



ODYSSEY
ENERGY LIMITED

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 17 AUGUST 2006

**CORDINGLY CANYON # 15-1 TESTED AT 2.0 MMCFGD AND COMMENCEMENT OF
MULTI-WELL TIE-IN AND PRODUCTION OPERATIONS IN
NORTH HELPER GAS PROJECT, UTAH**

The Board of Odyssey Energy Limited is pleased to announce the successful completion of the Cordingly Canyon # 15-1 well, which has been flow tested at rates in excess of 2.0 million cubic feet of gas per day ("mmcfgd"). Cordingly Canyon # 15-1 is the fourth well to be successfully flow tested in the North Helper Gas Project. The well is now tied-in to infrastructure and will go on production immediately, with gas sales expected as the well stabilises over the coming weeks. As discussed below additional wells are also ready to be completed and progressively tied-in to production infrastructure.

The Company's recently announced accelerated drilling program has also reached a milestone with the drilling of the Cordingly Canyon 15-5, Cordingly Canyon 10-1 and Cordingly Canyon 11-1 wells, all exhibiting gas shows comparable to the wells already tested in the project area.

Short-term drilling operations have now ceased on the Cordingly Canyon drilling pads in the east of the North Helper area, enabling completion, testing, and pre-production operations to commence on all 5 wells drilled from these pads. Commensurate with this, testing operations have commenced on the Cordingly Canyon # 15-2 Ferron well (drilled earlier this year), and completion operations have begun on the new Cordingly Canyon 11-1 Ferron well located further to the north.

The new vertical Cordingly Canyon # 15-5 and the directional Cordingly Canyon # 10-1 wells (both drilled off the Cordingly Canyon # 15-2 pad) will be completed in the Mancos Shale horizon, a secondary objective in the previously drilled Ferron wells, with this operation also commencing shortly.

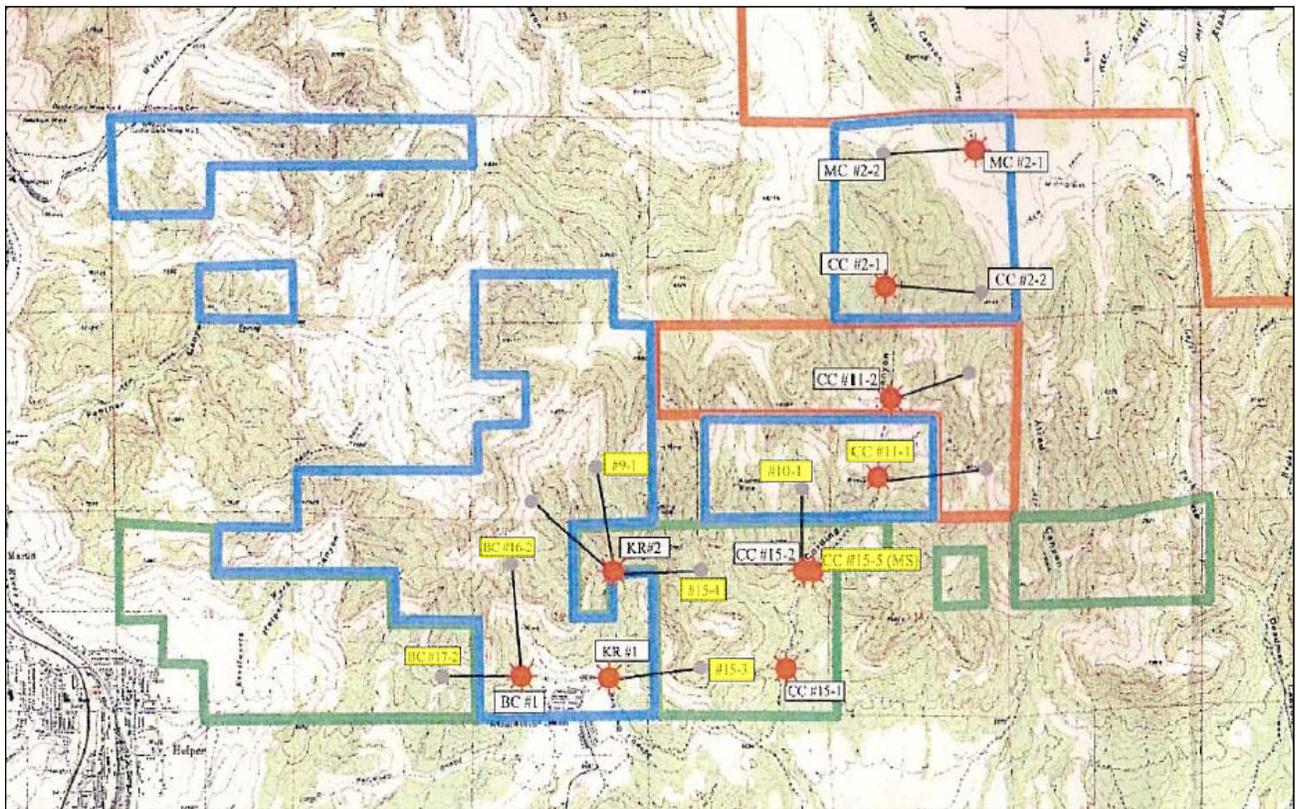
The Mancos Shale horizon exhibited excellent gas shows in all the wells drilled to date, and this play is considered likely to significantly add to the natural gas resource in the Helper Project.

The current 8-well drilling program in North Helper is the first stage of a new 15-well program targeting both Ferron and Mancos Shale objectives. As highlighted in previous announcements, this program involves the drilling of multiple wells from existing pads and necessitates the suspension of testing and production operations as the new wells are being drilled. Since drilling has now been completed from the Cordingly Canyon locations, only production operations associated with the Ball Park & Kenilworth pads are now expected to be interrupted by drilling of the remaining 5 wells in the current program.

ABN: 73 116 151 636

Level 9, BGC Centre, 28 The Esplanade, Perth WA 6000

Tel: +61 8 9322 6322 Fax: +61 8 9322 6558



Wells in current 8-well program highlighted in yellow.

The better-than-expected results achieved to date in the Helper Project tests are considered in part to be the result of a modified completion program incorporating a higher density of larger perforations than previously used in the project area and a multi-stage fracture stimulation program, together with enhanced permeability in the Ferron formation due to secondary fracturing of the reservoir.

Further announcements will be made by the Company as the drilling and completion program continues as the testing and production operations continue.

Participating Working Interests* in the North Helper Gas Project are:

Marion Energy Limited (ASX: MAE)	48.75%
Odyssey Energy Limited (ASX: ODY)	30.00%
Pegasi Energy	10.625%
Private Interests	10.625%

* Subject to Back-in Rights on Farmin Acreage

Enquiries- Mark O'Clery Managing Director
 Contact Details: Telephone: (61 8) 9322 6322
 Facsimile: (61 8) 9322 6558