



OTTO ENERGY LIMITED
ABN 56 107 555 046

NOTICE OF ANNUAL GENERAL MEETING

TIME: 3pm (WST)

DATE: 21 November 2011

PLACE: University Club of Western Australia
Seminar Room 1
Hackett Drive,
Crawley Western Australia

This Notice of Annual General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Annual General Meeting please do not hesitate to contact the Company Secretary on (08) 6467 8800.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The meeting of the Shareholders of Otto Energy Limited which this Notice of Annual General Meeting relates to will be held at 3pm (WST) on 21 November 2011 at:

University Club of Western Australia
Seminar Room 1
Hackett Drive,
Crawley, Western Australia

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting as soon as possible and either:

- (a) send the proxy form by post to the Company's share registry Link Market Services, Locked Bag A14, Sydney South, NSW 1235; or
- (b) fax your proxy form to the Company's share registry on (+612) 9287 0309; or
- (c) online by visiting www.linkmarketservices.com.au Select 'Investor Login' and enter the holding details as shown on the proxy form. Select the 'Voting' tab and then follow the prompts. You will be taken to have your Proxy Form if you lodge it in accordance with the instructions given on the website

so that it is received not later than 3pm (WST) on 19 November 2011.

Proxy forms received later than this time will be invalid.

NOTICE OF MEETING

Notice is given that the Annual General Meeting of Shareholders of Otto Energy Limited will be held at the University Club of Western Australia, Hackett Drive, Crawley, Western Australia at 3pm (WST) on 21 November 2011 (**AGM**).

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders on 19 November 2011 at 3pm (WST).

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the glossary of the Explanatory Statement.

AGENDA

The Explanatory Statement to this Notice of Meeting describes the matters to be considered at the Meeting.

ADOPTION OF THE ANNUAL FINANCIAL REPORT

To receive the Annual Financial Report, including Directors' declaration and accompanying reports of the Directors and auditors for the financial year ending 30 June 2011.

The Annual Report is available on our website – www.ottoenergy.com.

RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider, and if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the year ended 30 June 2011."

Short Explanation: The Corporations Act provides that a resolution that the remuneration report be adopted must be put to vote at a listed company's annual general meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company.

RESOLUTION 2 – RE-ELECTION OF MR JOHN JETTER AS DIRECTOR

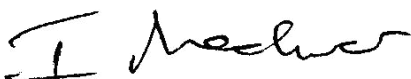
To consider and, if thought fit, to pass with or without amendment, the following resolution as an **ordinary resolution**:

"To elect Mr John Jetter as a director of the Company who retires by rotation pursuant to the ASX Listing Rule 14.4 and being eligible offers himself for re-election."

Short Explanation: In accordance with ASX Listing Rule 14.4 (rotation of Directors) and the Company's Constitution, one third of the Directors must retire by rotation at every Annual General Meeting. Accordingly, Mr Jetter retires by rotation and being eligible for re-election, offers himself for re-election at the Meeting.

DATED: 6 OCTOBER 2011

BY ORDER OF THE BOARD



MR IAN MACLIVER
DIRECTOR

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Meeting.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Annual General Meeting.

SPECIAL BUSINESS OF THE MEETING

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution that the Remuneration Report as set out in the Directors' Report be adopted to vote at the Annual General Meeting. The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the AGM.

Any undirected proxies held by the Chairman of the meeting, other Directors or other Key Management Personnel or any of their closely related parties will not be voted on Resolution 1 (Remuneration Report). If you choose to appoint a proxy you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either **"For"**, **"Against"** or **"Abstain"** on the proxy form for that item of business.

2. RESOLUTION 2 - RE-ELECTION OF MR JOHN JETTER AS DIRECTOR

2.1 Regulatory Requirements – ASX Listing Rule 14.4 and Constitution

In accordance with ASX Listing Rule 14.4, no director of the Company may hold office (without re-election) past the third annual general meeting following their appointment or 3 years, whichever is longer.

However, a director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next annual general meeting of the entity.

Further, in accordance with the Company's Constitution, at every annual general meeting, one third of the Directors for the time being must retire from office and are eligible for re-election.

Mr John Jetter retires by rotation and being eligible offers himself for re-election pursuant to Resolution 2.

Mr Jetter is a solicitor and barrister, a member of the Australia Law Society and has extensive international finance and M&A experience, including being the former CEO and head of investment banking for JP Morgan in Germany.

RESPONSIBILITY FOR INFORMATION

The information concerning the Company contained in this Explanatory Statement, including information as to the views and recommendations of the Directors has been prepared by the Company and is the responsibility of the Company.

The Explanatory Statement does not take into account the individual investment objectives, financial situation and particular needs of individual Shareholders. If you are in doubt as to what you should do you should consult your legal, financial or professional adviser prior to voting.

GLOSSARY

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Company means Otto Energy Limited (ABN 56 107 555 046).

Corporations Act means the *Corporations Act* 2001 (Cth).

Directors mean the current directors of the Company.

Explanatory Statement means this explanatory statement to the Notice of Meeting.

Meeting means the general meeting of Shareholders convened by the Notice of Meeting.

Notice of Meeting means the notice of meeting which forms part of this Explanatory Statement.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Shareholder means a holder of a Share.

WST means Western Standard Time.

\$ means Australian dollars.