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ANNOUNCEMENT FOR RELEASE TO THE MARKET

ORIENTAL TECHNOLOGIES INVESTMENT LIMITED (“OTI”)

As noted in the Review of Operations included in OTI’s 2004 Annual Report:

- commencing early 2004, the Chinese central government instigated a nationwide credit tightening policy in an effort to keep the country’s economy from overheating; and
- this austerity policy made it much harder for companies operating in China to obtain bank credit.

In respect of Chinese RMB 69,898,000 (AUD 10,813,000) total loans payable with different due dates to the Bank of China by OTI’s subsidiary Yangzhou Hua Yang Battery Co Limited (“YHBC”), YHBC has been negotiating re-financing terms for parts of this facility and RMB 20,000,000 due on 1 June 2005 has been successfully renewed. However, the Bank of China has indicated that they do not wish to extend the term for the remaining RMB 20,000,000 maturing on 20 June 2005. At present, YHBC is continuing its negotiation with the Bank.

In the event that the Bank of China does not re-finance this RMB 20,000,000 loan facility and short-term replacement finance is not available, the operations of YHBC may be severely disrupted until replacement finance is obtained.

OTI continues to explore alternative options for funding of YHBC’s working capital requirements; whilst YHBC negotiates re-financing of the RMB 20,000,000 loan by the Bank of China.

Yours sincerely

Ian Morgan
Company Secretary