

ASX ANNOUNCEMENT
14 September 2020

APPOINTMENT OF CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR

Otto Energy Limited (ASX: OEL) (Otto or the Company) is pleased to advise that Mr Michael Utsler has been appointed as Chief Executive Officer and Managing Director of the Company, commencing his role on 11 September 2020. Mr Utsler is an oil and gas executive with more than 40 years of experience in senior international oil and gas sector roles, including 15 years in the Gulf of Mexico and 5 years as Chief Operating Officer of Woodside in Australia. His career has encompassed senior executive, leadership and board roles with Amoco, BP, Woodside and New Fortress Energy. He holds a B.S. in Petroleum Engineering from the University of Oklahoma.

Mr Utsler has undertaken a robust due diligence of Otto and its assets prior to joining. This has included consulting to the Company over the past six weeks in preparation for his appointment.

Upon Mr Utsler assuming his role, current Otto Executive Chairman, Mr John Jetter, will resume the role of Non-Executive Chairman.

Otto Executive Chairman, Mr John Jetter, said: "Having undertaken a thorough internal and external selection process, we take great pleasure in announcing that Mike Utsler will join Otto as the new CEO and Managing Director. We believe Mike to be a great fit, given his strong track record as a senior executive and his deep understanding of the US and Australian oil and gas industry. Throughout his career, Mike has maintained a clear focus on development and operational performance, along with the enhancement of shareholder value. In his work at Woodside and BP, Mike earned a reputation as one of the leading energy executives in the industry. At the outset, Mike will conduct a detailed strategic review, set a clear operational plan and assess all parts of the business, including a review of our existing asset base. He will work with the Board and executive team to continue its cost reduction process, ensuring Otto can maximise returns as oil prices recover.

Of his appointment, Mr Utsler said: "I am delighted to be joining the Otto team. I believe Otto has a high-quality portfolio of operating and development assets that offers substantial value upside. The company, along with its senior team, has proven itself a partner of choice within the industry and holds significant technical credibility, particularly in the Gulf of Mexico region. I look forward to getting started and delivering on the potential for all Otto shareholders."

This announcement is authorised for release by the Board of Directors.

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Key Terms Summary

Commencement Date:	11 September 2020
Term:	Appointment on an on-going basis
Fixed Remuneration:	US\$300,000 per annum comprising base salary, Superannuation and healthcare.
Incentive:	<p>Mr Utsler will be entitled to receive a cash bonus if there is a liquidity event (or a series of liquidity events) that completes on or before the third anniversary of the Commencement Date, where the return to shareholders from the liquidity event(s) exceeds US\$60 million.</p> <p>Upon a liquidity event occurring, Mr Utsler would receive an amount equal to:</p> <ul style="list-style-type: none">• 3.5% of that part of the proceeds being received by shareholders that exceeds US\$60 million but does not exceed US\$95 million; and• 6.5% of that part of the proceeds being received by shareholders that exceeds US\$95 million. <p>Mr Utsler will only be entitled to receive the cash bonus if he remains employed by the Company at completion of a relevant liquidity event (provided that if the Company terminates the agreement without cause and the liquidity event(s) is achieved within 6 to 12 months of such termination, Mr Utsler will be entitled to receive between 50% to 90% of the cash bonus).</p>
Termination and Notice:	The Company or Mr Utsler may terminate the agreement at will (with Mr Utsler being entitled to three month's severance pay where the Company terminates the agreement without cause).