



Announcement Summary

Entity name

OTTO ENERGY LIMITED

Announcement Type

New announcement

Date of this announcement

Thursday March 26, 2020

The Proposed issue is:

An accelerated offer

A placement or other type of issue

Total number of +securities proposed to be issued for an accelerated offer

ASX +Security Code	+Security Description	Maximum Number of +securities to be issued
OEL	ORDINARY FULLY PAID	2,922,683,377

Trading resumes on an ex-entitlement basis (ex date)

Tuesday March 31, 2020

+Record date

Tuesday March 31, 2020

Offer closing date for retail +security holders

Thursday April 16, 2020

Issue date for retail +security holders

Thursday April 23, 2020

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +Security Code	+Security Description	Maximum Number of +securities to be issued
OEL	ORDINARY FULLY PAID	231,109,326

Proposed +issue date

Tuesday March 31, 2020



Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

1.1 Name of +Entity

OTTO ENERGY LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

56107555046

1.3 ASX issuer code

OEL

1.4 The announcement is

New announcement

1.5 Date of this announcement

Thursday March 26, 2020

1.6 The Proposed issue is:

An accelerated offer

A placement or other type of issue

1.6b The proposed accelerated offer is

Accelerated non-renounceable entitlement offer (commonly known as a JUMBO or ANREO)



Part 3 - Details of proposed entitlement offer issue

Part 3A - Conditions

3A.1 - Are any of the following approvals required for the entitlement offer to be unconditional?

- +Security holder approval
- Court approval
- Lodgement of court order with +ASIC
- ACCC approval
- FIRB approval
- Another approval/condition external to the entity

No

Part 3B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +Security Code and Description

OEL : ORDINARY FULLY PAID

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

If the entity has quoted company options, do the terms entitle option holders to participate on exercise?

No

Details of +securities proposed to be issued

ASX +Security Code and Description

OEL : ORDINARY FULLY PAID

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Offer ratio (ratio to existing holdings at which the proposed +securities will be issued)

The quantity of additional +securities to be issued

1

For a given quantity of +securities held

1



What will be done with fractional entitlements?

Fractions rounded up to the next whole number

Maximum Number of +securities proposed to be issued

2,922,683,377

Purpose of the issue

Reimbursement of funding of the Company's 50% share of the South Marsh Island 71 F5 development well in the Gulf of Mexico, contingent expenditure on current developments and future development wells, and for working capital including contingent development wells.

Offer price details for retail security holders

Issue Currency

AUD - Australian Dollar

Offer Price per +security

AUD 0.00600

Estimated or Actual?

Actual

Offer price details for institutional security holders

Could offer price per +security be determined by bookbuild?

No

Oversubscription & Scale back details

Are +security holders allowed to oversubscribe?

Yes

Provide the oversubscription details

Eligible Shareholders may apply for Shares under a top-up facility (Top-up Shares) being offered in addition to the Retail Entitlement Offer. Under the top-up facility, Eligible Retail Shareholders may apply for, in addition to their Entitlements, additional New Shares.

May a scale back be applied to this event?

Yes

Provide the scale back details

The allocation of any Top-up Shares will be limited to the number of New Shares for which valid applications are not received before the Entitlement Offer closes (Shortfall Shares). Top-up Shares will, however, only be allocated to Eligible Shareholders who apply for them (up to the number applied for) to the extent there are Shortfall Shares and, in the event of competition for the Shortfall Shares, applications will be scaled back on a pro rata basis.

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes



3D.1a First day of trading halt

Wednesday March 25, 2020

3D.1b Announcement date of accelerated offer

Thursday March 26, 2020

3D.2 Trading resumes on an ex-entitlement basis (ex date)

Tuesday March 31, 2020

3D.5 Date offer will be made to eligible institutional +security holders

Friday March 27, 2020

3D.6 Application closing date for institutional +security holders

Monday March 30, 2020

3D.8 Announcement of results of institutional offer

Tuesday March 31, 2020

3D.9 +Record date

Tuesday March 31, 2020

3D.10 +Issue date for institutional +security holders

Wednesday April 8, 2020

3D.11 Date on which offer documents will be sent to retail +security holders entitled to participate in the +pro rata issue

Friday April 3, 2020

3D.12 Offer closing date for retail +security holders

Thursday April 16, 2020

3D.13 Last day to extend retail offer close date

Thursday April 9, 2020

3D.16 Entity announces results of retail offer, including the number and percentage of +securities taken up by existing retail +security holders.

Monday April 20, 2020

3D.19 Issue date for retail +security holders

Thursday April 23, 2020

Part 3E - Fees and expenses

3E.1 Will there be a lead manager or broker to the proposed offer?

Yes



3E.1a Who is the lead manager/broker?

Euroz Securities Limited as Lead Manager
Adelaide Equity Partners Limited as Corporate Advisor

3E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

- a management fee of 1% of the Institutional Offer Proceeds;
- a management fee of 1% of the Retail Offer Proceeds.
- a corporate advisory fee of 1% of the Offer Proceeds.

3E.2 Is the proposed offer to be underwritten?

Yes

3E.2a Who are the underwriter(s)?

Euroz Securities Limited

3E.2b What is the extent of the underwriting (ie the amount or proportion of the offer that is underwritten)?

\$10.61 million

3E.2c What fees, commissions or other consideration are payable to them for acting as underwriter(s)?

- an underwriting fee of 3% of the Institutional Offer Proceeds;
- an underwriting fee of 3% of the Retail Offer Proceeds;

3E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated

Refer ASX Announcement dated 26 March 2020.

3E.2e Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed offer?

No

3E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?

No

3E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

Part 3F - Further Information

3F.1 The purposes for which the entity intends to use the cash raised by the proposed issue

The Proposed capital raising of ~A\$17.5 million will complement cash on hand and future cash flows from Otto's 50% owned SM 71 oil field and 37.5% owned Lightning gas/condensate discovery to fund Otto's development program over the next year.

3F.2 Will holdings on different registers or subregisters be aggregated for the purposes of determining entitlements to the issue?

No

3F.3 Will the entity be changing its dividend/distribution policy if the proposed issue is successful?

No



3F.4 Countries in which the entity has security holders who will not be eligible to participate in the proposed issue

Under the Retail Entitlement Offer, eligible shareholders with addresses in Australia, New Zealand, Singapore, Hong Kong, British Virgin Islands, United Kingdom and Cambodia (Eligible Shareholders).

Otto shareholders with registered addresses outside of Australia, New Zealand, Singapore, Hong Kong, British Virgin Islands, United Kingdom and Cambodia will not be eligible to participate in the Entitlement Offer (Ineligible Shareholders). The Company has appointed the Underwriter as its nominee to arrange for the sale of the entitlements that would have been offered to Ineligible Shareholders, with the net proceeds, if any, distributed to the Ineligible Shareholders proportionately.

3F.5 Will the offer be made to eligible beneficiaries on whose behalf eligible nominees or custodians hold existing securities

Yes

3F.5a Please provide further details

Otto shareholders with registered addresses outside of Australia, New Zealand, Singapore, Hong Kong, British Virgin Islands, United Kingdom and Cambodia will not be eligible to participate in the Entitlement Offer (Ineligible Shareholders). The Company has appointed the Underwriter as its nominee to arrange for the sale of the entitlements that would have been offered to Ineligible Shareholders, with the net proceeds, if any, distributed to the Ineligible Shareholders proportionately.

3F.6 URL on the entity's website where investors can download information about the proposed issue

www.ottoenergy.com

3F.7 Any other information the entity wishes to provide about the proposed issue

None



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?

- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

No

Details of +securities proposed to be issued

ASX +Security Code and Description

OEL : ORDINARY FULLY PAID

Maximum Number of +securities proposed to be issued

231,109,326

Purpose of the issue

The Proposed capital raising of total ~A\$17.5 million (including Entitlement Offer) will complement cash on hand and future cash flows from Otto's 50% owned SM 71 oil field and 37.5% owned Lightning gas/condensate discovery to fund Otto's development program over the next year.

Offer price details for retail security holders

In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.00600



Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

Yes

Oversubscription & Scale back details

May a scale back be applied to this event?

No

Part 7C - Timetable

7C.1 Proposed +issue date

Tuesday March 31, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?

No

7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?

Yes

7D.1b (i) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?

231109326

7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?

No

7D.2 Is a party referred to in listing rule 10.11.1 participating in the proposed issue?

No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

Yes



7E.1a Who is the lead manager/broker?

Euroz Securities Limited as Lead Manager
Adelaide Equity Partners as Corporate Advisor

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

A management fee of 1% of the funds raised under the Placement.
A Corporate Advisory fee of 1% of the funds raised under the Placement.

7E.2 Is the proposed issue to be underwritten?

Yes

7E.2a Who are the underwriter(s)?

Euroz Securities Limited

7E.2b What is the extent of the underwriting (ie the amount or proportion of the proposed issue that is underwritten)?

\$1.38 million

7E.2c What fee, commission or other consideration is payable to them for acting as underwriter(s)?

An underwriting fee of 2% of the funds raised under the Placement.

7E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated.

See ASX announcement dated 26 March 2020

7E.3 Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed issue?

No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

No

7F.2 Any other information the entity wishes to provide about the proposed issue