

# ASX ANNOUNCEMENT



## SEARCHING & DEVELOPING OIL & GAS WORLDWIDE

Manager of Company Announcements  
Australian Securities Exchange Level 6, 20 Bridge Street SYDNEY NSW 2000 By E-Lodgement

13<sup>th</sup> August 2008

### **TURKEY FIELD DEVELOPMENT ADVANCES: CONTRACTS AWARDED FOR PLANT AND PIPELINE DESIGN, ENGINEERING**

Otto Energy Ltd (ASX: OEL) and its joint venture partners have awarded two contracts for the design and engineering of a gas processing plant and pipeline for the development of the Edirne gas fields in Western Turkey.

Australia's Uhde Shedden was awarded the contract for Front End and Detailed Design. Uhde have previously designed the gas processing plant for the Amity (now Zorlu) gas plant in Turkey's Thrace Basin, some 70 km from the Edirne Concession.

Boral, a Turkish company, was awarded the contract for Pipeline Design and Routing, plus additional consultancy work related to local permits and approvals.

Additionally, the Turkish Energy Market Regulatory Authority (EMRA) advised that the Joint Venture has fulfilled all of the requirements necessary to be granted a wholesale gas licence. This is a major milestone in getting full regulatory approval to produce gas into the national grid.

The Joint Venture will be the first to produce and sell onshore Turkish gas directly into the extensive "Botas" gas distribution network, which enables the JV to sell gas anywhere in Turkey for the best possible price, which will be at a discount to the Botas price.

The Botas gas price was recently raised to YTL519 per thousand cubic metres, which equates to about US\$14.70/mcf.

### HIGHLIGHTS

- Strong board and management team
- World class portfolio across 4 countries
- Imminent production from Galoc at 3000-4000 bopd net to Otto
- 6-10 well exploration campaign in 2008/09
- Opportunity rich with
  - 8 discoveries
  - 16 prospects
  - 60+ leads in the portfolio

#### Media / Investor Enquiries:

Jill Thomas  
Investor Relations Manager  
+61 8 6467 8800  
thomas@ottoenergy.com

ASX CODE: OEL

[www.ottoenergy.com](http://www.ottoenergy.com)

#### OTTO ENERGY LTD

32 Delhi Street West Perth

Tel: +618 6467 8800 Fax: +618 6467 8801 E: [info@ottoenergy.com](mailto:info@ottoenergy.com)

## SEARCHING & DEVELOPING OIL & GAS WORLDWIDE



The Joint Venture has made a total of 6 new gas field discoveries in the licence since the original permit was acquired by Otto in 2004. First gas sales from the field are expected mid 2009.

Partners in the Edirne Joint venture are Otto Energy (35%) and joint operators Incremental Petroleum (55%) and Petrako Energy (10%).

Please refer to the attached ASX announcement from Incremental Petroleum for more information.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Alex Parks", is written over a horizontal line.

**Alex Parks**  
Chief Executive Officer

**ASX CODE: OEL**

**[www.ottoenergy.com](http://www.ottoenergy.com)**

**OTTO ENERGY LTD**

32 Delhi Street West Perth

Tel: +618 6467 8800 Fax: +618 6467 8801 E: [info@ottoenergy.com](mailto:info@ottoenergy.com)

13 August 2008  
Australian Securities Exchange (ASX)  
By ASX online

## **MILESTONE GAS CONTRACTS AWARDED**

Incremental Petroleum (IPM) and Otto Energy (OEL) are pleased to announce that two contracts have been awarded for engineering design for future gas production in the Edirne Concession, Western Turkey.

The contracts let are:

- ENGINEERING PLANT DESIGN
- PIPELINE ROUTING and DESIGN

The front end and detailed design contract for the project has been awarded to Uhde Shedden in Australia. Bids were received from 4 international companies and 4 Turkish companies. Uhde have previously designed the gas processing plant for the Amity (now Zorlu) gas plant in the Thrace Basin, some 70 km from the Edirne concession. Uhde Shedden will also be involved with some of the equipment procurement.

Boral, a Turkish company, has been awarded the contract for Pipeline design and routing, plus some additional consultancy related to local permits and approvals. Boral has undertaken many similar projects in the past.

Additionally, the Energy Market Regulatory Authority (EMRA) has advised that Incremental, acting on behalf of the Joint Venture, has fulfilled all of the requirements necessary to be granted a wholesale gas licence. This is one of the prerequisites of producing gas in Turkey, and a major milestone in getting full regulatory approval to produce gas into the national grid.

The Edirne Joint Venture will be the first in Turkey to produce and sell onshore Turkish gas directly into the extensive "Botas" gas distribution network, which enables the JV to sell gas anywhere in Turkey for the best possible price. The current Botas gas price was recently raised to YTL519 per thousand cubic meters, which equates to about US\$14.70/mcf. Local gas producers negotiate a sale price at a discount to Botas in order to induce industrial consumers to buy local gas rather than the easily accessible Botas gas.

Partners in the Edirne Joint venture are Incremental Petroleum (55% and operator), Otto Energy (35%) and Petrako Energy (10% and joint operator)

Gerard McGann  
Managing Director