

**ASX ANNOUNCEMENT**

2 August 2018

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**SUCCESSFUL COMPLETION OF PLACEMENT AND UNDERWRITTEN  
INSTITUTIONAL ENTITLEMENT OFFER**

- **A\$10m Placement and A\$3 million Institutional Entitlement Offer closes heavily oversubscribed**
- **Strong support from a select number of Tier 1 Australian institutions**
- **Fully underwritten Retail Entitlement Offer to raise approximately A\$7 million**
- **Retail Entitlement Offer to open Tuesday 7 August 2018, closing Tuesday 21 August 2018**
- **Proceeds to be applied toward funding the eight well Gulf Coast drilling program along with Otto's existing exploration program**

Otto Energy ("Otto") (ASX: OEL) is pleased to announce the successful completion of the Placement and institutional component of its Entitlement Offer, which was announced to the ASX on Tuesday 31 July 2018.

The capital raising will complement cash on hand, and future cash flows from Otto's 50% owned SM 71 producing oil field in the Gulf of Mexico, to fund Otto's full exploration program over the next 18 months, including the Gulf Coast Package, Bivouac Peak and Alaska. Refer to the ASX release of 31 July 2018 for details on the Gulf Coast Package of eight wells with Hilcorp.

Otto's Managing Director, Matthew Allen, commented: *"The support of our existing institutional shareholders is very pleasing and is an endorsement of Otto's strategy in the Gulf of Mexico.*

*"I would also like to welcome the new institutions on to our register and look forward to a rewarding 18 months drilling the Hilcorp portfolio, Bivouac Peak and Alaska."*

**Placement**

The Placement raised a total of A\$10m through the issue of approximately 169.5 million shares at A\$0.059 per share.

**Institutional Offer**

The Institutional Entitlement Offer raised a total of A\$3m through the issue of approximately 51.6 million shares at A\$0.059 per share with a take up of 34%.

The Institutional Entitlement Offer shortfall was strongly oversubscribed by institutional shareholders. Shares issued under the placement and Institutional Entitlement Offer will rank equally with existing shares on issue and are expected to be allotted on Friday 10 August 2018. Trading will commence on the same day.

## Retail Entitlement Offer

The retail component of the Entitlement Offer is fully underwritten and seeks to raise a further \$7 million through the issue of approximately 118.5 million shares at A\$0.059 per share on the basis of one new share for every nine shares held at the record date of Thursday 2 August 2018.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferrable.

Otto has determined, in accordance with ASX Listing Rule 7.7.1, that the retail component of the Entitlement Offer will be offered to retail shareholders with registered addresses within Australia, New Zealand, the United Kingdom, Hong Kong, Singapore and Cambodia ("Eligible Retail Shareholders").

The Retail Offer Booklet, containing full details of the Entitlement Offer, will be mailed to Eligible Retail Shareholders by Tuesday 7 August 2018.

The retail Entitlement Offer will be open on Tuesday 7 August 2018 and close at 4pm Sydney time on Tuesday 21 August 2018 (unless extended).

## Offer Timetable

Key dates for the Entitlement Offer are set out below.

Timetable for Non-Renounceable Entitlement Offer	
Shares trade ex-entitlement	2 August 2018
Record date for determining Eligible Shareholders	2 August 2018
Retail Entitlement Offer opens and Booklets despatched	7 August 2018
Settlement of New Shares issued under the Placement and Institutional Offer	9 August 2018
Allotment and normal trading of New Shares issued under the Placement and Institutional Entitlement Offer	10 August 2018
Retail Entitlement Offer closes	21 August 2018
Allotment of New Shares issued under the Retail Entitlement Offer	29 August 2018
Despatch of holding statements and normal trading of New Shares	30 August 2018

Dates and times in this release are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

## Retail Investor Enquiries

For further information in regard to the Retail Entitlement Offer once the offer is open, please contact the Otto Energy Shareholder Information Line on 1300 911 275 (local call cost within Australia) or +61 1300 911 275 (from outside Australia) at any time between 8.30am and 5.00pm (Sydney time), Monday to Friday. Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

## Further information

Morgans Corporate Limited is acting as Lead Manager and Underwriter to the Entitlement Offer, Adelaide Equity Partners Limited as Financial Advisor and Allens acting as legal advisor.

Further information about the Entitlement Offer, including its strategic and financial benefits, is in Otto's market release and Investor Presentation, lodged with the ASX on 31 July 2018.

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