

## Issue of Advisory Options

Otto Energy Ltd (Otto; ASX: OEL) advises that 30,000,000 options (Options) have been issued to Foster Stockbroking Pty Ltd pursuant to the terms of an Equity Capital Markets Advisory Agreement.

20,000,000 Options have an exercise price of \$0.02 per option and have an expiry date of 27 August 2024 and will not be quoted. 10,000,000 Options have an exercise price of \$0.025 per option and have an expiry date of 27 August 2024 and will not be quoted

The terms and conditions of the Options follow this announcement. An Appendix 3B will be lodged separately.

### Secondary Trading Notice Pursuant to Paragraph 708A(5)(e) of the Corporations Act 2001 ("Act")

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A of the Act. By giving this notice, a sale of the Options noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

- (a) the Company issued the Options without disclosure to investors under Part 6D.2 of the Act;
- (b) as at the date of this Notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and
- (c) as at the date of this Notice, there is no information:
  - i. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - ii. that investors and their professional advisers would reasonably require for the purposes of making an informed assessment of:
    - a. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
    - b. the rights and liabilities attaching to the relevant Options.

This announcement was authorised to be given to ASX by the Board of Otto Energy Limited

For further information contact;

Mike Utsler Executive Chairman +61 8 6467 8800 <a href="mailto:info@ottoenergy.com">info@ottoenergy.com</a>	<b>Investors:</b> Mark Lindh Adelaide Equity Partners +61 (0) 414 551 361	<b>Media:</b> Michael Vaughan Fivemark Partners +61 (0) 422 602 720
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## Terms and Conditions of Advisory Options

The Options entitle the holder to subscribe for Shares on the following terms and conditions:

- a) **Exercise Price**  
 20,000,000 options have an exercise price per Option of \$0.02.  
 10,000,000 options have an exercise price per Option of \$0.025.
- b) **Entitlement**  
 Each Option entitles the option holder (or a nominee) upon exercise to subscribe for and be issued one Share on and subject to these terms and conditions.
- c) **Exercise Period**  
 The period commencing on (and including) the applicable Vesting Date and ending at 2:00 pm (Perth time) on the Expiry Date.
- d) **Expiry Date**  
 The date that is three years after the Vesting Date.
- e) **Ranking**  
 Shares issued upon exercise of Options will be fully paid and rank equally in all respects with all other issued Shares from the date of issue.
- f) **Vesting Date**  
 The Issue Date.
- g) **Transfer of an Option**  
 Options are transferrable at any time prior to the Expiry Date. Each Option may only be transferred, assigned or sold by in a minimum amount of 1,000 Options. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX.
- h) **Method of Exercise of an Option**
- (a) The optionholder may at any time during the Exercise Period give a notice to the Company exercising all or a specified number (with a minimum number of 1,000,000 and a whole multiple of 1,000,000) of Options (Exercise Notice).
  - (b) An Exercise Notice must be in writing and in the form set out in Schedule 1 to these Option Terms, and must be delivered to the registered office of the Company (or such other place as the Company may notify the optionholder in writing).
  - (c) An Exercise Notice for an Option received by the Company before 2.00pm (Perth time) on any Business Day will be deemed to be a notice of the exercise of that Option as at the date of receipt, and otherwise (that is, if received after 2.00pm (Perth time)) will be deemed to be a notice of the exercise of the Option as at the next Business Day.
  - (d) The optionholder may elect (at its absolute discretion) for the Shares to be issued upon exercise of Options held by the optionholder to be issued to a nominee of the optionholder by incorporating a written statement in the Exercise Notice naming the nominee.
- i) **Reconstruction**
- (a) In accordance with ASX Listing Rule 7.22:
    - (i) if the Company consolidates its Shares, the number of Options must be consolidated in the same ratio as the Shares and the Exercise Price must be amended in inverse proportion to that ratio;
    - (ii) if the Company subdivides its Shares, the number of Options must be subdivided in the same ratio as the Shares and the Exercise Price must be amended in inverse proportion to that ratio;
    - (iii) if the Company returns any capital to Option holder of Shares in cash or in kind (including any distribution pursuant to a reduction or buy-back of share capital or any in specie distribution of the cash assets of the Company or otherwise), the number of Options must remain the same, and the Exercise Price must be reduced by the same amount as the amount returned in relation to each Share;
    - (iv) if the Company reduces its capital by a cancellation of paid up capital that is lost or not represented by available assets and there is no cancellation of Shares, the number of Options and the Exercise Price must remain unaltered;
    - (v) if the Company cancels Shares on a pro rata basis, the number of Options must be reduced in the same ratio as the Shares and the Exercise Price of each Option must be amended in inverse proportion to that ratio; and
    - (vi) in the event of any other reconstruction of the issued capital of the Company, the number of Options or the Exercise Price, or both, must be reorganised so that Option holder does not receive a benefit that holders of Shares will not receive.
  - (b) In the event of any reorganisation including subdivision, consolidation, reduction, return or cancellation of the issued capital of the Company on or prior to the Expiry Date, the rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules governing reorganisations in force at the time of the reorganisation:
    - (i) but with the intention that such reconstruction will not result in any benefits being conferred on which are not conferred on holders of Shares; and
    - (ii) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reconstruction of capital, in all other respects the terms for the exercise of the Options will remain unchanged.
- j) **Participation in New Share Issues**  
 There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be such date required under the Listing Rules in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.