

ASX ANNOUNCEMENT

30 April 2019

APPENDIX 3B

Attached is an Appendix 3B which covers:

1. the issue of new shares under the retail entitlement offer; and
2. the issue of new shares upon conversion of 100,000 Convertible Notes held by John Jetter.

In addition to the above, the Company has today redeemed 8,100,000 Convertible Notes. Therefore there are now no Convertible Notes on issue as reflected at item 9 on page 4 (Convertible Notes have been removed from the list of securities).

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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 (*Otto*)

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 | Fully paid ordinary shares in the capital of Otto (each, a <i>Share</i>). |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a) 231,844,010 Shares under the retail portion of the pro rata accelerated non-renounceable entitlement offer announced by Otto on Friday 29 March 2019 (the <i>Retail Entitlement Offer</i>).
b) 2,599,211 Shares issued to John Jetter upon conversion of 100,000 Convertible Notes. |
| 3 | 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) | The new Shares to be issued under a) and b) will be on the same terms as existing Shares on issue. |

+ See chapter 19 for defined terms.

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<p>4 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>Yes, the new Shares to be issued under a) and b) will be on the same terms as existing Shares on issue and will rank equally in all respects with those existing Shares from the date of issue of the new Shares.</p>
<p>5 Issue price or consideration</p>	<p>a) \$0.053 per new Share b) \$0.05418 per new Share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>a) As described in the ASX Announcement and Investor Presentation lodged with the ASX on Friday 29 March 2019, the proceeds received from the issue will be used to:</p> <ul style="list-style-type: none"> • redeem 8.1 million convertible notes on issue (principal of US\$8.1 million plus interest); • participate in the drilling the Bulleit appraisal well in the Green Canyon 21 lease in the Gulf of Mexico; and • working capital including contingent development wells. <p>b) Conversion of 100,000 Convertible Notes.</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes.</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>15 November 2018.</p>
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	<p>Nil.</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil.	
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	a) 231,844,010 (Entitlement Offer) b) 2,599,211 on conversion of Convertible Notes approved at shareholder meeting on 25 July 2017.	
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.	N/A	
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	312,513,904 (Under 7.1) 795,433 (Under 7.1A)	
7	+Issue dates <small>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.</small>	a) The issue date for new Shares under the Retail Entitlement Offer is 1 May 2019. b) The issue date for new Shares upon conversion of the 100,000 Convertible Notes is 30 April 2019.	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		2,460,464,725	Shares

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	4,630,000	Unlisted Employee Performance Rights (Measurement and Expiry date 31/12/2019)
	9,458,000	Unlisted Employee and Director Performance Rights (Measurement Dates 29/11/2019 and 2020, Expiry date 29/11/2022)
	23,789,000	Unlisted Employee and Director Performance Rights (Measurement Dates 15/11/2019, 15/11/2020 and 2021, Expiry date 15/11/2023)
	8,879,000	Unlisted Employee Sign-On Performance Rights (Measurement Dates 15/11/2019 and 2020, Expiry date 15/11/2023)

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Shares issued will have the same dividend rights as existing Shares.
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Part 2 - Pro rata issue

11 Is security holder approval required?	No.
12 Is the issue renounceable or non-renounceable?	Non-renounceable.
13 Ratio in which the +securities will be offered	1 new Share for every 5 Shares held at the Record Date for the Entitlement Offer.
14 +Class of +securities to which the offer relates	Shares.

+ See chapter 19 for defined terms.

- | | | |
|----|--|---|
| 15 | +Record date to determine entitlements | 7pm (Perth time) Tuesday 2 April 2019. |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | No. |
| 17 | Policy for deciding entitlements in relation to fractions | Where fractions arise in the calculation of shareholders' entitlements under the Entitlement Offer they will be rounded up to the nearest whole number of new Shares. |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents

<small>Note: Security holders must be told how their entitlements are to be dealt with.
Cross reference: rule 7.7.</small> | All countries other than Australia, New Zealand, the United Kingdom, Hong Kong, Singapore and Cambodia. |
| 19 | Closing date for receipt of acceptances or renunciations | 5pm (Sydney time) 23 April 2019 under the Retail Entitlement Offer. |

+ See chapter 19 for defined terms.

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20	Names of any underwriters	Morgans Corporate Limited (ABN 32 010 539 607).
21	Amount of any underwriting fee or commission	Management fee: 1% of the proceeds of the Entitlement Offer; Underwriting fee: 3% of the proceeds of the Entitlement Offer.
22	Names of any brokers to the issue	N/A.
23	Fee or commission payable to the broker to the issue	N/A.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A.
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A.
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	No prospectus, product disclosure statement or other disclosure document is being prepared in connection with the Entitlement Offer. A Retail Offer Booklet and Entitlement and Acceptance Form were sent to eligible retail shareholders in connection with the Retail Entitlement Offer on Friday 5 April, 2019.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A.
28	Date rights trading will begin (if applicable)	N/A.
29	Date rights trading will end (if applicable)	N/A.
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A.

+ See chapter 19 for defined terms.

- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance? N/A.
- 32 How do security holders dispose of their entitlements (except by sale through a broker)? N/A.
- 33 ⁺Issue date The issue date for new Shares to be issued under the Retail Entitlement Offer is 1 May 2019.

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

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

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Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

N/A.

39 +Class of +securities for which quotation is sought

N/A.

40 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

N/A.

41 Reason for request for quotation now

 Example: In the case of restricted securities, end of restriction period

 (if issued upon conversion of another +security, clearly identify that other +security)

N/A.

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A.	N/A.

+ See chapter 19 for defined terms.

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.



30 April 2019

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

Print name: ...David Rich.....
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+ See chapter 19 for defined terms.

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	1,530,928,490														
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; text-align: right;">51,633,664</td> <td>(9 August 2018 – Institutional Entitlement Offer)</td> </tr> <tr> <td style="text-align: right;">118,471,930</td> <td>(28 August 2018 – Retail Entitlement Offer)</td> </tr> <tr> <td style="text-align: right;">4,729,000</td> <td>(21 December 2018 - Vested performance rights)</td> </tr> <tr> <td style="text-align: right;">10,000</td> <td>(25 February 2019 - Vested performance rights)</td> </tr> <tr> <td style="text-align: right;">143,209,722</td> <td>(9 April 2019 - Institutional Entitlement Offer)</td> </tr> <tr> <td style="text-align: right;">231,844,010</td> <td>(This Appendix 3B – Retail Entitlement Offer)</td> </tr> <tr> <td style="text-align: right;">2,599,211</td> <td>(This Appendix 3B – Conversion of Convertible Notes)</td> </tr> </table>	51,633,664	(9 August 2018 – Institutional Entitlement Offer)	118,471,930	(28 August 2018 – Retail Entitlement Offer)	4,729,000	(21 December 2018 - Vested performance rights)	10,000	(25 February 2019 - Vested performance rights)	143,209,722	(9 April 2019 - Institutional Entitlement Offer)	231,844,010	(This Appendix 3B – Retail Entitlement Offer)	2,599,211	(This Appendix 3B – Conversion of Convertible Notes)
51,633,664	(9 August 2018 – Institutional Entitlement Offer)														
118,471,930	(28 August 2018 – Retail Entitlement Offer)														
4,729,000	(21 December 2018 - Vested performance rights)														
10,000	(25 February 2019 - Vested performance rights)														
143,209,722	(9 April 2019 - Institutional Entitlement Offer)														
231,844,010	(This Appendix 3B – Retail Entitlement Offer)														
2,599,211	(This Appendix 3B – Conversion of Convertible Notes)														
<ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval 	Nil														
<ul style="list-style-type: none"> • Number of partly paid +ordinary securities that became fully paid in that 12 month period 	Nil														
<p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</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> 															
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil														
“A”	2,083,426,027														

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	312,513,904
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <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> 	Nil
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	312,513,904
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	Nil
Total [“A” x 0.15] – “C”	312,513,904 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

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>	2,083,426,027
Step 2: Calculate 10% of “A”	
“D” <i>Note: this value cannot be changed</i>	0.10
Multiply “A” by 0.10	208,342,603
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 <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – 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>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</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	207,547,170 (9 April 2019 – Placement)
“E”	207,547,170

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	<p>208,342,603</p>
<p>Subtract “E”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	<p>207,547,170</p>
<p>Total [“A” x 0.10] – “E”</p>	<p>795,433</p> <p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

+ See chapter 19 for defined terms.