

ASX ANNOUNCEMENT

30 March 2020

CORRECTION TO SHAREHOLDER UPDATE

Otto Energy Limited (ASX:OEL) advises of a correction to the announcement released earlier today. In the second paragraph the reference to margins should have read high margins not low margins. An updated announcement with the corrected wording is attached.

This release is authorised by the Board of Directors.

-ENDS-

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www.ottoenergy.com

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SHAREHOLDER UPDATE

"On behalf of the Board of Otto Energy, I would like to clarify with shareholders that it will not be 'business as usual' going forward for Otto in the current low oil price environment.

For the next six months at least, we intend to focus solely on protecting our existing business and assets, including those new developments like GC21 which are due to commence production in second half 2020. Despite the dramatic shift in global oil prices, Otto is fortunate to hold assets that produce at relatively high margins. We are confident that it is these types of assets which will still produce positive cashflow even at the current oil prices.

The team at Otto has spent considerable time working on our forward-looking budget and cashflows. We see it as an imperative to strip out all unnecessary costs. The Board have resolved to immediately cut their directors fees by 50% for the next six months and we continue to work with management in reviewing Houston office staff levels.

I fully appreciate that shareholders are unhappy that we have to raise capital in the current circumstances. At the same time, I would like to emphasise that Otto has good projects and once we are at full production later in 2020 the increased income should have a beneficial impact. The Board and MD will be taking up their full rights in the capital raise."

*Ian Boserio
Chairman*

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