

ASX ANNOUNCEMENT

24 April 2020

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RETAIL ENTITLEMENT OFFER UPDATE

Otto Energy ("Otto") (ASX: OEL) provides the following update on the retail component of its partially underwritten pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**), which was announced to the ASX on Thursday 26 March 2020.

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) provided eligible retail shareholders in Otto the opportunity to acquire one new share for every share held at the record date of 31 March 2020.

The Company has received applications for Entitlements totaling A\$1.21 million (before costs). In addition, the Company has received applications for A\$0.57 million of Additional New Shares to give a total of A\$1.78 million in applications under the Retail Entitlement Offer. A further A\$4.21 million will be allocated pursuant to the Underwriting Agreement with Euroz Securities Limited (Underwriter).

The table below sets out the number of new shares, the number of Additional New Shares applied for and the number allocated to sub-underwriters pursuant to the Underwriting Agreement.

Summary of Retail Entitlement Offer

	<u>Number of Shares</u>	<u>Proceeds</u>
Entitlements received	201.5 million	A\$1.21 million
Additional New Shares applied for	95.5 million	A\$0.57 million
Total Applications received	<u>297.0 million</u>	<u>A\$1.78 million</u>
Shares subscribed for by sub-underwriters	703.2 million	A\$4.22 million
Total Shares to be issued under the Retail Entitlement Offer	<u>1000.2 million</u>	<u>A\$6.00 million</u>

The funds raised from the Entitlement offer and placement (In total ~A\$13.8 million) will be used in conjunction with the 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 and for general working capital.

The Chairman of Otto Energy John Jetter commented that " We are very pleased that we have been able to successfully complete this capital raise during what may well be the most difficult market in our lifetime, and greatly appreciate the support of our shareholders. This vote of confidence comes with a caveat, in that the funds raised must be used to steer the company cautiously through the current market turmoil and ensure that the value of Otto's assets is preserved for its shareholders."

A total of A\$6.00 million has been raised from the Retail Entitlement Offer through the issue of 1,000 million shares at A\$0.006 per share.

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The Board of Otto reserves the right to issue any Additional New Shares which comprise the Shortfall in their discretion (in conjunction with the Underwriter) and in accordance with applicable laws.

New shares issued under the Retail Entitlement Offer will rank equally in all respects with existing shares. The new shares are expected to be allotted and commence trading on 28 April 2020.

This release is authorized by the Board of Directors.

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