



# ODYSSEY ENERGY LIMITED

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 30 APRIL 2007

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## MARCH 2007 QUARTERLY REPORT

*The Board of Odyssey Energy Limited (“Odyssey” or “Company”) is pleased to present its March 2007 quarterly report. During the March quarter, the Company has:*

- *Carried out remediation work on 8-wells within the expanded 24,000 acre Jester-Bloomington project area in Oklahoma (Odyssey 33.3% Working Interest);*
- *Continued with upgrades to the area’s pipeline infrastructure and compression facilities to enable significant increases in gas production – with the important milestone of installation of a new sales compressor recently completed;*
- *Continued work on the 6-mile tie-in of the McAlexander#1 and Travis#1 wells from the central project area – with pipeline construction completed at the time of writing this report;*
- *Commenced construction of a 1-mile spur line to directly connect the Patten#1 and Denby#2 wells to the main gas sales line (also completed at the time of writing).*

*As a result of this work the Company expects to bring the 8 northern-area wells, McAlexander#1 & Travis#1 on-line and build a stable production base for the project over the coming weeks. Construction will then begin on a new 6” line to tie-in the Houck#1, McDondald#1 and Francis#1 wells to the south and a second work-over program will commence on the remaining 44 wells owned by the project partners.*

*In the 28,000 acre North Helper Gas Project in Utah (Odyssey 30% Working Interest), the Company has:*

- *Completed drilling and fracture stimulation of the new Kenilworth Railroad#15-3 (Ferron) directional well, which has been tied into production infrastructure and is currently cleaning-up and dewatering;*
- *Treated the Cordingly Canyon#15-1 well for unbroken gel and iron precipitates. After an initial period of swabbing, the well was put on pump and immediately started flowing back large quantities of broken gel, coal fines and iron precipitate with associated gas.*
- *Based on these encouraging results, the Ball Park#1 well was given a similar treatment in mid-April, coupled with a coal-stimulation package to assist in the handling of coal fines during clean-up (also applied to the 15#1 well).*

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Both treated wells are continuing to clean up, with the Cordingly Canyon#15-1 now appearing to be entering a more conventional de-watering phase with good fluid entry (indicative of high connected permeability) and associated gas production. Analysis of produced fluids is showing no evidence of residual gel, and the wells appear to be handling the flow of iron precipitates out of the near well-bore region. If this trend continues over coming weeks with associated increases in gas sales, the 4 other Ferron wells in the project area will undergo a similar treatment & clean-up cycle and be placed back on production. Target production for each of the (7) Ferron wells in the project remains in line with the original test rates achieved of 1.0 to 2.0 million cubic feet of gas per day (“MMCFD”).

**Summary of Oklahoma Work-over and Test Results to Date:**

Central & Southern Field Areas:

McAlexander#1	New Drill	411MCFD	
Travis#1	Acquired	280MCFD	
Houck#1	Acquired	750MCFD	Awaiting pipeline tie-in
McDonald#1	Acquired	Untested	Awaiting pipeline tie-in
Francis#1	Acquired	Untested	Awaiting pipeline tie-in

Northern Field Area:

Price#1	Acquired	150MCFD	
Patten#1	Acquired	398MCFD	(540MCFD peak)
Speed B-4	Acquired	Untested	Successfully remediated
Denby#2	Acquired	150MCFD	
Fite#1-17	Acquired	Untested	Successfully worked-over
Fite#1-17A	Acquired	Untested	Successfully worked-over
Wall#1	Acquired	Untested	Successfully worked-over
Hood#4	Acquired	Untested	Successfully worked-over

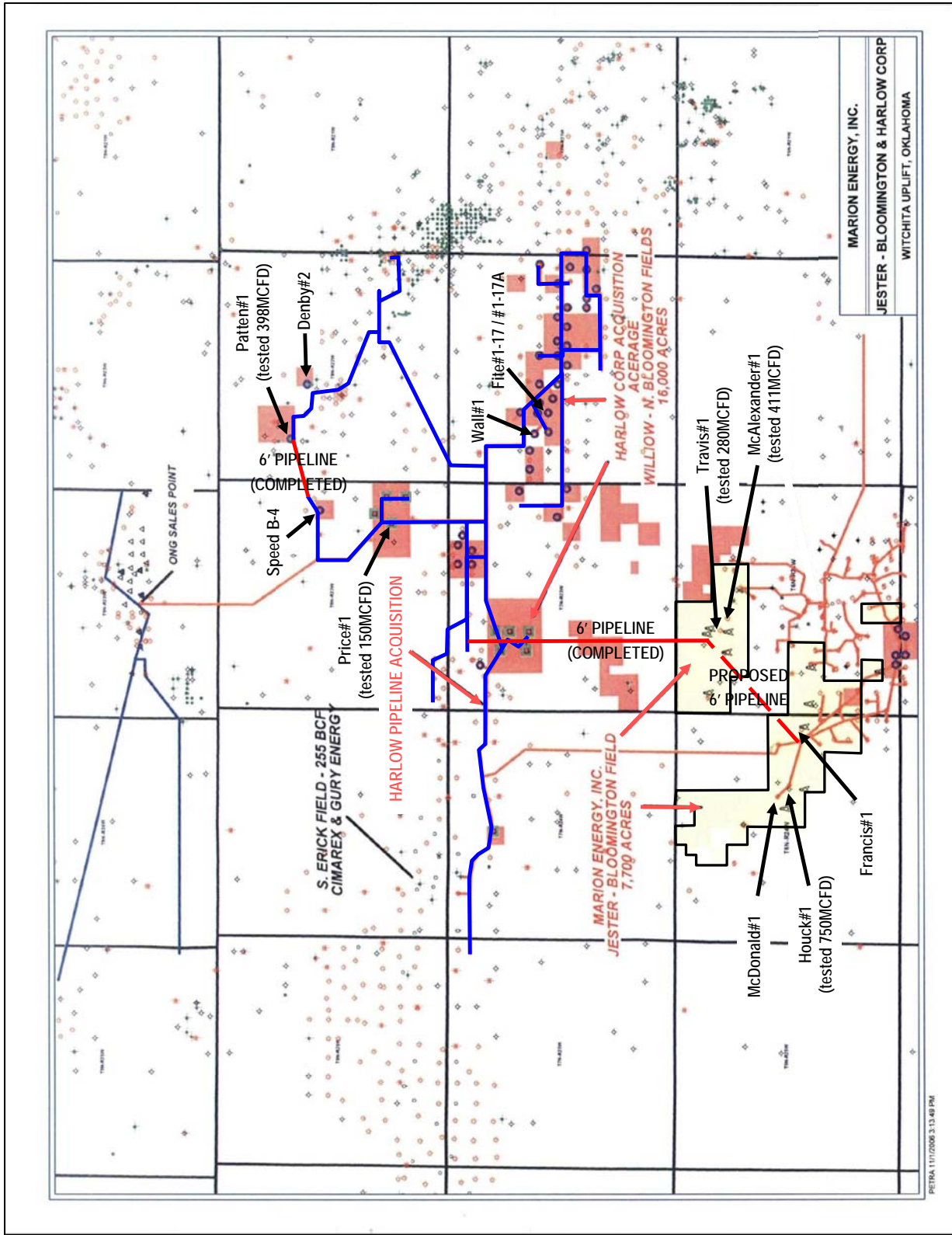
**Summary of Utah Test Results and Well Status:**

Kenilworth Railroad#1	New Drill	1.1MMCFD	Awaiting treatment
Kenilworth Railroad#2	New Drill	1.3MMCFD	Awaiting treatment
Ball Park#1	New Drill	2.0MMCFD	Post-treatment clean-up
Cordingly Canyon#15-1	New Drill	2.0MMCFD	Post-treatment clean-up
Cordingly Canyon#15-2	New Drill	Untested	Awaiting treatment
Cordingly Canyon#11-1	New Drill	Untested	Awaiting treatment
Cordingly Canyon#15-5	New Drill	Untested	Testing Mancos Shale
Cordingly Canyon#10-1	New Drill	Untested	Untested Mancos Shale
Kenilworth Railroad#15-3	New Drill	Untested	Post-frac clean-up

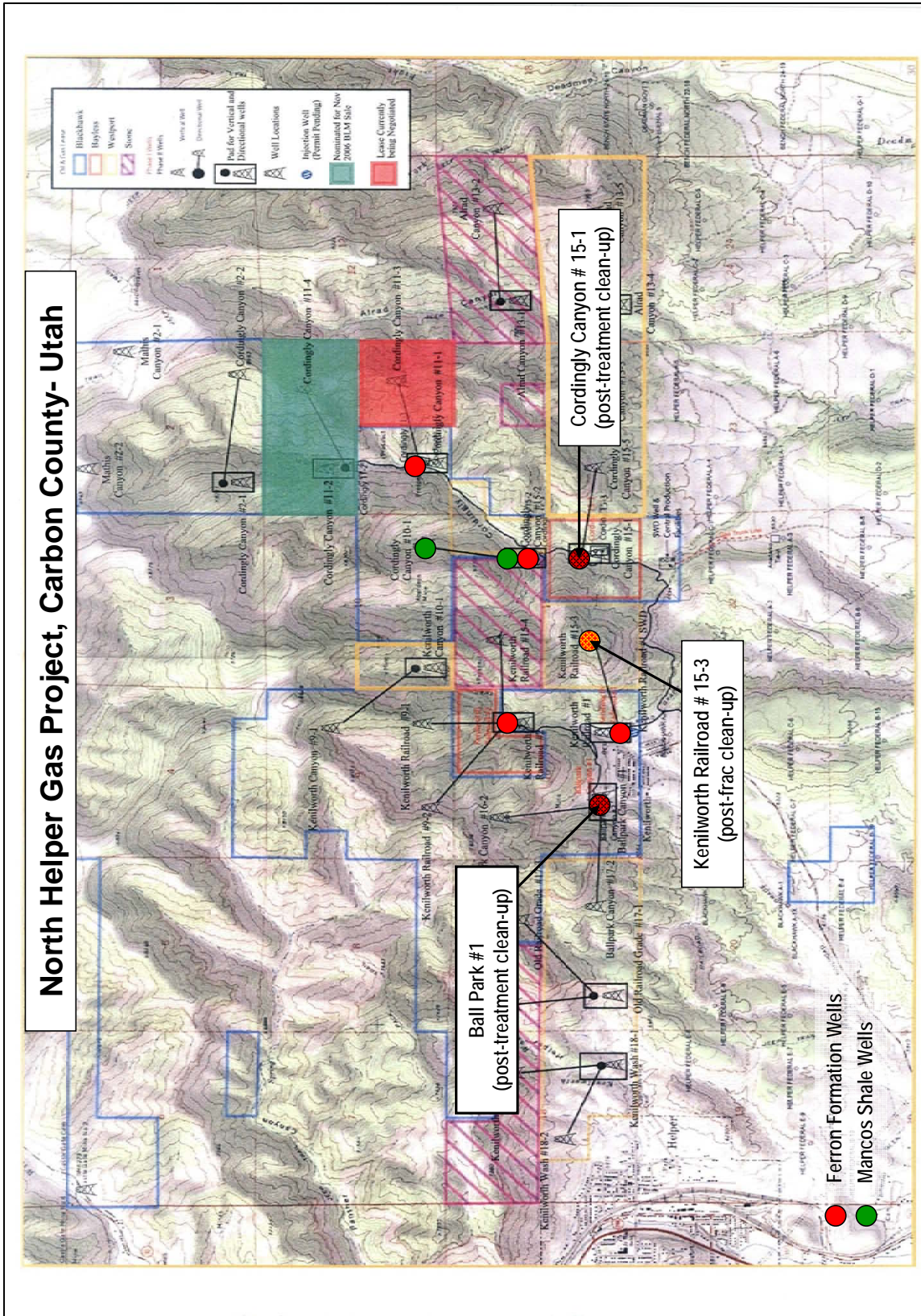
Enquiries-

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Location of New Acreage, Wells and Pipeline Infrastructure – Jester-Bloomington Gas Field Re-Development Project, Oklahoma



Location of Ferron & Mancos Shale Wells – North Helper Gas Project, Utah.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**ODYSSEY ENERGY LIMITED**

ABN

**71 116 151 636**

Quarter ended ("current quarter")

**31 MARCH 2007**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	20	20
1.2 Payments for		
(a) exploration and evaluation	(1,160)	(4,291)
(b) development	-	-
(c) production	-	-
(d) administration	(36)	(280)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	27	69
1.5 Interest and other costs of finance paid	(66)	(198)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) - Business Development	(32)	(99)
<b>Net Operating Cash Flows</b>	<b>(1,247)</b>	<b>(4,779)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	(55)	(5,007)
(b) equity investments	-	-
(c) other fixed assets	(1)	(44)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(56)</b>	<b>(5,051)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,303)</b>	<b>(9,830)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(1,303)	(9,830)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	3,000	10,200
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	800
1.17	Repayment of borrowings	-	(800)
1.18	Dividends paid	-	-
1.19	Other (provide details if material) - capital raising expenses	(162)	(615)
	<b>Net financing cash flows</b>	<b>2,838</b>	<b>9,585</b>
	<b>Net increase (decrease) in cash held</b>	<b>1,535</b>	<b>(245)</b>
1.20	Cash at beginning of quarter/year to date	658	2,438
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>2,193</b>	<b>2,193</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	83
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include consulting fees, directors fees, company secretarial services and provision of a fully serviced office.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable.

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	850
4.2 Development	-
<b>Total</b>	<b>850</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	529	658
5.2 Deposits at call	1,664	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>2,193</b>	<b>658</b>

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**Appendix 5B**  
**Mining exploration entity quarterly report**

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**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased	1728 net mineral acres within the Jester/Bloomington Prospect, Greer County Oklahoma.	-	33%

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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	48,000,000	44,685,000	Not applicable	Not applicable
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	6,000,000	6,000,000	\$0.50	\$0.50
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	4,500,000	-	Not applicable	Not applicable
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	300,000	Nil	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 31 December 2008
	850,000		<i>Exercise price</i> \$0.60	<i>Expiry date</i> 30 June 2009
	1,400,000		<i>Exercise price</i> \$1.00	<i>Expiry date</i> 31 December 2009
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

### Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: ..... Date: 30 April 2007  
(~~Director~~/Company secretary)

Print name: MARK L PEARCE

### Notes

- 1 The quarterly report provides a basis for informing the market how the entity’s activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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