

Appendix 3B

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

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

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Otto Energy Limited

ABN

56 107 555 046

We (the entity) give ASX the following information.

Part 1 - All issues

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

1	+Class of +securities issued or to be issued	Ordinary Shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	236,857,143
	Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Ordinary Fully Paid Shares

+ See chapter 19 for defined terms.

4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes.
5	Issue price or consideration	A\$0.035 per share.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Placement of Tranche 1 shares to institutional and sophisticated investors (refer to ASX announcement dated 25 October 2017).
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i	Yes.
6b	The date the security holder resolution under rule 7.1A was passed	16 November 2016.
6c	Number of +securities issued without security holder approval under rule 7.1	177,944,749
6d	Number of +securities issued with security holder approval under rule 7.1A	58,912,394

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil				
6f	Number of +securities issued under an exception in rule 7.2	Nil				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes. 15 day VWAP to 24 Oct 2017 was A\$0.0423 (Source IRESS) 75% of VWAP = A\$0.0317 (Source IRESS) Issue Price is A\$0.035. Issue Date is 31 October 2017.				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Nil (LR 7.1) 59,717,438 (LR 7.1A)				
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	1 November 2017.				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>1,423,155,467</td><td>Ordinary fully paid shares</td></tr></table>	Number	+Class	1,423,155,467	Ordinary fully paid shares
Number	+Class					
1,423,155,467	Ordinary fully paid shares					

		<table><tr><th>Number</th><th>+Class</th></tr><tr><td>1,620,000</td><td>Unlisted Employee Performance Rights (Measurement date 1/2/2018, Expiry date 31/12/2018)</td></tr><tr><td>6,050,000</td><td>Unlisted Employee Performance Rights (Measurement dates 1/2/2018 and 1/2/2019, Expiry date 31/12/2019 (1,400,000 expire on 31/12/17))</td></tr><tr><td>8,200,000</td><td>Convertible Notes (refer Appendix 3B released to ASX on 2 August 2017 for terms).</td></tr></table>	Number	+Class	1,620,000	Unlisted Employee Performance Rights (Measurement date 1/2/2018, Expiry date 31/12/2018)	6,050,000	Unlisted Employee Performance Rights (Measurement dates 1/2/2018 and 1/2/2019, Expiry date 31/12/2019 (1,400,000 expire on 31/12/17))	8,200,000	Convertible Notes (refer Appendix 3B released to ASX on 2 August 2017 for terms).
Number	+Class									
1,620,000	Unlisted Employee Performance Rights (Measurement date 1/2/2018, Expiry date 31/12/2018)									
6,050,000	Unlisted Employee Performance Rights (Measurement dates 1/2/2018 and 1/2/2019, Expiry date 31/12/2019 (1,400,000 expire on 31/12/17))									
8,200,000	Convertible Notes (refer Appendix 3B released to ASX on 2 August 2017 for terms).									
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)									
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Ordinary fully paid shares - participation available from the date of issue.								

Part 2 - Pro rata issue

Questions 11 to 33 Not Applicable

Part 3 - Quotation of securities

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

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

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

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Questions 35 to 37 - Not Applicable

Entities that have ticked box 34(b)

Questions 38 to 42 - Not Applicable

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
(~~Director~~/Company secretary)

Date: 1 November 2017

Print name:David Rich.....

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Appendix 3B – Annexure 1

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

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,181,908,323
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	4,390,001 Nil Nil
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	1,186,298,324

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	177,944,749
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 Note: • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	177,944,749
“C”	177,944,749
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	177,944,749
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	177,944,749
Total [“A” x 0.15] – “C”	Nil <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,186,298,324
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	118,629,832
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	58,912,394
“E”	58,912,394

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	118,629,832
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	58,912,394
Total [“A” x 0.10] – “E”	59,717,438 <i>Note: this is the remaining placement capacity under rule 7.1A</i>