



ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 9 NOVEMBER 2006

FIRST MCALEXANDER#1 PAY ZONE FLOWS AT OVER 400 MCFD

The Board of Odyssey Energy Limited (“Odyssey” or “Company”) is pleased to announce that initial testing of the McAlexander#1 well in the Jester-Bloomington Gas Field Re-Development Project, Greer County, Oklahoma has resulted in 411 thousand cubic feet of gas per day (“mcf”) coming from the Granite Wash reservoir alone, which is substantially above expectation.

- The well produced at a stable rate of 411 mcf for over 24 hours after initially peaking at 575 mcf. This test included a final 48-hour flow period during which perforations across the Granite Wash were opened after fracture stimulation of the reservoir. The shallower Brown Dolomite reservoir will also be perforated and tested before a final combined rate for the well is announced.
- Approximately 4 miles of pipeline will now be laid from McAlexander#1 to the Travis#1 location so that both wells can be tied in the area’s existing pipeline infrastructure. In the mean time, a Gas Transport Agreement is being finalised with Harlow Corporation to enable transport and sales prior to finalisation of the Purchase, Sale, Participation Agreement (“PSPSA”) covering all of Harlow’s pipeline, acreage and production interests in the area and settlement of this significant acquisition (announced to the ASX on 6 November 2006).
- Additional prospective well-bores are now being acquired and tested in the Houck#1 area and also being assessed for near-term production and tie-in to the gas-gathering system.

Commenting on the initial test result, Odyssey Managing Director, Mr Mark O’Clery said “this is an excellent result for the first well drilled in the Jester-Bloomington Project. This rate is well above expectation.

The economics of this Project are very exciting, with shallow wells being drilled to approximately 1,500ft, combined with the higher than expected test flow rate providing the opportunity for a payback period (assuming US\$6 per mcf) of as little as 6 months upon current targeted production being achieved.

Given the Project’s substantial size (now approximately 24,000 acres, which Odyssey’s working interest at 33.3%) and the recent test rates, including those for the shut-in Houck#1 and Travis#1 wells at 750 mcf and 280 mcf respectively the Board is very excited with the prospects for this Project. With the previously announced Harlow acquisition an additional 53 wells have been acquired, many of which have been shut in and will be progressively reworked and tested over the coming months.”

Enquiries-

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Location of Existing Jester-Bloomington Leases, McAlexander#1, Travis#1 & Houck#1 Wells

