

The Manager
Market Announcements Office
Australian Securities Exchange
Level 40
Central Park
152-158 St Georges Terrace
Perth WA 6000

31 July 2018

Dear Sir / Madam

Notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016 / 84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016 / 73

This notice is given by Otto Energy Limited (ACN 107 555 046) (**Otto; ASX Code: OEL**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (the **Act**) as modified by the Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016 / 84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016 / 73.

Otto has announced a pro rata accelerated non-renounceable entitlement offer on the ASX (the **Entitlement Offer**) of 1 new fully paid Otto share (**New Share**) for every 9 Otto shares held as at 7.00pm (AEST) on Thursday, 2 August 2018 by Otto shareholders with a registered address in Australia or New Zealand and certain other jurisdictions in which Otto has decided to extend the Entitlement Offer.

A retail entitlement offer booklet will be dispatched to eligible retail shareholders on Tuesday, 7 August 2018.

Otto confirms that:

- (a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) this notice is being given under section 708AA(2)(f) of the Act as modified by CI 2016/84;
- (c) as at the date of this notice, Otto has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to Otto; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act; and
- (e) the potential effect the Entitlement Offer will have on the control of Otto, and the consequences of that effect, will depend on a number of factors, including investor demand and existing shareholdings. However, given:
 - (i) the structure of the Entitlement Offer as a pro rata issue; and

- (ii) the current level of holdings of substantial holders (based on substantial holding notices that have been given to Otto and lodged with ASX on or prior to the date of this notice),

Otto does not expect that the Entitlement Offer will have a material effect on the control of Otto and, as such, does not expect any material consequences to flow from that.

Yours sincerely,

A handwritten signature in dark ink, appearing to read "David Rich".

David Rich
Company Secretary
Otto Energy Limited