

17 July 2006

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

By E-Lodgement

Dear Sirs

ASX WAIVER - LISTING RULE 7.3.2

Ottoman Energy Limited ("Company") advises that it has received a waiver from ASX Listing Rule 7.3.2 to the extent necessary to permit the Company's notice of meeting (the "Notice") seeking approval of the issue of 10,000,000 ordinary shares fully paid and 20,000,000 options exercisable at \$0.30 each on or before 31 December 2007 (or expiring 30 June 2008 if these options are issued after 31 October 2007) (the "Milestone Securities") to AustralAsian Energy Limited ("AustralAsian") pursuant to an acquisition agreement, to state that the Milestone Securities will not be issued to AustralAsian within 3 months of the date of the meeting, on the following conditions.

- 1.1 The full terms and conditions of issue of the Milestone Securities are disclosed in the Notice.
- 1.2 The Notice states that the Milestone Securities will be issued by no later than three years after the date of the meeting.
- 1.3 The Company releases the terms of the waiver to the market by way of a separate announcement.
- 1.4 The Company's annual report released during the period while any of the Securities remain to be issued discloses details of the Milestone Securities that have been issued in that year and the Securities that remain to be issued.

The relevant Notice of Meeting will be despatched to Shareholders shortly.

Yours faithfully



Dr Jaap Poll
Managing Director