17 January 2006

Manager of Company Announcements
Australian Stock Exchange Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

By E-Lodgement

PLACEMENT

The Board of Ottoman Energy Limited ("**Ottoman**") is pleased to announce that it has arranged overnight a placement of 9,000,000 shares in the capital of the Company at an issue price of $0.20 per share ("**Placement Shares**") with one free attaching option (listed option exercisable at $0.20 on or before 1 December 2006) for every one share subscribed ("**Placement Options**") to raise $1.8 million. The capital raising is being managed by Max Capital Pty Ltd.

The placement is expected to be finalised within 7 days, with 6,000,000 of the Placement Shares to be issued immediately, and the balance of 3,000,000 Placement Shares being subject to shareholder approval at a meeting scheduled for the end of February 2006. The Placement Options are all subject to shareholder approval.

The proceeds of the Placement will be used for the completion of drilling in the Thrace Basin Turkey, costs relating to the Philippines assets and working capital.

Yours faithfully

Dr Jaap Poll
Managing Director