

ASX ANNOUNCEMENT

15 October 2018

NOTICE OF ANNUAL GENERAL MEETING

Otto Energy Limited (ASX:OEL) ("Otto") has today dispatched the attached Notice of Annual General Meeting to Shareholders in relation to its Annual General Meeting being held on 15 November 2018.

Contact: Matthew Allen Managing Director & CEO +61 8 6467 8800 info@ottoenergy.com	Investor Relations: Mark Lindh Adelaide Equity Partners +61 8 8232 8800
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OTTO ENERGY LIMITED

ACN 107 555 046

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 10:00 am (WST)

DATE: Thursday, 15 November 2018

PLACE: CWA House, 1176 Hay Street, West Perth WA 6005

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 Company's 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 holders of fully paid ordinary shares at 4.00 pm (WST time) on Tuesday, 13 November 2018.

The Company's Directors (except where they are excluded from voting and making a recommendation as set out in this Notice of Meeting) recommend that eligible Shareholders vote IN FAVOUR of all of the Resolutions put to the Meeting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 (0) 8 6467 8800.

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BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report, Directors' report and the auditors' report for the Company and its consolidated entities for the financial year ended 30 June 2018.

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 2018.”

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

Directors' Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 1.

Voting Exclusion Statement: The Company will disregard any votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting exclusions' section of the Notes to this Notice.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR WHO RETIRES BY ROTATION – IAN BOSERIO

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

“That, Ian Boserio, who retires by rotation in accordance with the Company's constitution and the ASX Listing Rules and being eligible offers himself for re-election as a Director of the Company, be re-elected as a Director of the Company.”

Directors' Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 2.

4. RESOLUTION 3 – ELECTION OF DIRECTOR WHO WAS APPOINTED BY OTHER DIRECTORS – PAUL SENYCIA

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

“That, Paul SenyCIA, who, having been appointed by the Board as a Director since the last Annual General Meeting, retires in accordance with the Company's constitution and ASX Listing Rules and being eligible offers himself for election as a Director of the Company, be elected as a Director of the Company.”

Directors' Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 3.

5. RESOLUTION 4 – APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO JOHN JETTER (AND EXCEPTION TO 15% CAP)

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to a maximum of 1,116,000 Performance Rights to John Jetter (or his nominee) under the Company's Performance Rights Plan on the terms and conditions set out in the Explanatory Statement be approved.”

Directors' Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 4.

Voting Exclusion Statement: The Company will disregard particular votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting exclusions' section of the Notes to this Notice.

6. RESOLUTION 5 – APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO MATTHEW ALLEN (AND EXCEPTION TO 15% CAP)

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to a maximum of 3,990,000 Performance Rights to Matthew Allen (or his nominee) under the Company's Performance Rights Plan on the terms and conditions set out in the Explanatory Statement be approved.”

Directors' Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 5.

Voting Exclusion Statement: The Company will disregard particular votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting exclusions' section of the Notes to this Notice.

7. RESOLUTION 6 – APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO IAN MACLIVER (AND EXCEPTION TO 15% CAP)

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to a maximum of 744,000 Performance Rights to Ian Macliver (or his nominee) under the Company's Performance Rights Plan on the terms and conditions set out in the Explanatory Statement be approved.”

Directors' Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 6.

Voting Exclusion Statement: The Company will disregard particular votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting exclusions' section of the Notes to this Notice.

8. RESOLUTION 7 – APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO IAN BOSERIO (AND EXCEPTION TO 15% CAP)

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to a maximum of 669,000 Performance Rights to Ian Boserio (or his nominee) under the Company's Performance Rights Plan on the terms and conditions set out in the Explanatory Statement be approved.”

Directors' Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 7.

Voting Exclusion Statement: The Company will disregard particular votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting exclusions' section of the Notes to this Notice.

9. RESOLUTION 8 – APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO PAUL SENYCIA (AND EXCEPTION TO 15% CAP)

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to a maximum of 669,000 Performance Rights to Paul Senyia (or his nominee) under the Company's Performance Rights Plan on the terms and conditions set out in the Explanatory Statement be approved.”

Directors' Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 8.

Voting Exclusion Statement: The Company will disregard particular votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting exclusions' section of the Notes to this Notice.

10. RESOLUTION 9 – APPROVAL OF 10% PLACEMENT CAPACITY

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

“That, for the purposes of ASX 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.”

Directors' Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 9.

Voting Exclusion Statement: The Company will disregard particular votes cast on this resolution by certain persons. Details of the applicable voting exclusions are set out in the 'Voting exclusions' section of the Notes to this Notice.

11. RESOLUTION 10 – ADOPTION OF NEW CONSTITUTION

To consider and, if thought fit, to pass, with or without amendment, 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 current Constitution and adopt the Proposed Constitution tabled at the Meeting and signed by the Chair for identification purposes.”

Directors' Recommendation: The Directors recommend that Shareholders vote in favour of Resolution 10.

The attached Explanatory Statement is incorporated into and forms part of this Notice. Detailed explanations of the background and reasons for the proposed resolutions are set out in the Explanatory Statement.

Dated: 14 October 2018

By order of the Board



David Rich
Company Secretary

NOTES

Voting Eligibility

Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) permits the Company to specify a time, not more than 48 hours before a general meeting, at which a 'snap-shot' of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting.

The Board has determined that the registered holders of fully paid ordinary shares at 4.00 pm (WST time) on Tuesday, 13 November 2018 will be taken to be holders of ordinary shares for the purposes of the Meeting and accordingly, will be entitled to attend and vote at the Meeting.

Voting in Person

To vote in person, attend the Meeting on Thursday, 15 November at 10.00am (WST) at CWA House, 1176 Hay Street, West Perth WA 6005.

Voting by Proxy

An eligible Shareholder can vote in person at the Meeting or appoint a proxy or, where a Shareholder is entitled to two or more votes, two proxies. Where two proxies are appointed, a Shareholder may specify the number or proportion of votes to be exercised by each proxy appointed. If no number or proportion of votes is specified, each proxy appointed will be taken to exercise half of that Shareholder's votes (disregarding fractions).

An appointed proxy need not themselves be a Shareholder.

To be valid, the appointment of a proxy (made using a properly completed and executed Proxy Form) must be received by the Company no later than 10.00am (WST time) on Tuesday, 13 November 2018, being not later than 48 hours before the commencement of the Meeting.

Proxy Forms can be submitted in four ways:

- **Online** by visiting the Link Market Services Limited website (www.linkmarketservices.com.au). Please follow the prompts and have your SRN or HIN available;
- By **mail** to Otto Energy Limited at c/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 using the enclosed return envelope;
- By **facsimile** to +61 2 9287 0303; or
- By **hand** to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 during normal business hours (Monday – Friday, 9:00am – 5:00pm (AEST)).

Instructions on how to complete the Proxy Form are on the reverse of the Proxy Form accompanying this Notice.

If a Proxy Form is signed by an attorney, a Shareholder must also send in the original or a certified copy of the power of attorney or other authority under which the Proxy Form is signed.

Undirected Proxies

The Chair of the Meeting intends to vote undirected proxy votes in favour of all resolutions (subject to the voting exclusions below).

Voting by Corporate Representative

A Shareholder or proxy which is a corporation and entitled to attend and vote at the Meeting may appoint an individual to act as its corporate representative to vote at the Meeting. The appointment must comply with section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment unless it has previously been provided to Link Market Services Limited.

Voting by Attorney

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint an attorney to attend and vote at the Meeting on the Shareholder's behalf. An attorney need not themselves be a Shareholder.

The power of attorney appointing the attorney must be signed and specify the name of each of the Shareholder, the Company and the attorney, and also specify the meeting(s) at which the appointment may be used. The appointment may be a standing one.

To be effective, the power of attorney must also be returned in the same manner, and by the same time, as specified for Proxy Forms.

Voting Exclusions

The Corporations Act and the ASX Listing Rules require that certain persons must not vote in particular ways, and the Company must disregard particular votes cast by or on behalf of certain persons, on seven of the resolutions to be considered at the Meeting. These voting exclusions are described below.

(a) Resolution 1: Remuneration Report

In accordance with sections 250BD and 250R of the Corporations Act, votes may not be cast, and the Company will disregard any votes cast, on Resolution 1:

- by or on behalf of any KMP member whose remuneration details are included in the Remuneration Report, or any of their closely related parties, regardless of the capacity in which the votes are cast; or
- by any person who is a KMP member as at the time the resolution is voted on at the Meeting, or any of their closely related parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on the Resolution:

- in accordance with a direction in the proxy appointment; or
- by the Chairman of the Meeting in accordance with an express authorisation in the proxy appointment to cast the votes even if the resolution is connected directly or indirectly with the remuneration of a KMP member.

(b) Resolutions 2 and 3: Re-Election and Election of Directors

No voting exclusions apply in relation to Resolutions 2 and 3.

(c) Resolutions 4, 5, 6, 7 and 8: Approval of the Issue of Performance Rights to each Director (and Exception to 15% Cap)

In accordance with section 250BD of the Corporations Act and ASX Listing Rules 10.14 and 10.15, votes may not be cast, and the Company will disregard any votes cast, on Resolutions 4, 5, 6, 7 and 8:

- by or on behalf of any Director who is eligible to participate in any Company employee incentive scheme, or any of their associates, regardless of the capacity in which the votes are cast; or
- by any person who is a KMP member as at the time the resolution is voted on at the Meeting, or any of their closely related parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on the Resolution:

- in accordance with a direction in the proxy appointment; or
- by the Chairman of the Meeting in accordance with an express authorisation in the proxy appointment to cast the votes even if the resolution is connected directly or indirectly with the remuneration of a KMP member, and in accordance with a direction in the proxy appointment to vote as the proxy decides.

(d) Resolution 9: Approval of 10% Placement Capacity

In accordance with ASX Listing Rule 7.3A, votes may not be cast, and the Company will disregard any votes cast, on Resolution 9:

- by or on behalf of any person who may participate in the issue of Equity Securities under this Resolution, or any of their closely related parties; or

- by any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, or any of their closely related parties,

unless the votes are cast as a proxy for a person who is entitled to vote on the Resolution:

- in accordance with a direction in the proxy appointment; or
- by the Chairman of the Meeting in accordance with an express authorisation in the proxy appointment to cast the votes even if the resolution is connected directly or indirectly with the remuneration of a person described above.

(e) Resolution 10: Adoption of New Constitution

No voting exclusions apply in relation to Resolution 10.

For the purposes of these voting exclusions:

- The ***KMP members*** (or ***key management personnel***) are those persons having authority and responsibility for planning, directing and controlling the activities of the Otto Energy Limited consolidated group, either directly or indirectly. This includes all Directors (executive and non-executive) and all members of the senior management team reporting to the Managing Director and Chief Executive Officer. The KMP for the Otto Energy Limited consolidated group during the financial year ended 30 June 2018 are listed in the Remuneration Report contained in the Company's 2018 Annual Report.
- A ***closely related party*** of a KMP member means:
 - a spouse or child of the member;
 - a child of the member's spouse;
 - a dependant of the member or of the member's spouse;
 - 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 dealings with the entity;
 - a company the member controls; or
 - a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

The Company will also apply these voting exclusions to persons appointed as attorney by a Shareholder to attend and vote at the Meeting under a power of attorney, as if they were appointed as a proxy

Resolutions

All items of business involving a vote by Shareholders other than Resolutions 9 and 10 require ordinary resolutions, which means that, to be passed, the item needs the approval of a simple majority of the votes cast by Shareholders entitled to vote on the resolution.

Resolutions 9 and 10 require a special resolution, which means that, to be passed, the item needs the approval of at least 75% of the votes cast by Shareholders entitled to vote on the resolution.

Your Proxy Form is enclosed with this Notice of Meeting

If you have any queries on how to cast your votes then call the Company's share registry, Link Market Services Limited on +61 1300 554 474 during normal business hours (Monday – Friday, 8:30am – 7:30pm (AEST)).

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 (0) 8 6467 8800.

EXPLANATORY STATEMENT

The information in this Explanatory Memorandum is provided to Shareholders of Otto Energy Limited in compliance with the Corporations Act, the ASX Listing Rules and the Constitution.

This Explanatory Memorandum forms part of the notice convening the Annual General Meeting of Otto Energy Limited to be held at CWA House, 1176 Hay Street, West Perth WA 6005 at 10.00am (WST) on Thursday, 15 November 2018.

All Shareholders should read this Explanatory Memorandum in full. Shareholders should obtain professional advice before making any decisions in relation to the resolutions to be put to Shareholders at the Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

As required by section 317 of the Corporations Act, the annual financial report, Directors' report and auditor's report of the Company and its consolidated entities for the most recent financial year (namely the period ended 30 June 2018) will be laid before the Meeting.

There is no requirement for a shareholder resolution on this item. Accordingly, there will be no resolution put to the Meeting. However, the Company's auditor will also be present at the Meeting and Shareholders will be given the opportunity to ask the auditor questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

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.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Remuneration Report is required to be considered by Shareholders in accordance with section 250R(2) of the Corporations Act.

The Remuneration Report for the year ended 30 June 2018 contains:

- (a) the remuneration policy for the Company;
- (b) an overview of the link between remuneration and corporate performance; and
- (c) a report on the remuneration arrangements in place for the Non-executive Directors, the CEO and certain members of senior management.

The Remuneration Report, contained in the 2018 Annual Report, is available on the Company's website at www.ottoenergy.com.

Shareholders will have an opportunity to ask questions and make comments about the Remuneration Report at the Meeting. Ordinary shareholders will be asked to vote on a resolution to adopt the Remuneration Report. Under the Corporations Act, the vote on the resolution is advisory only and does not bind the Board or the Company. However, the Board will take the outcome of the vote into consideration in future reviews of the remuneration policy for Directors and Executives.

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 Meeting.

2.4 Directors' recommendation

Noting that each Director has a personal interest in their own remuneration from the Company (as described in the Remuneration Report) and, that each Director (or any closely related party of a Director) is excluded from voting their shares on the resolution (as described in the 'Voting exclusions' section of the Notes to the Notice), the Directors unanimously recommend that Shareholders vote in favour of the adoption of the Remuneration Report.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR WHO RETIRES BY ROTATION – IAN BOSERIO

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

Clause 13.2 of the current Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (b) The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on

the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots; and

- (c) A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has 4 Directors, including the Managing Director but excluding Mr Paul Senyia who is the subject of Resolution 3, and accordingly 1 must retire.

In accordance with the ASX Listing Rules and rule 13.2 of the Company's constitution, Ian Boserio, the Director longest in office since the last election and having held office for three years, retires by rotation and offers himself for re-election.

A biography of Ian Boserio (first appointed as a Director on 2 September 2010 and last re-elected on 25 November 2015) is set out in the Company's annual financial report for the year ended 30 June 2018.

The Board has considered Ian Boserio's independence and considers that he is an independent Director.

3.2 Directors' recommendation

The Directors (other than Ian Boserio) unanimously recommend the re-election of Ian Boserio as a Director pursuant to Resolution 2 and are not aware of any other information that would be material to Shareholders' decision as to whether to re-elect Ian Boserio as a Director.

4. RESOLUTION 3 – ELECTION OF DIRECTOR WHO WAS APPOINTED BY OTHER DIRECTORS – PAUL SENYIA

4.1 General

ASX Listing Rule 14.4 and rule 13.4 of the current Constitution provide that a Director appointed by the other Directors to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity.

In accordance with the ASX Listing Rules and rule 13.4 of the Constitution, Paul Senyia retires from office and offers himself for election.

A biography of Paul Senyia (first appointed as a Director on 24 April 2018) is set out in the Company's annual financial report for the year ended 30 June 2018.

4.2 Directors' recommendation

The Directors (other than Paul Senyia) unanimously recommend that Shareholders vote in favour of Paul Senyia's election as a Director pursuant to Resolution 3 and are not aware of any other information that would be material to Shareholders' decision as to whether to re-elect Paul Senyia as a Director.

5. RESOLUTIONS 4, 5, 6, 7 AND 8 – APPROVAL OF THE ISSUE OF PERFORMANCE RIGHTS TO EACH DIRECTOR (AND EXCEPTION TO 15% CAP)

5.1 Overview

Shareholder approval is sought to issue the following Performance Rights under the Company's Performance Rights Plan:

- (a) up to a maximum of 1,116,000 Performance Rights to John Jetter;
- (b) up to a maximum of 3,990,000 Performance Rights to Matthew Allen;
- (c) up to a maximum of 744,000 Performance Rights to Ian Macliver;
- (d) up to a maximum of 669,000 Performance Rights to Ian Boserio; and
- (e) up to a maximum of 669,000 Performance Rights to Paul Senyca.

ASX Listing Rule 10.14 requires the Company to obtain shareholder approval in order to issue securities to a Director under the Performance Rights Plan. As described below and in Schedule 1, a Performance Right is a right to receive a Share if the Performance Right vests.

Accordingly, Shareholder approval under ASX Listing Rule 10.14 is required for each issue of Performance Rights to the Directors listed in Resolutions 4, 5, 6, 7 and 8.

If Resolutions 4, 5, 6, 7 and 8 are approved for the purposes of ASX Listing Rule 10.14, any Shares issued on vesting of a Performance Right will be issued under the Performance Rights Plan, and for that reason Shareholder approval is not required under ASX Listing Rule 7.1. In other words, exception 14 set out in ASX Listing Rule 7.2 applies and any Shares issued on vesting of Performance Rights will not be included in the Company's annual 15% placement capacity granted under ASX Listing Rule 7.1.

ASX Listing Rule 10.11 requires Shareholder approval for the issue of securities to a related party of the Company, but if Resolutions 4, 5, 6, 7 and 8 are approved for the purposes of ASX Listing Rule 10.14, Shareholder approval is not required under ASX Listing Rule 10.11.

5.2 Terms and conditions of Performance Rights

Each of the Performance Rights will:

- (a) be issued for nil cash consideration, and no consideration will be payable upon the vesting (or exercise) of the Performance Rights on the achievement of the Vesting Conditions;
- (b) vest when the total shareholder return (TSR) is 15% per annum or greater over the period from the grant date to the measurement date (the Vesting Condition). The rights granted will have measurement dates at one, two and three years following the grant date and will expire five years after the grant date. One third of the performance rights granted will be available to vest at each measurement date. The starting base for measurement of the TSR will be a deemed grant date share price of the 90 day volume weighted average price on 15 November 2018 being the date of this annual general meeting. Where a right does not vest on a measurement date, it will roll forward to the next measurement date or the expiry date if it is the third measurement date;
- (c) also vest if a takeover bid for the Company is declared unconditional, there is a change of control event, or if a merger by way of scheme of arrangement has been approved by a court; and
- (d) lapse, if unvested, on the earlier of five years from the grant date or on the day following the holder of the Performance Rights ceasing to be a Director.

A summary of all the key terms and conditions of the Performance Rights Plan is set out in Schedule 2.

The key purpose of the grant of Performance Rights to Directors under the Performance Rights Plan is to provide a cost effective way to remunerate Directors, as opposed to alternative forms of incentives such as the payment of additional cash compensation. The Vesting Conditions will also align the interests of Directors with those of Shareholders.

5.3 Related party transactions

Chapter 2E of the Corporations Act provides that a 'financial benefit' cannot be provided to related parties (which includes Directors) of a company without shareholder approval unless an exception applies.

Under Section 210 of the Corporations Act, shareholder approval is not needed where the financial benefit proposed to be provided constitutes reasonable remuneration to the related party.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required for the issue of Performance Rights to Directors under Resolutions 4, 5, 6, 7 and 8 because the grant of the Performance Rights constitutes reasonable remuneration.

In forming these views, the Directors carried out an assessment of the equity incentive component of other directors in peer group companies, and also had regard to the recent history of the Company, the experience of each of the Directors receiving Performance Rights under Resolutions 4, 5, 6, 7 and 8 and the responsibilities involved in that office.

5.4 Technical information required by ASX Listing Rules 10.14 and 10.15

As required by ASX Listing Rule 10.14, the following information is provided in relation to Resolutions 4, 5, 6, 7 and 8 in accordance with ASX Listing Rule 10.15:

- (a) The Performance Rights will be issued to the following persons, who are each Directors:
 - (i) John Jetter;
 - (ii) Matthew Allen;
 - (iii) Ian Macliver;
 - (iv) Ian Boserio; and
 - (v) Paul Senyca.

- (b) The maximum number of Performance Rights that may be issued is:
 - (i) 1,116,000 Performance Rights to John Jetter;
 - (ii) 3,990,000 Performance Rights to Matthew Allen;
 - (iii) 744,000 Performance Rights to Ian Macliver;
 - (iv) 669,000 Performance Rights to Ian Boserio; and
 - (v) 669,000 Performance Rights to Paul Senyca.

The calculation of the maximum number of Performance Rights that may be issued to Directors is set out below.

Director	Fixed Annual Remuneration (FAR)	LTI %	LTI Value***	Share Price*	Maximum No. of Rights**
John Jetter	US\$106,275	50%	\$75,000	\$0.0672	1,116,000
Matthew Allen	US\$380,000	50%	\$268,172	\$0.0672	3,990,000
Ian Macliver	US\$70,850	50%	\$50,000	\$0.0672	744,000
Ian Boserio	US\$63,765	50%	\$45,000	\$0.0672	669,000
Paul Senyca	US\$63,765	50%	\$45,000	\$0.0672	669,000
Total					7,188,000

*The minimum share price used by the Company, for the purposes of calculating the maximum quantity of Performance Rights that may be issued to Directors has been set at \$0.0672 being the 90 day volume weighted average price on 4 October 2018).

** Rounded down to the nearest 1,000.

***Assumes a USD:AUD exchange rate of 0.7085 (RBA as at 4 October 2018).

The actual number of Performance Rights to be issued will be calculated using the greater of \$0.0672 and the 90 day VWAP up to, but not including the date of grant (expected to be 15 November 2018).

- (c) The Performance Rights will be issued for nil consideration pursuant to the Performance Rights Plan and no consideration will be payable on the vesting of the Performance Rights on achievement of the performance criteria, accordingly no funds will be raised by the issue of the Performance Rights.
- (d) An issue of Performance Rights under the Performance Rights Plan was previously approved by Shareholders on 29 November 2017. From that date to the date of this Notice no other Performance Rights have been issued under the Performance Rights Plan. Since 29 November 2017, the following directors received Performance Rights:

Recipient	Number of Performance Rights	Acquisition price
John Jetter	1,033,000	Nil
Matthew Allen	3,927,000	Nil
Ian Macliver	703,000	Nil
Ian Boserio	620,000	Nil

- (e) As at the date of this Notice, John Jetter, Matthew Allen, Ian Macliver, Ian Boserio and Paul Senyca are the only persons covered by ASX Listing Rule 10.14 that the Board has declared eligible to be issued Performance Rights under the Performance Rights Plan. However in accordance with the terms of the Performance Rights Plan the Board may determine in the future that any of the other Directors may become eligible to participate in the Performance Rights Plan.
- (f) A voting exclusion statement has been included in this Notice.
- (g) No loans will be made in relation to the issue of Performance Rights.
- (h) The Performance Rights will be issued no later than 12 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).

5.5 Directors' recommendations

Resolution 4

All the Directors (except John Jetter due to his material personal interest in the outcome of the Resolution, as it relates to the proposed grant of Performance Rights to him individually (or his nominee)) recommend that Shareholders vote in favour of Resolution 4.

The Board (other than John Jetter) are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision regarding the financial benefit the subject of this Resolution or whether it is in the best interests of the Company to pass the Resolution.

Resolution 5

All the Directors (except Matthew Allen due to his material personal interest in the outcome of the Resolution, as it relates to the proposed grant of Performance Rights to him individually (or his nominee)) recommend that Shareholders vote in favour of Resolution 5.

The Board (other than Matthew Allen) are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision regarding the financial benefit the subject of this Resolution or whether it is in the best interests of the Company to pass the Resolution.

Resolution 6

All the Directors (except Ian Macliver due to his material personal interest in the outcome of the Resolution, as it relates to the proposed grant of Performance Rights to him individually (or his nominee)) recommend that Shareholders vote in favour of Resolution 6.

The Board (other than Ian Macliver) are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision regarding the financial benefit the subject of this Resolution or whether it is in the best interests of the Company to pass the Resolution.

Resolution 7

All the Directors (except Ian Boserio due to his material personal interest in the outcome of the Resolution, as it relates to the proposed grant of Performance Rights to him individually (or his nominee)) recommend that Shareholders vote in favour of Resolution 7.

The Board (other than Ian Boserio) are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision regarding the financial benefit the subject of this Resolution or whether it is in the best interests of the Company to pass the Resolution.

Resolution 8

All the Directors (except Paul Senyica due to his material personal interest in the outcome of the Resolution, as it relates to the proposed grant of Performance Rights to him individually (or his nominee)) recommend that Shareholders vote in favour of Resolution 8.

The Board (other than Paul Senyica) are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision regarding the financial benefit the subject of this Resolution or whether it is in the best interests of the Company to pass the Resolution.

6. RESOLUTION 9 – APPROVAL OF 10% PLACEMENT CAPACITY

6.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities (as defined below) equal to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

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 \$133 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 4 October 2018).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: OEL).

If Shareholders approve Resolution 9, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2:

(A x D) – E

A is the number of fully paid Shares on issue 12 months before the date of issue or agreement:

- (a) plus the number of fully paid Shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- (b) plus the number of partly paid Shares that became fully paid in the 12 months;
- (c) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under ASX Listing Rule 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% capacity pursuant to Listing Rule 7.1 without Shareholder approval;
- (d) less the number of fully paid Shares cancelled in the 12 months.

D is 10%.

E is the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under ASX Listing Rule 7.1 or 7.4.

Resolution 9 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 9 for it to be passed.

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 9:

(a) Minimum price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX 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; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in paragraph (i), the date on which the Equity Securities are issued.

(b) Date of issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 9 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

As required by ASX Listing Rule 7.3A.2, the table below shows the economic and voting dilution effect in circumstances where the issued capital of the Company has doubled and the market price of the Shares has halved. The table below also shows additional scenarios in which the Company's issued capital has increased (by both 50% and 100%) and the market price of the Shares has:

- (a) decreased by 50%; and
- (b) increased by 100%.

Issued Shares	50% decrease in market price (\$0.0355)		Current market price (\$0.071)		100% increase in market price (\$0.142)	
	10% voting dilution (Shares)	Capital raised	10% voting dilution (Shares)	Capital raised	10% voting dilution (Shares)	Capital raised
Present = 1,870,525,612	187,052,561 Shares	\$6,640,366	187,052,561 Shares	\$13,280,732	187,052,561 Shares	\$26,561,464
If 50% increase = 2,805,788,418	280,578,842 Shares	\$9,960,549	280,578,842 Shares	\$19,921,098	280,578,842 Shares	\$39,842,196
If 100% increase = 3,741,051,224	374,105,122 Shares	\$13,280,732	374,105,122 Shares	\$26,561,464	374,105,122 Shares	\$53,122,927

The table above uses the following assumptions:

1. There are currently 1,870,525,612 existing Shares (quoted on ASX) as at 4 October 2018.
2. The market price is \$0.071 per Share, based on the closing price of the Shares on ASX on 4 October 2018.
3. The above table only shows the dilutionary effect based on the additional 10% issue and not the 15% under Listing Rule 7.1.
4. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
5. 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 shareholder approval under ASX Listing Rule 7.1.
6. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
7. 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.

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.

(d) Purpose of issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the continued exploration, appraisal and/or development expenditure on the Company's current and any new assets, ongoing project administration and general working capital; or

- (ii) as non-cash consideration for the acquisition of new resources assets and investments including previously announced acquisitions, and in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon the issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity 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 10% Placement Capacity 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 10% Placement Capacity, 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).

Further, if the Company acquires new resources, assets or investments, the recipients under the 10% Placement Capacity may be vendors of the new resources, assets or investments.

(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 29 November 2017 (**Previous Approval**).

As at the date of the Meeting, the Company will have issued 169,491,528 Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 15 November 2017, the Company otherwise issued a total of 277,878,617 Shares which Equity Securities represents approximately 19.53% of the total number of Equity Securities on issue in the Company on 15 November 2017, which was 1,423,155,467.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

6.3 Voting exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, there are no outstanding invitations to 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 9.

6.4 Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 9 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.

7. RESOLUTION 10 – ADOPTION OF NEW CONSTITUTION

The Board proposes that the Company's current Constitution be replaced with an updated version to ensure that it complies with the current requirements of the Corporations Act and ASX Listing Rules and reflects current corporate governance practices.

A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon written request to the Company Secretary. Shareholders are invited to contact the Company Secretary on +61 (0) 8 6467 8800 if they have any queries or concerns.

A copy of the Proposed Constitution will also be available at the Meeting. It will be marked by the Chair of the Meeting in order to identify it as the Constitution approved by Shareholders.

A summary of the key changes contained in the new Proposed Constitution is set out below.

(a) **Dividends**

Prior to 2010, dividends could only be paid out of a company's profits. However, a new company assets test has since been adopted through amendments to the Corporations Act. The new test in section 254T of the Corporations Act now requires that:

- (i) a company not pay a dividend unless its assets exceed its liabilities;
- (ii) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (iii) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution requires the Company to satisfy the new assets test as well as imposing the earlier restriction that dividends only be paid out of profits of the Company. The Proposed Constitution is updated to remove this restriction. Only the

asset test provided for by the Corporations Act will be applicable. The Directors consider it appropriate to update the Constitution to allow greater flexibility in the payment of dividends in the future should the Company determine that it wishes to declare a dividend.

(b) **Direct voting**

The Proposed Constitution allows the Board to introduce direct voting, which allows Shareholders to exercise their voting rights before meetings without having to attend meetings or appoint proxies or representatives on their behalf. If the Board determines that votes may be cast by direct vote then the Board may make such rules as it considers appropriate for the casting of direct votes.

A Shareholder voting directly would usually complete a voting form which can be lodged by post, by fax or electronically 48 hours before the Shareholder meeting. This means of voting is a more efficient method of running Shareholder meetings.

Chartered Secretaries Australia (CSA) is a strong proponent of direct voting and has published a guide to implementing direct voting. The CSA guide:

- (i) identifies the benefits and issues relating to the implementation of direct voting;
- (ii) includes sample wording for constitutional amendments incorporating a right to use direct voting; and
- (iii) includes sample rules that could be adopted by a Board in order to implement direct voting as well as a sample direct voting form.

A number of companies have included wording in their constitutions giving the Directors the right to implement direct voting in the future.

A smaller but growing number of companies have gone further and have provided for the actual implementation of direct voting in their constitutions and set out, to varying degrees, the mechanics of how it will operate. The Proposed Constitution includes such wording in the event direct voting is implemented in the future.

(c) **Small Holdings / Unmarketable parcels**

Both the Company's current Constitution and the Proposed Constitution allow Directors to cause the sale of any shares held by a Shareholder which comprises less than a marketable parcel (under the ASX Listing Rules), otherwise referred to as an unmarketable parcel. This ability is beneficial to the Company since it reduces the high administrative costs in maintaining a large number of small shareholdings.

An unmarketable parcel is a parcel of shares that has a market value of less than \$500 (**Small Holding**). The provisions allow individual holders to retain their Small Holding by completing and returning a retention notice to the Company by the relevant due date. Otherwise the Directors may sell any Share held by a Shareholder which is a Small Holding at no cost to the Shareholder. The Company must give at least six weeks' notice of the intention to sell any Small Holdings.

The Proposed Constitution has simplified the procedure that must be followed for the sale of Small Holdings.

(d) **Director indemnities**

The current Constitution provides for directors, executive officers and secretaries to be indemnified within the limits set out in the Corporations Act. Rule 78 of the Proposed Constitution provides that, if the Board considers it appropriate, a similar indemnity may be provided to directors, officers and secretaries of the Company's wholly-owned subsidiaries.

The risk of permitting an extension of the indemnity to the officers of wholly-owned subsidiaries or the Company's officeholders for activities undertaken by them in respect of other entities is that it may inadvertently allow creditors of the subsidiary or the officeholders of the subsidiary access to the Company's resources (particularly, for example, if the officeholder is also appointed as an officeholder of a partly owned subsidiary). The Directors consider that this risk is appropriately mitigated by the fact that Rule 78 of the Proposed Constitution provides the Board with broad discretion as to when and to what extent any such indemnity is made in favour of an officer. The Board's present intention is that these indemnities will be extended to directors of the Company's wholly-owned subsidiaries.

(e) **Retirement benefits**

The Proposed Constitution provides a greater degree of detail as to retirement and superannuation benefits which may become payable to Directors, within the statutory framework set out by sections 200B-F of the Corporations Act. In particular, the Proposed Constitution clarifies the powers of the Board to make arrangements with a Director under which he or she will be entitled to a retirement allowance or other benefit, or to establish a fund from which benefits may be paid to a Director in the future.

It is necessary to provide in the constitution a power to pay retirement or superannuation benefits, as Directors are fiduciaries and cannot benefit from their association with the Company unless it is appropriately sanctioned by the constitution, the Shareholders in a general meeting or the law. In any event the Company is required to pay superannuation for Directors by operation of law.

(f) **Technology**

The Proposed Constitution allows the Board to convene a general meeting of Shareholders at two or more venues through the use of technology that will facilitate a reasonable opportunity for Shareholders to participate.

(g) **Employee share plan**

Subject to the ASX Listing Rules and the Corporations Act, Rule 81 of the Proposed Constitution permits the Board to implement an employee share plan under which shares and options may be issued to an employee or officer of the Company or of a related company or an entity in which an employee or officer has an interest.

ASX Listing Rule 7.1 limits the number of equity securities which a listed company may issue in any 12 month period without shareholder approval to no more than 15% of the company's total issued securities at the beginning of that period (plus any additional securities issued with approval of shareholders or under an exception). However, Listing Rule 7.2 (Exception 9) provides that Listing Rule 7.1 does not apply to an issue under an employee incentive scheme provided shareholders have approved the issue within three years prior to the date of issue.

While Rule 81 of the Proposed Constitution will expressly provide the Board with the power to implement an employee share plan (notwithstanding the Board already has

this authority at law), Shareholders will still be required to approve the actual issue of any future shares or options to Directors under the plan after being provided with a notice that includes:

- (i) a summary of the terms of the plan;
- (ii) the number of share and/or options issued under the plan since the date of the last approval (if any); and
- (iii) a voting exclusion statement.

Shareholder approval will not be required for non-Directors to participate in any future employee share plan.

(h) **Loans by Directors**

Rule 54 of the Proposed Constitution permits a Director to lend money to the Company. It also allows a Director to act as guarantor for any money the Company borrows or to underwrite or guarantee the subscription of securities in the Company without disqualification and without liability to account to the Company for any commission or profit. This is not an uncommon provision in modern company constitutions and provides for a Director to engage with the Company as a third-party while continuing to act in accordance with the Director's fiduciary and statutory duties to the Company.

7.2 Special resolution

Section 136 of the Corporations Act provides that the Company may adopt or modify its Constitution by special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 10 for it to be passed.

7.3 Directors' recommendation

For the reasons outlined above, the Board unanimously recommends that Shareholders vote in favour of Resolution 10.

GLOSSARY

10% Placement Capacity has the meaning given in section 5.1 of the Explanatory Statement.

\$ means Australian dollars.

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

ASIC means the Australian Securities & Investments Commission.

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.

Board means the current board of Directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day, in Perth, Western Australia.

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.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

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 Otto Energy Limited consolidated group, either directly or indirectly (whether executive or otherwise).

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

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Performance Rights means performance rights issued under the Performance Rights Plan.

Performance Rights Plan means the employee incentive scheme titled "Otto Energy Limited Performance Rights Plan".

Proposed Constitution means the new constitution proposed by the Board to replace the Company's current Constitution pursuant to Resolution 10.

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 2018.

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.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 15 NOVEMBER 2017

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable)	Form of consideration
27 November 2017	100,000,166	Ordinary fully paid shares	Shareholders at the Record Date (24 October 2017) for the Share Purchase Plan announced by the Company on 25 October 2017	Issued at \$0.035, which is a discount of 18.6% to Market Price	Total cash consideration of \$3,500,005, which, in conjunction with the 30 September 2017 cash balance of US\$16.2 million and the \$8.5 million from Tranche 1 of the placement announced on 25 October 2017, will go towards funding the following: <ul style="list-style-type: none"> - Two firm development wells at SM 71; - Drilling of the of the ST 224 exploration well; and - Additional growth opportunities, which may include a third well in SM 71, rapid development of a discovery at ST 224, drilling of the large Bivouac Peak prospect, one of the many new prospects Otto is evaluating in the Gulf of Mexico or exploration in Alaska if Otto’s partner secures funding and working capital.
29 November 2017	14,187,000	Performance rights	Directors: John Jetter Matthew Allen Ian Macliver Ian Boserio and senior employees: David Rich Paul Senyica Philip Trajanovich	Nil	Shares issued on vesting of performance rights will be issued for nil consideration.
1 December 2017	6,142,857	Ordinary fully paid shares	Directors: John Jetter Matthew Allen Ian Macliver Ian Boserio	Issued at \$0.035 which is a discount of 18.6% to Market Price	Total cash consideration of \$8,290,000 which in conjunction with the 30 September 2017 cash balance of US\$16.2 million will go towards funding the following: <ul style="list-style-type: none"> - Two firm development wells at SM 71; - Drilling of the of the ST 224 exploration well; and - Additional growth opportunities, which may include a third well in SM 71, rapid development of a discovery at ST 224, drilling of the large Bivouac Peak prospect, one of the many new prospects Otto is evaluating in the Gulf of Mexico or exploration in Alaska if Otto’s partner secures funding and working capital.

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable)	Form of consideration
2 February 2018	1,630,000	Ordinary fully paid shares	Matthew Allen Paul Senyucia	No issue price (non-cash consideration) – vesting of performance rights	Consideration: performance based remuneration for service provided to the Company. Current value ¹ = \$115,730
10 August 2018	169,491,528	Ordinary fully paid shares	Subscribers to the Institutional Placement announced by the Company on 31 July 2018	Issued at \$0.059	The proceeds received from the issue will be used to 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 Bivouac Peak and Alaska.
10 August 2018	51,633,664	Ordinary fully paid shares	Subscribers to the Institutional Entitlement Offer announced by the Company on 31 July 2018	Issued at \$0.059	The proceeds received from the issue will be used to 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 Bivouac Peak and Alaska.
29 August 2018	118,471,930	Ordinary fully paid shares	Subscribers to the Retail Entitlement Offer announced by the Company on 31 July 2018	Issued at \$0.059	The proceeds received from the issue will be used to 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 Bivouac Peak and Alaska.

Notes:

1. In respect of quoted Equity Securities the value is based on the number of shares multiplied by \$0.071 being the closing price of the Shares of on the ASX on 4 October 2018.

SCHEDULE 2 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS PLAN

A summary of the key terms of the Performance Rights Plan is set out below:

(b) **Eligibility:**

The Board may from time to time in its absolute discretion issue invitations to certain persons (**Eligible Persons**) to participate in the Performance Rights Plan.

(c) **Offers to participate**

An offer (**Offer**) to Eligible Persons to participate in the Performance Rights Plan must set out:

- (i) the date of the Offer;
- (ii) the name of the Eligible Person to whom the Offer is made;
- (iii) the number of Performance Rights which are capable of vesting (resulting in the issue of Shares) if specific performance conditions are met;
- (iv) the performance conditions and performance period in relation to the Performance Rights;
- (v) the approximate date or dates on which the performance conditions are to be measured (in respect of the Performance Rights) in order to determine whether the Eligible Person will be issued with Shares;
- (vi) the expiry date;
- (vii) whether any restrictions on transfer will be imposed by the Board on some or all of the Shares issued or transferred to the participant under the Performance Rights Plan; and
- (viii) the time period in which the Eligible Person may accept the Offer.

(d) **Participation**

The Board retains complete discretion to make offers of Performance Rights to any Eligible Person.

(e) **Nature of Performance Rights**

A Performance Right is a right to receive a Share on the terms set out in the Performance Rights Plan subject to satisfaction of the applicable performance conditions over the relevant performance period. The performance period, performance conditions and test dates for measuring the performance conditions may be determined by the Board from time to time, and shall be set out in the Offer to the Eligible Person.

(f) **Vesting:**

Performance Rights may vest in the following ways:

- (i) if the applicable performance conditions in relation to a performance period are met as at the relevant test date as set out in the Offer, the Board will determine the number of Performance Rights which will become vested Performance Rights; and
- (ii) in the event a takeover bid for the Company is declared unconditional, there is a change in control event (being an event where a shareholder or a group of associated

shareholders gain the ability to control more than 50% of the voting power in the Company, or become entitled to sufficient Shares to give it or them the ability in general meeting to replace all or a majority of the Board), or if a merger by way of scheme of arrangement has been approved by a court.

(g) **Cessation of employment**

Unless otherwise determined by the Board:

- (i) if an Eligible Person ceases to be an Eligible Person because of retirement, redundancy, death or total and permanent disablement, the Board will determine the extent to which unvested Performance Rights held by the Eligible Person shall vest and the Eligible Person may exercise vested performance rights within 6 months or such longer period as the Board may determine;
- (ii) if an Eligible Person ceases to be an Eligible Person for any reason other than retirement, redundancy, death or total and permanent disablement, unvested Performance Rights shall automatically lapse;
- (iii) if an Eligible Person ceases to be an Eligible Person because of retirement, redundancy, death or total and permanent disablement, any vested Performance Rights held by the Eligible Person shall continue to be able to be exercised at any time prior to the expiry date; and
- (iv) if an Eligible Person ceases to be an Eligible Person for any reason other than retirement, redundancy, death or total and permanent disablement, vested Performance Rights may be exercised within 1 month or such longer period as the Board may determine.

(h) **Lapse of Performance Rights**

A Performance Right lapses on the earlier of:

- (i) where performance conditions have not been satisfied on the test date and the Board determines that the Performance Right lapses, the date of the determination;
- (ii) if an Eligible Person ceases to be an Eligible Person because of retirement, redundancy, death or total and permanent disablement, the date of lapse referred to above;
- (iii) if an Eligible Person ceases to be an Eligible Person for any reason other than retirement, redundancy, death or total and permanent disablement, the date of lapse referred to above;
- (iv) if the opinion of the Board the Eligible Person acts fraudulently or dishonestly or is in material breach of his or her obligations to the Company and the Board determines that the Eligible Person's Performance Rights will lapse, the date of the determination;
- (v) if an Eligible Person has not exercised Performance Rights which have vested because of a takeover, change in control event or scheme of arrangement by the time specified by the Board, that date; and
- (vi) the expiry date.

(i) **Restriction on transfer of Performance Rights**

Except on the death of an Eligible Person, Performance Rights may not be transferred, assigned or novated except with the approval of the Board.

(j) **Issue limitations**

A Performance Right may not be issued if, immediately following its issue, the Shares to be received on exercise of the Performance Right when aggregated with:

- (i) the number of Shares which would be issued were each outstanding offer or Performance Right, being an offer made or Performance Right acquired pursuant to the Performance Rights Plan or any other employee shares scheme extended only to employees or Directors; and
- (ii) the number of Shares issued in the previous 5 years pursuant to the Performance Rights Plan or any other employee share scheme extended only to employees or Directors of the Company or an associated body corporate,

but disregarding any offer made, or Performance Right acquired or Share issued by way of or as a result of:

- (i) an offer to a person situated at the time of receipt of the offer outside Australia; or
- (ii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
- (iii) an offer made under a disclosure document,

exceeds 5% of the total number of issued shares in that share class of the Company at the time the Performance Right is offered.

(k) **Reorganisation of capital**

In the event of any reorganisation of the issued capital of the Company, the number of Performance Rights to which each Eligible Person is entitled or the exercise price of his or her Performance Rights or both will be reorganised in accordance with the provisions of the ASX Listing Rules.

(l) **Amendment of Performance Rights Plan**

Subject to the ASX Listing Rules, the Board retains the discretion to amend the rules of the Performance Rights Plan or to terminate it at any time.

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



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
1A Homebush Bay Drive, Rhodes NSW 2138;



ALL ENQUIRIES TO

Telephone: 1300 554 474 Overseas: +61 1300 554 474

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 above by **10:00am (WST) on Tuesday, 13 November 2018**, 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

www.linkmarketservices.com.au

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) as shown on the reverse of this Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders 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 shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman of the Meeting will be your proxy. If your named proxy attends the Meeting but does not vote on a poll on a resolution in accordance with your directions, the Chairman of the Meeting will become your proxy in respect of that resolution. A proxy need not be a shareholder of the Company.

PROXY VOTING BY THE CHAIRMAN OF THE MEETING

On a poll, the Chairman of the Meeting will vote directed proxies as directed and may vote undirected proxies as the Chairman of the Meeting sees fit. If the Chairman of the Meeting is your proxy or becomes your proxy by default, and you do not provide voting directions, then by submitting the Proxy Form you are expressly authorising the Chairman of the Meeting to exercise your proxy on resolutions that 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 share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) 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
- (b) 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 shareholder 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 the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

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.

NAME SURNAME
 ADDRESS LINE 1
 ADDRESS LINE 2
 ADDRESS LINE 3
 ADDRESS LINE 4
 ADDRESS LINE 5
 ADDRESS LINE 6



X99999999999

PROXY FORM

I/We being a securityholder(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 of the person or body corporate you are appointing as your proxy

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 **10:00am (WST) on Thursday, 15 November 2018 at CWA House, 1176 Hay Street, West Perth WA 6005** (the Meeting) and at any postponement or adjournment of the Meeting.

Important for Resolutions 1, 4, 5, 6, 7 and 8: 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 Resolutions 1, 4, 5, 6, 7 and 8, even though the Resolutions are 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 resolution.

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"/>	9 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director who Retires by Rotation – Ian Boserio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 Adoption of New Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director who was Appointed by Other Directors – Paul Senyacia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of the Issue of Performance Rights to John Jetter (And Exception to 15% Cap)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of the Issue of Performance Rights to Matthew Allen (And Exception to 15% Cap)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of the Issue of Performance Rights to Ian Macliver (And Exception to 15% Cap)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of the Issue of Performance Rights to Ian Boserio (And Exception to 15% Cap)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of the Issue of Performance Rights to Paul Senyacia (And Exception to 15% Cap)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* 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)

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).

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