



19 March 2010

Manager of Company Announcements  
ASX Limited  
Level 6, 20 Bridge Street  
SYDNEY NSW 2000

**By E-Lodgement**

**TURKEY EXPLORATION AND DEVELOPMENT UPDATE**

**Edirne Gas Plant**

Otto Energy Limited (ASX: OEL) is pleased to advise that the construction of the Edirne Gas Plant System has been completed.

Gas sales will commence following completion by BOTAS, the state-owned pipelines and trading company in Turkey, of a hot tap on its 14" main line to create the delivery point for the Edirne gas. The Joint Operators are in the process of retrofitting the hot tap fitting to accommodate Botas' requirements. The hot tap is expected to be completed near the end of March with first gas sales shortly thereafter.

Otto has finalised gas gathering and tolling agreements with the Joint Operators of the Edirne Gas Plant to process the gas from the Edirne Fields which is jointly owned with Otto. As previously announced, all gas production from the Edirne licence will be sold via dedicated sales arrangement to AKSA Dogalgaz Toptan Satis A.S at a 15% discount the Industrial Interruptible Tariff benchmark set by BOTAS and Otto has elected not to participate in the Gas Plant ownership. Otto expects that the discounted gas price in the short term will be between US\$7.00 to US\$8.00/GJ. The discounted gas price will change over time reflecting amendments in the tariffs set by BOTAS.

The Edirne Joint Venture partners comprise Otto which holds a 35% interest in the Edirne Licence and Joint Operators Transatlantic Mediterranean Int (TEMI) (55%) and local Turkish company Petraco (10%).

**Phase 2 Drilling Program**

The third exploration well in the phase 2 drilling program, Yolboyu-1 well reached a total depth of 2,000 metres (m) on 15 March 2010. Preliminary evaluation of well logs indicates the potential of gas in the Upper Danismen Formation and the well will be suspended for future evaluation.

The Operator is preparing to move the rig next well, Somurcali-1.

Yours faithfully

**Paul Moore**  
Chief Executive Officer

**OTTO AT A GLANCE**

- ASX-listed oil and gas company with significant growth potential.
- Production from Galoc Oil Field provides cash flow.
- Development of gas field in Turkey to become second revenue-generating asset.
- Opportunity rich with substantial exploration prospects and leads in portfolio.

**COMPANY OFFICERS**

Rick Crabb	Chairman
Jaap Poll	Director
Ian Macliver	Director
Rufino Bomasang	Director
John Jetter	Director
Paul Moore	CEO
Matthew Allen	CFO
Emma McCormack	Company Secretary