

Glossary

Abbreviation	Expanded Term	Definition
GoM	Gulf of Mexico	
MMboe / mboe	Million barrels of oil equivalent/ thousand	
MMscfpd	Million standard cubic feet per day (gas)	
Bopd/boepd	Barrels of oil (equivalent) per day	
TD	Total Depth	The depth of the bottom of the well
MD	Measured Depth	The total length of the wellbore measured along the actual well path
TVD	True Vertical Depth	The vertical distance from a point in the well (usually the current or final depth) to a point at the surface, usually the elevation of the rotary kelly bushing (RKB)
TVT	True Vertical Thickness	The thickness of a bed or rock body in a well measured in the vertical direction at a point
boe	Barrels of oil equivalent	1 mcf of natural gas contains ~1/6 of the energy of a barrel of oil; Calculated equivalent of a barrel of oil's energy from liquids and gas
WI	Working Interest	an interest in an oil and gas lease that gives the owner of the interest the right to drill and produce oil and gas on the leased acreage. It requires the owner to pay a share of the costs of drilling and production operations.
NRI	Net Revenue Interest	the total revenue interest that an entity owns in a particular oil or gas production unit, such as a lease, well, or drilling unit.

Competent Persons and Cautionary Statements

Competent Persons Statement

The information in this report that relates to oil and gas reserves and resources at SM 71 was compiled by technical employees of independent consultants Collarini and Associates, under the supervision of Mr Mitch Reece BSc PE. Mr Reece is the President of Collarini and Associates and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Evaluation Engineers (SPEE), Society of Petroleum Engineers (SPE), and American Petroleum Institute (API). The reserves and resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves and resources information reported in this Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of, Mr Reece. Mr Reece is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to oil and gas reserves and resources at the Lightning Field was compiled by technical employees of independent consultants Ryder Scott Company, under the supervision of Mr. Ali Porbandarwala PE. Mr. Porbandarwala is a Senior Vice President at Ryder Scott Company and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Engineers (SPE). He has a B.S. Chemical Engineering from the University of Kansas and an MBA from the University of Texas. The reserves included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves information reported in this Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of Mr. Porbandarwala. Mr. Porbandarwala is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to oil and gas prospective resources in relation to the Gulf Coast Package (Mustang, Beluga, Oil Lake, Tarpon and Mallard) in the Gulf of Mexico was compiled by technical employees of Hilcorp Energy Company, the Operator of the Gulf Coast Package, and subsequently reviewed by Mr Ed Buckle B.S. Chemical Engineering (Magna Cum Laude) who has consented to the inclusion of such information in this report in the form and context in which it appears.

Mr Buckle is a full-time contractor of the Company, with more than 30 years relevant experience in the petroleum industry and is a member of The Society of Petroleum Engineers (SPE). The resources included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/ American Association of Petroleum Geologists (AAPG)/ Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The resources information included in this report are based on, and fairly represents, information and supporting documentation reviewed by Mr Buckle. Mr Buckle is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to oil and gas reserves and resources at the Green Canyon 21 Field was compiled by technical employees of independent consultants Ryder Scott Company, under the supervision of Mr. Ali Porbandarwala PE. Mr. Porbandarwala is a Senior Vice President at Ryder Scott Company and is a registered professional engineer in the State of Texas and a member of the Society of Petroleum Engineers (SPE). He has a B.S. Chemical Engineering from the University of Kansas and an MBA from the University of Texas. The reserves included in this report have been prepared using definitions and guidelines consistent with the 2007 Society of Petroleum Engineers (SPE)/World Petroleum Council (WPC)/American Association of Petroleum Geologists (AAPG)/Society of Petroleum Evaluation Engineers (SPEE) Petroleum Resources Management System (PRMS). The reserves information reported in this Statement are based on, and fairly represents, information and supporting documentation prepared by, or under the supervision of Mr. Porbandarwala. Mr. Porbandarwala is qualified in accordance with the requirements of ASX Listing Rule 5.41 and consents to the inclusion of the information in this report of the matters based on this information in the form and context in which it appears.

Competent Persons and Cautionary Statements

Reserves cautionary statement

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward looking estimates.

Prospective Resources Cautionary Statement

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Reserves and Resources Governance

Otto's reserves estimates are compiled annually. The operator of SM 71, Byron Energy, engages Collarini and Associates, a qualified external petroleum engineering consultant, to conduct an independent assessment of the SM 71 reserves on behalf of the joint venture. Collarini and Associates is an independent petroleum engineering consulting firm that has been providing petroleum consulting services in the USA for more than fifteen years. Collarini and Associates does not have any financial interest or own any shares in the Company. The fees paid to Collarini and Associates are not contingent on the reserves outcome of the reserves report.

Otto engages Ryder Scott Company, a qualified external petroleum engineering consultant, to conduct an independent assessment of the Lightning Field reserves on behalf of Otto. Ryder Scott Company is an independent petroleum engineering consulting firm that has been providing petroleum consulting services in the USA for more than fifty years. Ryder Scott Company does not have any financial interest or own any shares in the Company. The fees paid to Ryder Scott Company are not contingent on the reserves outcome of the reserves report.

Reserves and Resources Reporting Notes

Pricing Assumptions

Oil price assumptions used in the independent report represent forward prices (CME Nymex) as at 28 June 2019.

ASX Reserves and Resources Reporting Notes

- i. The reserves and prospective resources information in this document is effective as at 30 June, 2019 (SM 71 and Lightning) and 29 October 2019 (GC 21) (Listing Rule (LR) 5.25.1)
- ii. The reserves and prospective resources information in this document has been estimated and is classified in accordance with SPE-PRMS (Society of Petroleum Engineers - Petroleum Resources Management System) (LR 5.25.2)
- iii. The reserves and prospective resources information in this document is reported according to the Company's economic interest in each of the reserves and prospective resource net of royalties (LR 5.25.5)
- iv. The reserves and prospective resources information in this document has been estimated and prepared using the probabilistic method (LR 5.25.6)
- v. The reserves and prospective resources information in this document has been estimated using a ratio of 6,000 cubic feet of natural gas to one barrel of oil. This conversion ratio is based on an energy equivalency conversion method and does not represent value equivalency (LR 5.25.7)
- vi. The reserves and prospective resources information in this document has been estimated on the basis that products are sold on the spot market with delivery at the sales point on the production facilities (LR 5.26.5)
- vii. The method of aggregation used in calculating estimated reserves was the arithmetic summation by category of reserves. As a result of the arithmetic aggregation of the field totals, the aggregate 1P may be a very conservative estimate and the aggregate 3P may be a very optimistic estimate due to the portfolio effects of arithmetic summation (LR 5.26.7 & 5.26.8)
- viii. Prospective resources are reported on a best estimate basis (LR 5.28.1)
- ix. For prospective resources, the estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons (LR 5.28.2)
- x. The reserve numbers assume some investment over the life of the field outlined above.

Glossary

Bbl = barrels
bcf = billion cubic feet
Bcfe = billion cubic feet equivalent
boe = barrels of oil equivalent
Bopd = barrels of oil per day
Btu = British Thermal Units
EUR = Economic Ultimate Recovery

Mcfg = thousand cubic of gas
Mcfgpd = thousand cubic feet of gas per day
MMcf = million cubic feet
MBL = thousand barrels of oil
MMBL = million barrels of oil
Mboe = thousand barrels of oil equivalent
MMboe = million barrels of oil equivalent
MCF = thousand cubic feet
mmbtu = million British Thermal Units

Key Risks

Impairment of carrying value of properties

Otto may be required to write-down the carrying value of its oil and gas properties when oil and gas prices are low. Under International Financial Reporting Standards, which Otto is required to comply with, the net capitalised costs of its oil and gas properties may not exceed the fair value of the properties. If net capitalised costs of its oil and gas properties exceed the fair value, Otto must charge the amount of the excess as an impairment to earnings. This type of charge will not affect Otto's cash flows, but will reduce the book value of its Shareholders' equity. Because the oil price Otto uses to estimate future net cash flows is a forecast, actual cash flows and carrying value may materially differ. Otto reviews the carrying value of its properties whenever impairment indicators exist and once incurred, a write-down of oil and gas properties may be reversible at a later date if prices increase.

Information risk

Otto's analysis of its portfolio, including estimates of the associated prospective resources, is based in part on information provided by the operators of those joint ventures. For each of SM 71, Lightning and GC21 independent engineers have provided a report regarding the estimates of prospective resources.

Risk that expense estimates differ materially from actual amounts

The prospective resources and future potential cash flow estimates with respect to Otto's portfolio are based on Otto's analysis of geological and geophysical data, assumptions regarding drilling, development and other capital and operating expenditures (including transport and pipelines) and anticipated production rates.

For each of SM 71, Lightning and GC21, the estimates included in this document have been made by an independent petroleum engineering firm. Data used to make these estimates was furnished by the operators of the various joint ventures or obtained from publicly available sources. After such data is reviewed by an independent petroleum engineering firm, or further by Otto, the prospective resources, expenditure and production related to the various projects may differ materially from the amounts indicated.

Underwriting risk

Otto has entered into an underwriting agreement under which the Lead Manager and Underwriter Euroz Securities Limited (**Euroz**) has agreed to partially underwrite the Entitlement Offer, subject to the terms and conditions of the underwriting agreement between Otto and Euroz (**Underwriting Agreement**). The Underwriter's obligation to partially underwrite the Entitlement Offer is conditional on certain customary matters, including Otto delivering certain certificates, sign-offs and opinions. If certain events occur, the Underwriter may terminate the Underwriting Agreement. The Underwriter has entered into a sub-underwriting agreement with Molton Holdings Limited in respect of the Entitlement Offer, with Molton sub-underwriting up to a maximum of A\$7,391,529. This is set out in the Notice under section 708AA(2)(f) lodged at the same time as this Presentation. That Notice includes the possible control effects of the Underwriting Agreement and sub-underwriting arrangements.

Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Entitlement Offer. If the Underwriting Agreement is terminated, Otto may need to utilise alternative funding to meet its obligations under its various agreements, including the facility agreement referred to below, which could adversely affect Otto's business and financial condition.

Investment risk

There are general risks associated with investments in equity capital. The trading price of Otto shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the offer price. The New Shares to be issued pursuant to this offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Shares.

Importantly, Otto has never declared or paid cash dividends on Shares apart from the dividend (and capital return) in 2015 after the sale of the Galoc field. The Company currently intends to retain future earnings and other cash resources, if any, for the operation and development of its business and does not anticipate paying any cash dividends on Shares in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including financial condition, operating results, current and anticipated cash needs and plans for expansion.

Any future dividends may also be restricted by any debt financing arrangements entered into from time to time.

Key Risks

Future issuances or sale of significant amounts of Shares

The future issuance of a substantial number of Shares (including under the Capital Raising), or the perception that such issuance could occur, could adversely affect the prevailing Share price. Sales of a substantial number of Shares in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of Shares intend to sell Shares, could reduce the Share price.

A decline in Share price could make it more difficult to raise funds through future offerings of Shares or securities convertible into Shares.

Funding risk

The Company may require additional capital in order to fund development activities or for additional acquisitions. Failure to obtain such finance in a timely manner could impact its ability to execute its work program or secure acquisition opportunities. There is no assurance that the capital or debt markets will provide additional funding on reasonable terms or at all. Uncertainty in domestic and international credit markets could materially affect the Company's ability to access sufficient capital for its capital expenditures and acquisitions and, as a result, may have material adverse effect on the Company's ability to execute its business strategy and on its business, financial condition, results of operations and prospects. The possibility of material dilution for Shareholders also exists especially if equity raisings are completed during a period of general market or Company share price weakness.

Failure to achieve production targets

The funding of the future drilling of the Gulf Coast Package, SM 71, Lightning development and Green Canyon 21 development has been estimated based on the achievement of production targets at SM 71, Lightning and GC21. There is a risk that SM 71, Lightning or GC21 or all of the projects do not meet these targets.

Reserves risk

Reserves assessment is a subjective process that provides an estimate of the volume of recoverable reserves. Oil and gas estimates are not precise and are based on knowledge, experience, interpretation and industry practice. Petroleum engineering is a subjective process of estimating accumulations of oil and/or natural gas that cannot be measured in an exact manner and which involves the use of assumptions which may ultimately not prove to be accurate. Different variables can impact whether these reserves are economically recoverable, including changes with respect to governmental regulations, commodity prices, and taxes. The Company's actual revenues, expenses, and production will likely vary from such estimates and such differences could be substantial.

The rate of production from oil and gas properties generally declines as reserves are depleted. Except to the extent that Otto acquires further properties containing additional reserves, conducts successful exploration and development activities or, through engineering studies (including geoscientific and exploration studies), identifies additional reserves on its existing properties, its reserves will decline as its production continues. Otto's future oil and gas production is, therefore, dependent upon its level of success in acquiring, finding and/or developing additional reserves. Because Otto's revenues and profits are derived from its oil and gas operations, its results of operations and financial condition are directly related to the success of its exploration, acquisition and development efforts and its ability to replace existing reserves. A failure to acquire or discover new reserves or enhance existing reserves in sufficient quantities to maintain or grow the current level of its reserves could have a material adverse effect on its business and financial performance.

Project development and delivery risk

Otto undertakes investments in oil and gas projects to extract, process and supply oil and gas including SM 71, Lightning, GC21 and any future discoveries. Such projects may be delayed or be unsuccessful for many reasons including unanticipated economic, financial, operational, engineering, technical, environmental, contractual, regulatory, community or political events. Delays, changes in scope, cost increases or poor performance outcomes pose risks that may impact Otto's financial performance.

Economic conditions

The operating and financial performance of Otto is influenced by a variety of general economic and business conditions, including interest rates and exchange rates, access to debt and capital markets and government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including higher than expected inflation rates, could be expected to have an adverse impact on Otto's operating and financial performance and financial position.

Key Risks

Commodity price risk and volatility of oil and gas prices

The Company's main business activities are currently highly exposed to movements in global oil prices and to a lesser extent, changes in gas prices. The prices of oil, natural gas and other hydrocarbon products remain outside the control of the Company. A significant change in commodity prices would impact the company's profitability and its ability to meet its forecasts.

The prices of oil and natural gas have fluctuated greatly in response to changes in many factors. Currently Otto is in a situation where oil (and to some extent also natural gas) prices are around 22% lower than the highs of early January 2020. Over the past 10 years WTI oil has traded at over US\$110/bbl and under US\$30/bbl. There are several reasons for this but fundamental market forces beyond Otto's control or the control of other market participants have impacted and will continue to impact oil and natural gas prices in the future.

Generally, Otto does not and will not have control over the factors that affect the prices of oil and natural gas. These factors include:

- economic and political developments in resource-producing regions;
- global and regional supply and demand;
- the ability of the Organisation of the Petroleum Exporting Countries and other producing nations to influence global production levels and prices;
- government regulations and actions;
- global economic conditions;
- war or other international conflicts;
- changes in population growth and consumer preferences;
- the price and availability of new technology; and
- weather conditions

It is impossible to predict future price movements for oil and natural gas with certainty. A prolonged period of low oil and natural gas prices will adversely affect Otto's business, the results of operations, financial condition, liquidity and its ability to finance planned capital expenditure, including possible reductions in capital expenditures which could offset replacement reserves. Rapid material and/or sustained reductions in oil, gas or product prices can have an impact on the validity of the assumptions on which strategic decisions are based and can have an impact on the economic viability of projects that are planned or in development.

Currently Otto has no hedging in place beyond 2022 for oil sales. Hedging of future oil production is considered on an ongoing basis and Otto may hedge in the future.

Exploration and development risk

Oil and gas exploration, development and production activities are inherently subject to numerous risks, including the risk that drilling and development will not result in commercially viable oil and gas production. The identification of drilling locations relies on technical interpretation and is therefore subjective in nature and subject to numerous geological risks. Further, the successful drilling and development of a well for production is also subject to numerous sub-surface, technical, drilling, completion, development and other risks which may impact the commerciality of production.

Reliance on key personnel

The Company's primary intellectual asset is the skill and experience of its staff. It is essential that appropriately skilled staff be available in sufficient numbers to support the Company's operations. While the Company has initiatives to mitigate this risk, loss of key staff or failure to attract new staff may have a negative impact on the financial performance or otherwise of the Company and in particular its ability to expand its business. The loss of key staff to a competitor may magnify this impact. There can be no assurance that Otto will be able to continue to attract and retain all personnel necessary for the development and operation of the business.

Key Risks

Environmental risks

Potentially hazardous activities arise in connection with Otto's business. A significant safety or environmental incident or the failure of safety processes or of occupational health plans, as well as a breach of regulatory or contractual obligations, could materially adversely affect results of operations and reputation. Otto is also subject to laws and regulations governing health and safety matters to protect the public, employees and contractors, who could potentially be harmed by these activities, as well as laws and regulations relating to pollution, the protection of the environment, and the use and disposal of hazardous substances and waste materials.

The cost of future environmental remediation obligations is often inherently difficult to estimate and uncertainties can include the extent of contamination, the appropriate corrective actions and share of the liability. If more onerous requirements are imposed or the Company's ability to recover costs under regulatory frameworks changes, this could have a material adverse impact on the business, reputation, results of operations and financial position of Otto.

Otto may be exposed to a number of potential impacts of climate change over time, which could lead to demographic changes, changes in consumption patterns and physical risks to Otto's operations and facilities. As a result, the potential impact from climate change, both physical and as a result of new related policies and regulations, may have an adverse impact on Otto's operations or financial performance.

Operating hazards and natural disasters

Otto is subject to operating hazards normally associated with the exploration for, and production of oil and gas. Operating hazards may be due to technical integrity failure, loss of well control, vessel collision, loading or unloading operations, an aviation incident, a pipeline incident or cyber-attack. Operating hazards along with natural disasters (eg hurricanes), inclement weather, acts of terrorism, operator error or other occurrences can result in adverse events, including, without limitation, diminished production, additional costs, major unplanned outages, labour disruptions, fires, equipment failure, loss of well control, blowouts, cratering, pollution and oil spills.

The occurrence of any such operating hazard or risk could result in substantial losses to Otto due to injury or loss of life and damage to or destruction of oil and gas wells, formations, production facilities or other properties and the environment, as well as regulatory action, legal liability and damage to Otto's reputation. The effect could be particularly significant were an event of this nature to occur at Otto's SM 71 oil field. A sustained interruption in production could have an adverse effect on Otto's financial performance. Additionally, Otto's operations are often conducted in difficult or environmentally sensitive locations, in which the consequences of a spill, explosion, fire or other incident could be greater than in other locations. Accordingly, the risk of Otto's failure to abide by environmental and safety and protection standards is inherent in Otto's operations. Such failure could lead to damage to the environment, and result in regulatory action, legal liability, material costs and damage to its reputation. It could also impact Otto's licence to operate. In certain circumstances, liability could be imposed irrespective of fault.

Regulatory risk

Changes in law or regulation or regulatory policy and precedent could result in a materially adverse effect. Decisions or rulings concerning, for example, whether licences, approvals or agreements to operate or supply are subject to new, more onerous regulatory requirements impacting timely recovery of incurred expenditure or obligations, the ability to pass through commodity costs and other decisions relating to the impact of general economic conditions on Otto, its markets and customers and in relation to proposed business development activities, could have a material adverse impact on results of operations, cash flows, the financial condition of the business and the ability to develop the business in the future.

Occupational health and safety risk

The conduct of exploration for, and development and production of, hydrocarbons may expose Otto's staff to potentially dangerous working environments. Occupational health and safety legislation and regulations differ in each jurisdiction. If any of Otto's employees suffered injury or death, compensation payments or fines may have to be paid, and such circumstances could result in the loss of a license or permit required to carry on the business, or other regulatory sanction, all of which have the potential to impact Otto's cash flow, operations and ability to make future distributions (should Otto decide to do so).

Key Risks

Industry competition and energy demand

The availability of a market for oil and gas in the future will depend in part on cost and availability of alternate fuels, the level of consumer demand, the extent of domestic production of oil and gas, the extent of important foreign oil and gas, the cost of and proximity of Otto projects to pipelines and other transportation facilities, regulations by state and federal authorities and the cost of complying with applicable environmental regulations. There is a risk that increased industry competition could impact on oil and gas supply and demand that could negatively impact on prices and therefore on Otto's business.

Insurance risk

Otto maintains insurance against losses and liabilities in accordance with customary industry practices and in amounts that management of Otto believes to be prudent. However, insurance against all operational risks is not available to Otto. Otto does not carry business interruption/loss of profits insurance. Otto may elect not to carry insurance with regard to specific risks if management of Otto believes that the cost of available insurance is excessive relative to the risks presented.

In addition, losses could occur for uninsured risks or in amounts in excess of existing insurance coverage. Otto cannot insure fully against pollution and environmental risks. Otto cannot assure Shareholders that it will be able to maintain adequate insurance in the future at rates they consider reasonable or that any particular types of coverage will be available.

In the event that there are insufficient insurance arrangements in place, Otto may be exposed to material capital losses, or losses that may impact revenue generation and the financial performance of the Company.

Inability to achieve future growth

Otto may experience difficulty in achieving and managing future growth.

Otto has experienced growth in the past primarily through expansion of its drilling program. Future growth may place strains on financial, technical, operational and administrative resources and cause Otto to rely more on project partners and independent contractors, possibly negatively affecting its financial position and results of operations. Otto's ability to grow will depend on a number of factors, including the results of its drilling program, hydrocarbon prices and access to capital along with its ability to:

- obtain leases or options on properties, including those for which Otto has 3-D seismic data;
- acquire additional 3-D seismic data;
- identify and acquire new opportunities;
- develop existing prospects;
- continue to retain and attract skilled personnel; and
- maintain or enter into new relationships with project partners and independent contractors

Otto may not be successful in upgrading technical, operations and administrative resources or in increasing its ability to internally provide certain of the services currently provided by outside sources, and Otto may not be able to maintain or enter into new relationships with project partners and independent contractors. Otto's inability to achieve or manage growth may adversely affect its financial position and results of operations.

Exchange rate risk

The revenues, expenses, earnings, assets and liabilities of the Company, as well as the listed price of the Company Shares and, accordingly, your investment in the Company, may be exposed adversely to exchange rate fluctuations. All Otto's revenues are derived from USD sales and the majority of the Company's expected expenditure will be in USD. Otto's functional and presentation currency of its financial statements is also USD. Any appreciation of the AUD against the USD effectively reduces the AUD value of the revenue net of the USD costs and reduces the AUD value of net assets. Further, any appreciation of USD against the AUD will have a detrimental impact on the use of AUD funds raised for the purposes of USA expenditure. The Company does not presently engage in currency hedging to offset any risk of currency fluctuations however the current policy is to hold the majority of its cash balances to United States dollars.

Key Risks

Joint venture relationships

The majority of Otto's' business is carried on through joint ventures. The use of joint ventures is common in the exploration and production industry and serves to mitigate the risk and associated cost of exploration, production and operational failure. However, failure of agreement or alignment with joint venture partners, or the failure of third party joint venture operators, could have a material effect on Otto's' business. The failure of joint venture partners to meet their commitments and share costs and liabilities can result in increased costs to Otto.

Risk of litigation or arbitration

From time to time, Otto may be subject to litigation, arbitration, regulatory investigations and inquiries, claims and disputes arising out of its operations. Damages claimed under such proceedings or claims may be material or may be indeterminate, and the outcome of such litigation, arbitration, investigation, inquiry, claim or dispute could materially and adversely affect its business, results of operations or financial condition. While Otto assesses the merits of each claim and defends accordingly, it may be required to incur significant expenses in defending against such claims and there can be no guarantee that a court or tribunal finds in Otto's favour. In addition, proceedings to which Otto is not directly subject may have a material adverse effect on its business, reputation and financial performance.

Taxation

Changes in the interpretation or application of existing taxation laws by the courts or taxation authorities in Australia, or changes to the laws themselves, may affect the taxation treatment of an investment in Otto shares or the holding or disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Otto operates or has operated, may impact Otto's future tax liabilities.

Facility Agreement

Otto has entered into a facility agreement with Macquarie Bank Limited (Macquarie). The facility agreement includes various financial covenants and undertakings. Subject to Otto completing the Placement and accelerated component of the Entitlement Offer, it will be compliant with the key financial covenants at that time. In the event Otto does not comply with the terms, covenants and undertakings in the facility agreement it may be in breach of its obligations which would entitle Macquarie to exercise its rights under the facility agreement and attaching securities. In that event, the full amount of the loan may become payable earlier than scheduled and, in those circumstances, Otto may have to find alternative funding arrangements and/or alternative financing to repay the loan. There is no guarantee that alternative funding could be sourced, either at all or on terms acceptable to Otto.

Section 249D Notice

The Company received a notice under Section 249D of the Corporations Act from Perennial Investment Management Limited (Perennial) seeking the appointment of 2 nominees to the board of Otto and the removal of John Jetter and Matthew Allen as directors. The notice is invalid and no meeting of shareholders will be convened. There is a risk that a new Section 249D notice will be lodged by Perennial or another party and a meeting of shareholders will be required to be convened. If that occurs there is a risk that the board of Otto could change however this is subject to a shareholder vote.

Coronavirus (COVID-19)

The outbreak of the coronavirus disease ("COVID-19") is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and impact on the Company. If any of these impacts appear materially adverse prior to close of the Entitlement Offer, the Company will notify investors by way of supplementary disclosure.

Other risks

The above risks should not be taken as a complete list of the risks associated with an investment in Otto. The risks outlined above and other risks not specifically referred to may in the future materially adversely affect the Company, or the value of the Shares and their performance. Accordingly, no assurance or guarantee of future performance or profitability is given by Otto in respect of the Company or the Shares.



Pro Forma Consolidated Statement of Financial Position

Notes

1. Derived from the 31 December 2019 financial statements of Otto Energy Limited which were reviewed by the Company's independent auditor, BDO. These can be obtained from the Company's web site at www.ottoenergy.com.
2. The placement and entitlement issue amount is calculated as A\$17.5 million at the current mid point USD:AUD exchange rate at 24 March 2020 of 0.589. Costs of the raising have not been included.
3. The Pro Forma Historical Combined Statement of Financial Position has been prepared solely for inclusion in this investor presentation to provide shareholders with an illustration of the combined consolidated financial position of the Company as if the Placement and Entitlement Offer had occurred at 31 December 2019.
4. Due to its nature, the Pro Forma Consolidated Statement of Financial Position does not represent the Company's actual or prospective financial position.
5. The Historical Financial Information is presented in an abbreviated form and does not include all of the presentation, disclosures, statements or comparatives required by Australian Accounting Standards ("AAS") applicable to general purpose financial reports prepared in accordance with the Corporations Act.
6. The Pro Forma Consolidated Statement of Financial Position has been prepared on a consistent basis with the Company's accounting policies as disclosed in its financial statements for the year ended 30 June 2019 and 31 December 2019.
7. The Pro Forma Historical Combined Statement of Financial Position does not include the impact of normal trading of the consolidated entity, including revenue and capital expenditure, which has occurred since 31 December 2019;

	31-Dec-19 US\$'000	Placement and Entitlement Issue US\$'000	Pro Forma 31-Dec-19 US\$'000
Current assets			
Cash and Cash equivalents	25,719	10,329	36,048
Trade and other receivables	2,328		2,328
Other assets	1,218		1,218
Total current assets	29,265	10,329	39,594
Non-current assets			
Right-of-use assets	460		460
Property, plant and equipment	179		179
Oil and gas properties	37,481		37,481
Other assets	400		400
Total non-current assets	38,520	-	38,520
Total assets	67,785	10,329	78,114
Current liabilities			
Borrowings (net of transaction costs)	6,979		6,979
Trade and other payables	8,414		8,414
Lease liabilities	111		111
Derivative financial instruments	1,394		1,394
Provisions	159		159
Total current liabilities	17,057	-	17,057
Non-current liabilities			
Borrowings (net of transaction costs)	12,131		12,131
Lease liabilities	346		346
Provisions	3,146		3,146
Total non-current liabilities	15,623	-	15,623
Total liabilities	32,680	-	32,680
Net assets	35,105	10,329	45,434
Equity			
Contributed equity	125,041	10,329	135,370
Reserves	14,663		14,663
Accumulated losses	(104,599)		(104,599)
Total equity	35,105	10,329	45,434

Disclaimer (continued from slide 2)

Summary information

This Presentation contains summary information about Otto, its subsidiaries and their activities which is current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Otto or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act.

The historical information in this Presentation is, or is based upon, information that has been lodged with ASIC acting in place of the Australian Securities Exchange (ASX) in its role as operator of a securities exchange and released on ASX's Market Announcements Platform. This Presentation should be read in conjunction with Otto's other periodic and continuous disclosure announcements which are available at www.ottoenergy.com.

Not investment advice

This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation by Otto or its advisers to acquire New Shares and does not and will not form any part of any contract for the acquisition of New Shares. Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Otto and the impact that different future outcomes may have on Otto.

This Presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. Otto is not licensed to provide financial product advice in respect of Otto shares.

Cooling off rights do not apply to the acquisition of New Shares

Financial data

All dollar values are in Australian dollars (A\$ or AUD) unless otherwise stated.

Investors should note that this Presentation contains pro forma financial information. The pro forma financial information and past information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Otto's views on its future financial condition and/or performance. The pro forma financial information has been prepared by Otto in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory reporting requirements in Australia.

Investors should also note that the pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Investors should be aware that certain financial data included in this presentation are 'non-GAAP financial measures' under Regulation G of the U.S. Securities Exchange Act of 1934, as amended. These measures include EBITDA and underlying NPAT. The disclosure of such non-GAAP financial measures in the manner included in the Presentation may not be permissible in a registration statement under the U.S. Securities Act. These non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although Otto believes these non-GAAP financial measures provide useful information to users in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-GAAP financial measures included in this Presentation.

This Presentation contains forecast financial information which has been prepared and presented in accordance with the measurement and recognition principles prescribed in Australia which differs in certain respects from U.S. GAAP. The forecast financial information was not prepared with a view toward complying with the published guidelines of the U.S. Securities and Exchange Commission or guidelines established by the American Institute of Certified Public Accountants (AICPA) with respect to the preparation and presentation of prospective financial information. The forecast financial information does not include presentation and disclosure of all information required by the AICPA guidelines on prospective or pro forma financial information. The forecast financial information may be materially different if it was prepared in accordance with U.S. GAAP. The forecast financial information is highly subjective and should not be relied upon as being necessarily indicative of future results. It has also not been audited.

Disclaimer (cont.)

Investment risk

An investment in Otto shares is subject to known and unknown risks, some of which are beyond the control of Otto and its directors. Although there is financial information in this Presentation, that information (as noted in the 'Financial data' section of this important notice and disclaimer below) is for illustrative purposes only and Otto does not guarantee any particular rate of return or the performance of Otto or its shares. Otto does not guarantee any particular tax treatment (including in relation to the Offer) and the information regarding tax in this Presentation and the Retail Information Booklet is not advice. Investors should have regard to the risk factors outlined in the 'Key risks' section of this Presentation when making their investment decision.

Future performance and forward-looking statements

This Presentation may contain certain 'forward-looking statements' with respect to the financial condition, results of operations and business of the Company and certain plans and objectives of the management of the Company. Forward looking statements can generally be identified by words such as 'may', 'could', 'believes', 'plan', 'will', 'likely', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties, which may include, but are not limited to, the outcome and effects of the subject matter of this Presentation. Indications of, and guidance on, future exchange rates, capital expenditure, earnings and financial position and performance are also forward-looking statements.

You are cautioned not to place undue reliance on forward looking statements as actual outcomes may differ materially from forward looking statements. Any forward-looking statements, opinions and estimates provided in this Presentation necessarily involve uncertainties, assumptions, contingencies and other factors, and unknown risks may arise, many of which are outside the control of the Company. Such statements may cause the actual results or performance of the Company to be materially different from any future results or performance expressed or implied by such forward looking statements. Forward-looking statements including, without limitation, guidance on future plans, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward looking statements speak only as of the date of this Presentation.

Past performance

Investors should note that past performance, including past share price performance of Otto is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Otto performance including future share price performance.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation

Prospective resources cautionary statement

The estimated quantities of petroleum that may potentially be recovered by the application of future development projects relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

Reserves cautionary statement

Oil and gas reserves and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when originally calculated may alter significantly when new information or techniques become available. Additionally, by their very nature, reserve and resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely impact the Company's operations. Reserves estimates and estimates of future net revenues are, by nature, forward looking statements and subject to the same risks as other forward looking estimates

International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

International Offer Restrictions (cont.)

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

British Virgin Islands

The New Shares may not be offered in the British Virgin Islands unless the Company or any person offering the New Shares on its behalf is licensed to carry on business in the British Virgin Islands. The Company is not licensed to carry on business in the British Virgin Islands. The New Shares may be offered to British Virgin Islands business companies from outside the British Virgin Islands without restriction.

International Offer Restrictions (cont.)

Cambodia

This document has not been, and will not be, registered as a disclosure document under the Public Offering Rules and Listing Rules of the SECC. No action has been taken in Cambodia to authorise or register this document with the SECC or to permit the distribution of this document or any documents issued in connection with it in Cambodia. Accordingly, the New Shares may not be offered or sold in Cambodia other than as permitted under Cambodian law.

This document has been given to you on the basis that you are an existing holder of the Company's shares. In the event that you are not, please return this document immediately. You may not forward or circulate this document to any other person in Cambodia.

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Cambodia or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Cambodia (except if required to do so by the securities laws and regulations of Cambodia) other than with respect to the New Shares that are or are intended to be disposed of only to persons outside Cambodia.

The Offer is made to you on the condition that you will not sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Cambodia.

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ASX ANNOUNCEMENT
31 March 2020

Not for distribution to US newswire services or distribution in the United States

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.

Contact: Matthew Allen Managing Director & CEO +61 8 6467 8800 info@ottoenergy.com	Media: Investor Relations: Mark Lindh +61 414 551 361
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2 April 2020

CLARIFYING ANNOUNCEMENT – INVESTOR PRESENTATION

Otto Energy Limited (**OEL** or **the Company**) (ASX: OEL) refers to the announcements released on 26 March 2020 regarding an institutional placement (**Placement**) and partially underwritten, accelerated non-renounceable entitlement offer (**Entitlement Offer**) which together intend to raise up to a total of A\$17.5 million (before associated costs).

The Company wishes to provide further information in respect of the Macquarie Facility, as referenced on page 32 of the Investor Presentation released on 26 March 2020.

Macquarie – Facility Agreement

As announced on 4 November 2019, the Company entered into a three-year senior secured loan facility agreement with Macquarie Bank Limited (**Macquarie**) (**Facility Agreement**) pursuant to which Macquarie agreed to advance an initial loan facility of US\$35 million (in two tranches of US\$25 million (**Tranche A-1**) and US\$10 million (**Tranche A-2**)) with an additional US\$20 million (**Tranche B**) available to the Company, subject to certain conditions being satisfied by the Company during the three-year term (**the Facility**).

Among other conditions, utilisation of the Facility is subject to and conditional on:

- a) no event of default occurring; and/or
- b) no “review event” occurring, or if it has, the review event being rectified within 30 business days of its occurrence.

The events of default under the Facility Agreement are standard for agreements of its nature and include events such as non-payment, failure to satisfy certain financial covenants, non-compliance with finance documents, misrepresentation, cross default and the Company becoming insolvent or an action being brought against it which would have the effect of declaring the Company insolvent, among others.

OEL confirms that an event of default has not occurred under the Facility Agreement.

A “review event” will occur if, as at 20 April 2020, the Company has less than US\$17.5 million cash at bank. The effect of a review event is that the Company has 30 business days to remedy its occurrence prior to Macquarie taking any action under the Facility Agreement. Such review event has not occurred and upon the Company completing the Placement and Institutional Entitlement Offer and raising not less than US\$7.3 million, the Company does not currently expect a review event to occur at any time in the future.

The Facility Agreement provides that failure to remedy an event of default or review event (with such review event not having been remedied within 30 business days) does entitle Macquarie to cancel the Facility and declare all amounts owing immediately due and payable, in which case the Company would need to source alternative funding arrangements and/or alternative financing to repay the Facility.

In addition to the information set out above, the Company confirms that:

- a) US\$22,000,000 has been utilised under the Tranche A-1 Facility;
- b) no amount has been utilised under the Tranche A-2 Facility;
- c) no amount has been utilised under the Tranche B Facility to date;
- d) as at the date of this announcement, the Company has US\$14.29 million cash at bank; and
- e) should the Placement and Institutional Entitlement Offer proceed as contemplated, the Company will have approximately US\$18 million cash at bank as at 20 April 2020 and will remain in compliance with its obligations under the Facility Agreement.

Except as clarified by this announcement, all other information regarding the Company, Placement and Entitlement Offer as stated in the announcements released on 26 March 2020 remain unchanged.

This announcement has been authorised for release by the Company's board of directors.

Contact: Matthew Allen Managing Director & CEO +61 8 6467 8800 info@ottoenergy.com	Media: Investor Relations: Mark Lindh +61 414 551 361
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Section 5 Additional information

5.1 Use of Funds

The Company intends that the funds raised from the Placement and Entitlement Offer will be used, in conjunction with cash flows from Otto's 50% owned SM 71 oil field and future cash flows from the Lightning development, to reimburse OEL's share of the upcoming SM71 F5 well funding, for contingent expenditure on current developments and future developments, working capital to provide a prudent cash buffer given the impact of current market and oil price conditions.

Specifically, the Company intends to use the funds raised from the Placement and Entitlement Offer as follows:

	AUD\$million
Reimbursement of funding of the Company's 50% share of the South Marsh Island 71 F5 development well	7.5
Contingent expenditure on current developments and future development wells	7.5
Working capital liquidity	1.5
Transaction costs	1

The above table is a statement of current intentions as of the date of this Retail Offer Booklet. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

Actual expenditure may differ significantly from the above estimates due to a change in market conditions, the development of new opportunities and other factors (including the risk factors outlined in the Investor Presentation).

The Board believes that the funds raised from the Offer, combined with existing funds, provide the Company with sufficient working capital to progress its business objectives.

5.2 Capital structure of Otto

The capital structure on completion of the Entitlement Offer is expected to be as follows:

Shares currently on issue	2,460,464,725
Placement as announced on 26 March 2020	231,109,326
Total shares on issue post-placement	2,691,574,051
New Shares offered under the Entitlement Offer (includes Institutional and Retail)(approximately)	2,691,574,051
Total Shares on issue on completion of the Entitlement Offer	5,383,148,102

5.3 Macquarie Facility

As announced by the Company on 4 November 2019, the Company has entered into a three – year senior secured term debt facility agreement with Macquarie Bank Limited (**Macquarie**). The facility agreement includes various financial covenants and undertakings.

The key financial covenants and undertakings are that the Company is required to have a cash reserve of USD\$5 million at all times, and must also have a minimum cash balance of USD\$17.5 million at 31 March 2020 (**Minimum Liquidity Amount**), which includes the USD\$5 million cash reserve. By letter dated 24 March 2020, Macquarie and the Company agreed to vary this covenant, such that the Company must satisfy the Minimum Liquidity Amount at 20 April 2020.

Subject to Otto completing the Placement and the Institutional Entitlement Offer, it will be compliant with the key financial covenants at that time (see above use of funds).

In the event Otto does not comply with the terms, covenants and undertakings in the facility agreement it may be in breach of its obligations which would entitle Macquarie to exercise its rights under the facility agreement and attaching securities. In that event, the full amount of the debt facility drawn down may become payable earlier than scheduled and, in those circumstances, Otto may have to find alternative funding arrangements and/or alternative financing to repay the debt. There is no guarantee that alternative funding could be sourced, either at all or on terms acceptable to Otto.

5.4 Eligible Retail Shareholders

This Retail Offer Booklet is being offered to Eligible Retail Shareholders only.

Eligible Retail Shareholders are persons at 7:00pm (Sydney time) on the Record Date who:

- are registered as a holder of Shares;
- have a registered address on the Otto share register in Australia, New Zealand, the United Kingdom, British Virgin Islands, Hong Kong, Singapore or Cambodia;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such persons hold Shares and are acting for the account or benefit of a person in the United States);
- did not participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as ineligible institutional shareholders under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Retail shareholders who are not Eligible Retail Shareholders are ineligible retail shareholders (**Ineligible Retail Shareholders**). Otto reserves the right to determine whether a retail shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY® or EFT (overseas holders), you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Otto may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

Otto has decided, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the Corporations Act, that it is unreasonable to make offers under the Retail Entitlement Offer to retail shareholders who are in the United States or are acting for the account or benefit of a person in the United States (to the extent such persons hold Shares and are acting for the account or benefit of a person in the United States) or who have registered addresses outside Australia, New Zealand, the United Kingdom, Hong Kong, Singapore and Cambodia, having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the relevant legal and regulatory requirements in those places, including the cost of complying with the relevant legal and regulatory requirements.

Otto may (in its absolute discretion) extend the Retail Entitlement Offer to shareholders who have registered addresses outside Australia, New Zealand, the United Kingdom, Hong Kong, Singapore and Cambodia (except the United States) in accordance with applicable law.

5.5 Foreign holder nominee

The Company has appointed the Underwriter as an ASIC approved nominee to act as nominee for the purposes of section 615 of the Corporations Act (**Nominee**).

The nominee sale procedure will be implemented in accordance with section 615 of the Corporations Act as follows:

- (a) the Company will, at the issue price of \$0.006, issue to the Nominee, the New Shares that Ineligible Retail Shareholders would be entitled to if they were eligible to participate in the Entitlement Offer (**Nominee Shares**);
- (b) the Nominee will then offer the Nominee Shares to sophisticated and/or institutional investors as part of the Institutional Bookbuild and otherwise in a manner and at such time as determined by the Nominee in its absolute and sole discretion; and

- (c) the net proceeds of the sale of the Nominee Shares (after deducting the aggregate subscription price of the Nominee Shares and costs of sale including brokerage and commission), if any, will be distributed to the Ineligible Retail Shareholders for whose benefit the New Shares are sold in proportion to their shareholdings as at the Record Date.

If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. Accordingly, there is a possibility that Ineligible Retail Shareholders may receive no net proceeds if the subscription price plus costs of the sale of the Nominee Shares are greater than the sale proceeds. The Company and the Nominee will not be held liable for a failure to obtain any net proceeds, or for the sale of any the Nominee Shares at any particular price or the timing of such sale.

5.6 Ranking of New Shares

New Shares issued under the Retail Entitlement Offer will be fully paid and from allotment rank equally in all respects with existing Shares and will be entitled to dividends/distributions on the same basis as existing Shares. The rights and liabilities attaching to the New Shares are set out in Otto's constitution, a copy of which is available upon request to Otto.

5.7 Reconciliation

The Entitlement Offer is a complex process and in some instances, investors may believe that they owned more Shares than they ultimately were recorded as holding as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. This may result in a need for reconciliation to ensure all Eligible Retail Shareholders have the opportunity to receive their full Entitlement.

Otto may need to issue a small quantity of additional New Shares to ensure all Eligible Retail Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the Offer Price.

Otto also reserves the right to reduce the size of Entitlements or the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders or other applicable investors, if Otto believes in its absolute discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims, or if they are not Eligible Retail Shareholders.

5.8 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they have been rounded up to the nearest whole number of New Shares.

5.9 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

If Otto believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

- beneficiaries on whose behalf they hold existing Shares who would not satisfy the criteria for being an Eligible Retail Shareholder;
- eligible institutional shareholders who participated in the Institutional Entitlement Offer (whether they accepted their Entitlements or not) and institutional shareholders who were treated as ineligible institutional shareholders under the Institutional Entitlement Offer; or
- Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees or custodians for other persons must not take up any Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States (to the extent such persons hold Shares and are acting for the account or benefit of a person in the United States) will not be able to exercise any Entitlements and may receive no payment or value for them.

Otto is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws. Otto is not able to advise on foreign laws.

5.10 Allotment, quotation and trading

Otto will apply to ASX for official quotation of the New Shares, in accordance with ASX Listing Rules requirements. If ASX does not grant such quotation of the New Shares, Otto will repay all Application Monies (without interest).

Subject to approval being granted, it is expected that normal trading of New Shares allotted under the Retail Entitlement Offer will commence at 10am (Sydney time) on Friday, 24 April 2020. It is expected that allotment of the New Shares under the Retail Entitlement Offer will take place on Thursday, 23 April 2020. Application Monies will be held by Otto on trust for applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of applicants to determine the number of New Shares allotted and issued to them prior to trading in such shares. The sale by an applicant of New Shares prior to receiving their holding statement is at the applicant's own risk.

5.11 Continuous disclosure

Otto is a 'disclosing entity' under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports. Otto is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to the stock markets conducted by the ASX. In particular, Otto has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its securities. That information is available to the public from the ASX and can be accessed at www.asx.com.au.

Some documents are required to be lodged with ASIC in relation to Otto. These documents may be obtained from, or inspected at, an ASIC office.

5.12 Underwriting arrangements

The Company and the Underwriter entered into an Underwriting Agreement whereby the Underwriter agreed to fully underwrite, lead manage and act as bookrunner of the Entitlement Offer.

The Underwriting Agreement is subject to customary conditions precedent. Outstanding conditions precedent to the underwriting include the Company providing the relevant certificates and sign-offs at settlement of the Retail Entitlement Offer, no regulatory intervention, and ASX not indicating it will grant permission for the official quotation of the Retail Entitlement Shares on or before 7:00am (Perth time) on settlement of the Retail Entitlement Offer.

The Underwriter may at any time, at the Underwriter's cost, appoint sub-underwriters to sub-underwrite the Entitlement Offer and nominate the allottees of some or all of the Shortfall (if any).

The Underwriter is solely responsible for any sub-underwriting fees due to any sub-underwriters appointed by them under the Underwriting Agreement (including directors of the Company who act as sub-underwriter). To put this another way, no sub-underwriter will be paid any fees by the Company and the fees payable by the Company to the Underwriter will not increase as a consequence of the appointment of any sub-underwriter by the Underwriter.

The fees payable to the Underwriter are as follows. Each of the following are payable by the Company to the Underwriter in cash:

- an underwriting fee of 2% of the funds raised under the Placement;
- a management fee of 1% of the funds raised under the Placement;
- an underwriting fee of 3% of the funds raised under the Institutional Entitlement Offer;
- a management fee of 1% of the funds raised under the Institutional Entitlement Offer;
- an underwriting fee of 3% of the funds raised under the Retail Entitlement Offer; and
- a management fee of 1% of the funds raised under the Retail Entitlement Offer.

The Underwriter is also entitled to payment of agreed legal fees, and reasonable out of pocket expenses.

The Underwriting Agreement contains customary termination rights, including as to market fall, material adverse change, and adverse changes or hostilities in specified financial markets and jurisdictions. Additionally, if the Entitlement Offer were to be extended by the Company, the Underwriting Agreement has an end date of 30 June 2020, and the Underwriter's obligations in relation to the Entitlement Offer will end on that date.

The Underwriting Agreement otherwise contains customary terms, including indemnities by the Company, representations and warranties by the Company and the Underwriter.

5.13 Withdrawal of the Entitlement Offer

Otto reserves the right to withdraw or vary all or part of the Entitlement Offer and this information at any time, subject to applicable laws, in which case Otto will refund Application Monies in relation to Entitlements and New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, Otto may only be able to withdraw the Entitlement Offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Monies paid by you to Otto will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Otto.

Section 6 Glossary

Terms	Definitions
A\$	Australian dollars or cents.
ABN	Australian Business Number
Additional New Shares	New Shares subscribed to in excess of the Entitlement.
Application	Arrangement for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies.
Application Monies	Offer Price multiplied by the number of New Shares applied for by BPAY®, or in a duly completed Entitlement and Acceptance Form.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange.
ASX Announcements	As defined in Section 4.
ASX Listing Rules	Rules governing the admission of entities to the official list, quotation of securities, suspension of securities from quotation and removal of entities from the official list. They also govern disclosure and some aspects of a listed entities conduct.
ATO	Australian Tax Office.
BPAY®	BPAY Pty Ltd (ACN 079 137 518).
CHESS	Clearing House Electronic Subregister System.
CGT	Capital gains tax.
Company	Otto Energy Limited (ACN 107 555 046).
Corporations Act	Corporations Act 2001 (Cth).
EFT	Electronic Funds Transfer
Eligible Retail Shareholder	As defined in Section 5.4.
Entitlement	The right to participate in a 1 for 1 pro-rata accelerated non-renounceable entitlement offer of new Otto ordinary shares, pursuant to the Entitlement Offer.
Entitlement and Acceptance Form	Form accompanying the Retail Offer Booklet.
Entitlement Number	Unique identifying number for each shareholding (also the payment reference number for Electronic Funds transfer (EFT) payments)
Entitlement Offer	Institutional Entitlement Offer and the Retail Entitlement Offer.
GST	Goods and Services Tax.
HIN	Holder Identification Number.
Ineligible Retail Shareholders	Retail shareholders who are not Eligible Retail Shareholders.
Institutional Entitlement Offer	Pro-rata accelerated non-renounceable entitlement offer to eligible institutional shareholders.
Investor Presentation	As defined in Section 4.
Key Dates	As displayed in Key dates for the Retail Entitlement Offer section.
Key Risks	As defined in Section 4.

New Shares	Shares to be allocated and issued under the Entitlement Offer.
Offer Price	\$0.006 per New Share.
Otto	Otto Energy Limited (ACN 107 555 046)
Record Date	7:00pm (AEDT) on Tuesday, 31 March 2020.
Retail Entitlement Offer	Pro-rata accelerated non-renounceable entitlement offer to Eligible Retail Shareholders to subscribe for 1 New Share for every 1 Shares held on the Record Date.
Retail Offer Booklet	This Booklet containing important information about the Retail Entitlement Offer and Otto's business.
Retail Shortfall Offer	The offer of Shortfall to Eligible Retail Shareholders as set out in Section 2.6.
Shares	A fully paid ordinary share in the capital of Otto.
Share Registry	Link Market Services Limited (ABN 54 083 214 537).
Shortfall	The difference between the Entitlements being offered to Eligible Retail Shareholders under the Retail Entitlement Offer and the Entitlements take up by Eligible Retail Shareholders.
SRN	Security Reference Number.
Subscription	Subscription of New Shares by Eligible Retail Shareholders.
TERP	Theoretical Ex-Rights Price.
TFN	Tax File Number.
TOFA Provisions	The Taxation of Financial Arrangements rules pursuant to Division 230 of the Income Tax Assessment Act 1997 (Cth).
Underwriter	Euroz Securities Limited (ACN 089 314 983), an Australian financial services licensee with licence number 243 302.
Underwritten Amount	A\$10,613,344
USD\$	United States dollars
US Securities Act	US Securities Act of 1933.

Corporate Directory

Company

Otto Energy Limited
Ground Floor
70 Hindmarsh Square
Adelaide SA 5000

Telephone Contact Details

Within Australia: 08 6467 8800
Outside of Australia: +61 8 6467 8800

Underwriter

Euroz Securities Limited
Level 18, Alluvion
58 Mounts Bay Road,
Perth WA 6000

Financial Adviser

Adelaide Equity Partners Limited
Ground Floor
70 Hindmarsh Square
Adelaide SA 5000

Legal Adviser

Steinepreis Paganin
Level 4, 16 Milligan Street
Perth WA 6000

Share Registry

Link Market Services Limited
Level 12, QV.1
250 St Georges Terrace
Perth WA 6000



Otto Energy Limited

ACN 107 555 046

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 08 6467 8800
From outside Australia: +61 8 6467 8800
ASX Code: OEL
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as
at the Record Date, 7:00pm (AEDT)
on 31 March 2020:

Entitlement to New Shares
(on a 1 New Share for 1 basis):

Amount payable on full acceptance
at A\$0.006 per Share:

Offer Closes
5:00pm (AEDT):

16 April 2020

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 1 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.006 per New Share. You may also apply for Additional New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Retail Offer Booklet dated 3 April 2020. The Retail Offer Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Retail Offer Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Retail Offer Booklet.

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for Additional New Shares, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEDT) on 16 April 2020. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (AEDT) on 16 April 2020.



Biller Code: 318048
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au
® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment



ACN 107 555 046



SRN/HIN:

Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)

B Number of Additional New Shares

C Total number of New Shares accepted (add Boxes A and B)

+

=

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Otto Energy Limited Entitlement Offer” and crossed “Not Negotiable”.

Drawer

Cheque Number

BSB Number

Account Number

Amount of Cheque

A\$

E CONTACT DETAILS – Telephone Number

Telephone Number – After Hours

Contact Name

OTTO ENERGY LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia, New Zealand, United Kingdom, Hong Kong, Singapore, British Virgin Islands and Cambodia. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Retail Offer Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Retail Offer Booklet and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Otto Energy Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.006.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **Additional New Shares** above your Entitlement for which you wish to apply into Box B. Your Application for Additional New Shares may not be successful (wholly or partially). The decision of Otto Energy Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Otto Energy Limited Entitlement Offer" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Otto Energy Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Retail Offer Booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Otto Energy Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

Otto Energy Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEDT) on 16 April 2020. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Otto Energy Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Company on 08 6467 8800 (within Australia) or +61 8 6467 8800 (outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.



Otto Energy Limited

ACN 107 555 046

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 08 6467 8800
From outside Australia: +61 8 6467 8800
ASX Code: OEL
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as
at the Record Date, 7:00pm (AEDT)
on 31 March 2020:

Entitlement to New Shares
(on a 1 New Share for 1 basis):

Amount payable on full acceptance
at A\$0.006 per Share:

Offer Closes
5:00pm (AEDT): **16 April 2020**

ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 1 Existing Shares that you hold on the Record Date, at an Offer Price of A\$0.006 per New Share. You may also apply for Additional New Shares in excess of your Entitlement, at the Offer Price. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Retail Retail Offer Booklet dated 3 April 2020. The Retail Retail Offer Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Retail Retail Offer Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Retail Retail Offer Booklet.

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for Additional New Shares, you have three payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEDT) on 16 April 2020. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (AEDT) on 16 April 2020.

OPTION 3: PAYING ELECTRONIC FUNDS TRANSFER (EFT)

If paying by EFT you do **NOT** need to complete or return the Acceptance Slip attached to this Application Form below. Payment must be received by the Registry by 5:00pm (AEDT) on 16 April 2020. The bank account to make payment to is outlined below:

Bank: Commonwealth Bank of Australia
BSB: 062-028
Account Number: 11781440
Account Name: PCPL - ITF OTTO ENERGY LIMITED
Swift Code: CTBAAU2SXXX
Bank Branch / Address: Town Hall Sydney / 546 George Street, Sydney NSW 2000
Payment Reference:

If you choose to make an EFT payment then you **must** use your Entitlement Number as the payment reference. If you do not use the Entitlement Number as your payment reference then your application may not be reconciled and considered an incomplete application with your Application Monies returned to you after the Offer has been completed.

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au
® Registered to BPAY Pty Ltd ABN 69 079 137 518



Biller Code: 318048
Ref:

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment



ACN 107 555 046



SRN/HIN:

Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)

B Number of Additional New Shares

C Total number of New Shares accepted (add Boxes A and B)

<input type="text"/>	+	<input type="text"/>	=	<input type="text"/>
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D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Otto Energy Limited Entitlement Offer” and crossed “Not Negotiable”.

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/> A\$

E CONTACT DETAILS – Telephone Number

Telephone Number – After Hours

Contact Name

<input type="text"/>	<input type="text"/>	<input type="text"/>
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OTTO ENERGY LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia, New Zealand, United Kingdom, Hong Kong, Singapore, British Virgin Islands and Cambodia. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Retail Offer Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY® or EFT:

- you represent and warrant that you have read and understood the Retail Offer Booklet and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Otto Energy Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$0.006.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

3. IF PAYING BY ELECTRONIC FUNDS TRANSFER (EFT)

Remit your EFT payment as per the instructions outlined in Payment Option 3. Ensure you use your Entitlement Number as the payment reference to enable your payment to be allocated to your holding. Note your bank may apply fees or charges to any transfer and any conversion to Australian dollars from a foreign currency will impact the amount of Australian dollars received by Otto Energy Limited. The net Australian dollar funds received will be considered as an Application for as many New Shares as your Application Monies will pay for in full at the Offer Price.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares

You can apply for more New Shares than your Entitlement. Please enter the number of **Additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for Additional New Shares may not be successful (wholly or partially). The decision of Otto Energy Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Otto Energy Limited Entitlement Offer" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Otto Energy Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Retail Offer Booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® or EFT you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Otto Energy Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

Otto Energy Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEDT) on 16 April 2020. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Otto Energy Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Company on 08 6467 8800 (within Australia) or +61 8 6467 8800 (outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.