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**OTTO ENERGY LIMITED**

**ACN 107 555 046**

**NOTICE OF ANNUAL GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 2.30pm (ACST)

**DATE:** Thursday, 17 November 2022

**PLACE:** Level 2, 70 Hindmarsh Square Adelaide SA 5000

***The business of the Meeting affects your shareholding and your vote is important.***

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***The General Meeting will be a hybrid meeting.***

***The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 2.30pm (ACST) on Tuesday 15 November 2022.***

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2022."*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Voting Prohibition Statement:**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR WHO RETIRES BY ROTATION – GEOFF PAGE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 50 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Geoff Page, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

**Directors' Recommendation:** The Directors (Mr Page abstaining) support the election of Mr Page and recommend that Shareholders vote in favour of Resolution 2.

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#### 4. RESOLUTION 3 – ELECTION OF DIRECTOR APPOINTED BY THE BOARD – JOHN MADDEN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of clause 48 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr John Madden, a Director appointed by the Board, and being eligible, is elected as a Director."*

**Directors' Recommendation:** The Directors (Mr Madden abstaining) support the election of Mr Madden and recommend that Shareholders vote in favour of Resolution 3.

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#### 5. RESOLUTION 4 – ADOPTION OF REPLACEMENT CONSITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes."*

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#### 6. RESOLUTION 5 – APPROVAL OF 7.1A MANDATE

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement."*

A voting exclusion statement has not been included for this Resolution on the basis that at the time of dispatching the Notice, the Company is not proposing to make an issue of securities under LR 7.1A.2.

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**Dated: 14 October 2022**

**By order of the Directors**



**Kaitlin Smith**  
**Company Secretary**

## Voting eligibility

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 2.30pm (ACST) on Tuesday, 15 November 2022.

## Accessing the AGM online

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We encourage shareholders and proxy holders to join the AGM virtually via the online portal at <https://meetings.linkgroup.com/OEL22>. The online portal is scheduled to go live from 2.00pm (ACST) on 17 November 2022. You can view the AGM live via a desktop or a tablet device with internet access. Once the AGM commences at 2.00pm, you will see a live video feed of the Chairman on the left of your screen and the presentation slides to the right of your screen. Please read the 'Virtual Meeting Online Guide' available at the link below carefully before the AGM to ensure your internet browser is compatible with the online portal. The online guide also contains information on the actions you can take during the AGM (including voting and asking questions).

## Attending the AGM in person

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Shareholders and proxy holders who wish to attend the AGM in person, can do so at the **Level 2, 70 Hindmarsh Square Adelaide SA 5000**. If you decide to attend in person, you will need to register at one of the registration desks on the day of the AGM. The registration desks will be open from 2.00pm (ACST) on 17 November 2022. You will find it easier to register if you bring your enclosed Voting Form with you. The health of the Company's shareholders, employees and other AGM attendees is of paramount importance. We ask that you do not attend the AGM if you feel unwell or have been in contact with someone who may have been affected by COVID-19. Under Victorian Health Orders current at the time of issue of this notice, proof of COVID vaccination or medical exemption will be required for all attending the Meeting. There may be other restrictions and precautionary measures imposed by State regulations or by the venue's management that must be observed, which may result in the Company limiting or refusing entry to visitors and other attendees. We will continue to monitor the COVID-19 situation closely and attendance in person will be subject to government regulations in force at the time of the Meeting. If alternative arrangements are required, we will update shareholders via an ASX announcement and on our website.

## Voting procedure

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Under the Company's constitution (Constitution), any poll will be conducted as directed by the chair of the Meeting (the Chair).

Please note that, in accordance with recent changes to ASX guidance, all ASX Listing Rule resolutions must be decided by a poll rather than by a show of hands.

To attend online, enter <https://meetings.linkgroup.com/OEL22> into a web browser on your computer or online device:

- Shareholders will need their Shareholder Reference Number (SRN) or Holder Identification Number (HIN) printed on the Proxy Form or your holding statement; and
- Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the Meeting.

All Resolutions will be conducted by poll. More information regarding virtual attendance at the Meeting (including how to vote, comment and ask questions virtually during the Meeting) is available in the Virtual Meeting Online Guide which can be found on the Company's website (<http://www.ottoenergy.com/site/content/>).

We recommend logging in to our online platform at least 15 minutes prior to the scheduled start time of the Meeting. An online guide will be available on the platform and on the Company's website.

Online registration will begin half hour before the start of the Meeting.

We encourage Shareholders who intend to appoint a proxy to submit their Proxy Forms as early as possible. Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Notice of Meeting and on the Company's website.

The Company will conduct the Meeting in accordance with prevailing government regulations including the adoption of social distancing measures. Further, Directors who ordinarily reside outside of Australia will not physically attend the Meeting held at Level 2, 70 Hindmarsh Square Adelaide SA.

### **Voting by proxy**

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To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### **Voting by corporate representative**

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A body corporate may appoint an individual as its representative to attend and vote at the meeting and exercise any other powers the body corporate can exercise at the meeting. The appointment may be a standing one. The representative should lodge with the Share Registry 48 hours before the AGM, evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 8232 8800.

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Corporations Act, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2022 together with the declaration of the Directors, the Directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at [www.ottoenergy.com](http://www.ottoenergy.com).

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

The Corporations Act requires that at an ASX listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

#### 2.2 Voting consequences

A company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

## **2.3 Previous voting results**

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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## **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR WHO RETIRES BY ROTATION – GEOFF PAGE**

### **3.1 General**

ASX Listing Rule 14.4 provides that, other than a managing director, a director of an entity must not hold office (without re-election) past the third AGM following the director's appointment or 3 years, whichever is the longer.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Clause 50 of the Constitution provides that:

- a) Subject to rules 48(c), 50(c) and 56, a Director may not hold office for a continuous period in excess of three years or past the conclusion of the third annual general meeting following the Director's last election or re-election, whichever is the longer, without submitting for re-election by the company.
- b) If no Director would otherwise be required to submit for election or re-election at an annual general meeting but the Listing Rules require that an election of Directors be held, the Director to retire at the annual general meeting is the Director who has been longest in office since last being elected. As between Directors who were last elected on the same day, the Director to retire is (in default of agreement between them) determined by lot.
- c) A retiring Director under this rule 50 is eligible for re-election without needing to give any prior notice of an intention to submit for re-election and holds office as a Director (subject to re-election) until the end of the general meeting at which the Director retires.

Mr Page, who has served as Director since 17 July 2020, was elected on 19 November 2020, retires by rotation and seeks re-election.

### **3.2 Qualifications and other material directorships**

Mr Page is a finance professional with over 20 years of senior finance, accounting and management experience gained globally within a number of industries. He has over 10 years of board experience gained in several different firms. Mr Page is a member of CPA Australia, Fellow Member of the Chartered Institute of Management Accountants and a Fellow Member of the Governance Institute of Australia.

### **3.3 Independence**

If re-elected, the Board does not consider Mr Page will be an independent Director. Mr Page has recently taken up employment with a company controlled by the principal of Molton Holdings Limited (Molton). Molton is a substantial shareholder of the Company, holding 48.38% interest in the Company as of 16

September 2021 (refer to the Company's 2021 annual report to shareholders, uploaded to the ASX platform on 15 October 2021). Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, Mr Page will be re-elected to the Board as a non-independent Director.

In the event that Resolution 2 is not passed, Mr Page will not join the Board as a non-independent Director. The Company may seek nominations or otherwise identify suitably qualified candidates to join the Company. As an additional consequence, this may detract from the Board and Company's ability to execute on its strategic vision.

### **3.4 Directors' Recommendation**

The Directors (other than Mr Page) reviewed Mr Page's performance since his appointment to the board of Directors and consider that Mr Page's skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Directors (other than Mr Page) support the re-election of Mr Page and recommend that Shareholders vote in favour of Resolution 2.

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## **4. RESOLUTION 3 – ELECTION OF DIRECTOR APPOINTED BY THE BOARD – JOHN MADDEN**

### **4.1 General**

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Madden having been appointed by other Directors on 1 July 2022 in accordance with the Constitution, will retire in accordance with the Constitution and Listing Rule 14.4 and being eligible, seeks election from Shareholders.

### **4.2 Qualifications and other material directorships**

Mr Madden has over 40 years' experience with a proven track record encompassing administrative, acquisitions, business analysis, community consultation, corporate secretarial functions, feasibility studies, financing (including equity raising for listed and unlisted entities), IPO on AIM market, planning and strategic studies, accounting and taxation. These experiences were gained through positions held at both major and junior mining companies at corporate and operating levels. Mr Madden is a Fellow of CPA Australia (FCPA) and a Member of the Institute of Company Directors (MAICD).

### **4.3 Independence**

Mr Madden has no interests, position or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Company as a whole rather than in the interests of an individual security holder or other party.



If elected the Board considers Mr Madden will be an independent Director.

#### **4.4 Other material information**

The Company conducts appropriate checks on the background and experience of candidates before their appointment to the Board. These include checks as to a person's experience, educational qualifications, character, criminal record and bankruptcy history. The Company undertook such checks prior to the appointment of Mr Madden.

Mr Madden has confirmed that he considers he will have sufficient time to fulfil his responsibilities as a Non-Executive Director of the Company and does not consider that any other commitment will interfere with his availability to perform his duties as a Non-Executive Director of the Company.

In the event that Resolution 3 is not passed, Mr Madden will not join the Board as an independent Director. The Company may seek nominations or otherwise identify suitably qualified candidates to join the Company. As an additional consequence, this may detract from the Board and Company's ability to execute on its strategic vision.

#### **4.5 Board recommendation**

The Board has reviewed Mr Madden's performance since his appointment to the Board and considers that their skills and experience will continue to enhance the Board's ability to perform its role. Accordingly, the Board supports the election of Mr Madden and recommends that Shareholders vote in favour of Resolution 3.

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### **5. RESOLUTION 4 – ADOPTION OF REPLACEMENT CONSTITUTION**

#### **5.1 General**

A company may modify or repeal its constitution or a provision of its constitution by special resolution of shareholders.

Resolution 4 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and Listing Rules.

This will incorporate amendments to the Corporations Act and Listing Rules since the current Constitution was adopted on 15 November 2018.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution and many of the proposed changes are administrative or minor in nature.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website [www.ottoenergy.com](http://www.ottoenergy.com) and at the office of the Company. A

copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 6467 8800). Shareholders are invited to contact the Company if they have any queries or concerns.

## **5.2 Summary of material proposed changes**

### **Restricted Securities (clause 2.12)**

The Proposed Constitution complies with the changes to Listing Rule 15.12 which took effect from 1 December 2019. As a result of these changes, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will permit the Company to issue restriction notices to holders of restricted securities in the form of the new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

### **Minimum Securityholding (clause 3)**

This Proposed Constitution now extends the minimum holding provisions to all securities as provided for under the Listing Rules. The clause previously only referred to shares.

### **Joint Holders (clause 9.8)**

CHESS is currently being replaced by ASX with a projected go-live date of April 2023. As part of the CHESS replacement, the registration system will be modernised to record holder registration details in a structured format that will allow up to four joint holders of a security. Clause 9.8 of the Proposed Constitution provides that the number of registered joint holders of securities shall be as permitted under the Listing Rules and the ASX Settlement Operating Rules.

### **Capital Reductions (clause 10.2)**

The Proposed Constitution now permits sales of unmarketable parcels to a sale nominee as part of a capital reduction.

### **Direct Voting (clause 13, specifically clauses 13.35 – 13.40)**

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any Resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

### **Use of technology (clause 14)**

The Proposed Constitution includes a new provision to permit the use of technology at general meetings (including wholly virtual meetings) to the extent permitted under the Corporations Act, Listing Rules and applicable law.

### **Closing date for Director nominations (clause 15.3)**

On 19 December 2019, ASX amended Listing Rule 3.13.1 to provide that companies must release an announcement setting out the date of its meeting and the closing date for nominations at least 5 business days before the closing date for the receipt of such nominations. The closing date period under the Proposed Constitution provides for at least 30 business days to allow the Company time to issue the required notification for director nominations prior to circulating the notice of meeting.

### **Partial (proportional) takeover provisions (clause 37)**

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

#### Information required by section 648G of the Corporations Act

##### *Effect of proposed proportional takeover provisions*

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a Resolution to approve the proportional off-market bid is passed.

##### *Reasons for proportional takeover provisions*

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle and assist in ensuring that any partial bid is appropriately priced.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of

Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (e) proportional takeover bids may be discouraged;
- (f) lost opportunity to sell a portion of their Shares at a premium; and
- (g) the likelihood of a proportional takeover bid succeeding may be reduced.

### 5.3 Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 4.

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## 6. RESOLUTION 5 – APPROVAL OF 7.1A MANDATE

### 6.1 General

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

However, under ASX Listing Rule 7.1A, an eligible entity may seek shareholder approval by way of a special resolution passed at its annual general meeting to increase this 15% limit by an extra 10% to 25% (**7.1A Mandate**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300,000,000 or less. The Company is an eligible entity for these purposes.

As at the date of this Notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$67,130,137 (based on the number of Shares on issue and the closing price of Shares on the ASX on 7 October 2022).

Resolution 5 seeks Shareholder approval by way of special resolution for the Company to have the additional 10% placement capacity provided for in ASX Listing Rule 7.1A to issue Equity Securities without Shareholder approval.

For note, a special resolution is a resolution requiring at least 75% of votes cast by shareholders present and eligible to vote at the meeting in favour of the resolution.

If Resolution 5 is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in ASX Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 5 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval under ASX Listing Rule 7.1A, and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in ASX Listing Rule 7.1.

## 6.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 5:

### (a) Period for which the 7.1A Mandate is valid

The 7.1A Mandate will commence on the date of the Meeting and expire on the first to occur of the following:

- (i) the date that is 12 months after the date of this Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the time and date of approval by Shareholders of any transaction under Listing Rule 11.1.2 (a significant change in the nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking).

### (b) Minimum Price

Any Equity Securities issued under the 7.1A Mandate must be in an existing quoted class of Equity Securities and be issued at a minimum price of 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the Equity Securities; or
- (ii) if the Equity Securities are not issued within 10 trading days of the date in Section 6.2(b)(i), the date on which the Equity Securities are issued.

### (c) Use of funds raised under the 7.1A Mandate

The Company intends to use funds raised from issues of Equity Securities under the 7.1A Mandate for a range of purposes including:

- (i) continued exploration expenditure on the Company's current assets;
- (ii) the acquisition of new resources, assets and investments (including expenses associated with such an acquisition);
- (iii) ongoing project administration and the development of the Company's current business; and
- (iv) general working capital.

### (d) Risk of Economic and Voting Dilution

Any issue of Equity Securities under the 7.1A Mandate will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 5 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 7.1A Mandate, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue.

The table also shows the voting dilution impact where the number of Shares on issue (**Variable A** in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 7.1A Mandate.

Number of Shares on Issue (Variable A in Listing Rule 7.1A.2)		Dilution			
		Shares issued – 10% voting dilution	Issue Price		
			\$0.007	\$0.014	\$0.021
			50% decrease	Issue Price	50% increase
			Funds Raised		
<b>Current</b>	4,795,009,773	479,500,977	\$3,356,507	\$6,713,014	\$10,069,521
<b>50% increase</b>	7,192,514,660	719,251,466	\$5,034,760	\$10,069,521	\$15,104,281
<b>100% increase</b>	9,590,019,546	959,001,955	\$6,713,014	\$13,426,027	\$20,139,041

\*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

**The table above uses the following assumptions:**

1. There are currently 4,795,009,773 existing Shares as at the date of this Notice of Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 7 October 2022 (being \$0.014).
3. The Company issues the maximum possible number of Equity Securities under the 7.1A Mandate.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 7.1A Mandate consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 7.1A Mandate, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(e) **Allocation policy under the 7.1A Mandate**

The Company's allocation policy for the issue of Equity Securities under the 7.1A Mandate will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 7.1A Mandate have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 7.1A Mandate, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 17 November 2021 (**Previous Approval**). The Company has not issued any Equity Securities pursuant to the Previous Approval.

### **6.3 Voting Exclusion**

A voting exclusion statement is not included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 5.

#### **6.4 Directors' Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 5 as it provides the Company with flexibility to issue further securities representing up to 10% of the Company's Share capital during the next 12 months.



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## GLOSSARY

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**7.1A Mandate** has the meaning given in section 6.1 of the Explanatory Statement.

**\$** means Australian dollars.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**ACST** means Australian Central Time, as observed in Adelaide in South Australia.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Otto Energy Limited (ACN 107 555 046).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Options** means an option to acquire Shares in the Company.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2022.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

## LODGE YOUR VOTE



### ONLINE

<https://investorcentre.linkgroup.com>



### BY MAIL

Otto Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
Parramatta Square, Level 22, Tower 6,  
10 Darcy Street, Parramatta NSW 2150



### ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



**X99999999999**

## PROXY FORM

I/We being a member(s) of Otto Energy Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and email of the person or body corporate you are appointing as your proxy. An email will be sent to your appointed proxy with details on how to access the virtual meeting.

Name

Email

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **2:30pm (ACST) on Thursday, 17 November 2022 (the Meeting)** and at any postponement or adjournment of the Meeting.

The Meeting will be conducted as a hybrid meeting and you can attend in person at **Level 2, 70 Hindmarsh Square Adelaide SA 5000** or participate by logging in online at is **<https://meetings.linkgroup.com/OEL22>** (refer to details in the Virtual Meeting Online Guide).

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

**Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.**

**Please read the voting instructions overleaf before marking any boxes with an ☒.**

#### Resolutions

For Against Abstain\*

For Against Abstain\*

1 Adoption of Remuneration Report

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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5 Approval of 7.1A Mandate

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

2 Re-election of Director who retires by Rotation – Geoff Page

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3 Election of Director appointed by the Board – John Madden

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4 Adoption of Replacement Constitution

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

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Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

**OEL PRX2201N**

## HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either securityholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting Virtually the appropriate "Certificate of Appointment of Corporate Representative" must be received at [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au) prior to admission in accordance with the Notice of Annual General Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **2:30pm (ACST) on Tuesday, 15 November 2022**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

<https://investorcentre.linkgroup.com>

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MAIL

Otto Energy Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
Parramatta Square  
Level 22, Tower 6  
10 Darcy Street  
Parramatta NSW 2150

\*during business hours Monday to Friday (9:00am - 5:00pm) and subject to public health orders and restrictions



### COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**