



7 February 2012

Jill Hewitt
ASX Compliance Pty Limited
Level 8 Exchange Plaza
2 The Esplanade
Perth WA 6000

Email: jill.hewitt@asx.com.au

Dear Jill

Otto Energy Limited (the "Company") – Director's Interest Notice

We refer to your letter dated 3 February 2012 regarding the late lodgement of an Appendix 3Y for Ian MacIver.

In response to the queries raised in your letter the Company advises as follows:

1. The Appendix 3Y was lodged late due to an inadvertent administrative oversight. The change in notifiable interest arose pursuant to an off market transfer of shares as part of a share buy-back arrangement concerning Grange Consulting Group Pty Ltd of which Ian MacIver is a director and shareholder. There has been no change in ultimate beneficial ownership as a result of the share buyback. The date of the change in notifiable interest was 24 November 2011. The share registry registered the transfer of the shares on 19 January 2012. The delay in lodgement of the Appendix 3Y arose due to incorrect advice that the date of notifiable change in interest was the date the share transfer was registered by the share registry rather than the date of shareholder meeting approving the share buy-back i.e. 24 November 2011. The letter from the share register advising that the transfer had been effected was received on 31 January 2012. A second letter was also subsequently received from the share registry indicating that the transfer was effected on 30 January 2012.
2. The Company considers that it has in place the necessary procedures for compliance with the disclosure obligations under listing rule 3.19A and listing rule 3.19B. Each director is aware of his obligation to advise the Company of all transactions involving both direct and indirect interests in the Company's securities in a timely manner.
3. The Company does not consider its current arrangements as inadequate however the Company will continue to review and update its policies where appropriate to ensure that the forwarding of off market transaction information to the Company by its directors occurs in a timely manner.



Should you have any further queries regarding the above information please contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read "Matthew Allen", written over a horizontal line.

Matthew Allen
Company Secretary



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 PERTH WA 6000

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3 February 2012

Mr M Allen
 Company Secretary
 Otto Energy Limited
 32 Delhi Street
 WEST PERTH WA 6005

Email: allen@ottoenergy.com

Dear Matthew

Otto Energy Limited (the "Company") – Director's Interest Notice

We refer to the following;

1. The Appendix 3Y lodged by the Company with ASX on 3 February 2012.
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.
 - On 1 January 2002.
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.
 The entity must complete Appendix 3X and give it to ASX no more than 5 business days after 1 January 2002 or the entity's admission or a director's appointment.
 - 3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.
 - 3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the

information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix indicated that the change occurred on 24 November 2011, it appears that the Appendix should have been lodged with the ASX prior to 2 December 2011. As the Appendix was lodged on 3 February 2012, it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

1. Please explain why the Appendix was lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail at jill.hewitt@asx.com.au or by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 6.30 a.m. W.S.T.) on Wednesday, 8 February 2012.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

[Sent electronically without signature]

Jill Hewitt
Senior Adviser, Issuers (Perth)