



ODYSSEY
ENERGY LIMITED

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 21 SEPTEMBER 2007

PRODUCTION INCREASE & HIGH-IMPACT WORKOVER PROGRAM AT JESTER-BLOOMINGTON PROJECT, OKLAHOMA – ODYSSEY 33.3% WORKING INTEREST

The Board of Odyssey Energy Limited (“Odyssey” or “Company”) is pleased to announce that production and gas sales from the Jester-Bloomington Project have begun to ramp-up, with production reaching 500 thousand cubic feet of gas per day (“mcfgd”). This increase in both production and gas sales reflects the impact of upgrades to the project’s pipeline and production infrastructure completed in June, and the initial impact of work-overs conducted earlier in the year. Production will continue to increase as the gathering systems in the Spring Creek, Willow, and North Bloomington areas of the project are optimised, and the six inch pipeline to the Houck#1, McDonald#1 and Francis#1 wells is completed.

In addition to continuing to increase production from the 57 wells currently in the project through low cost work-overs and well optimisations, the initial work-over program has highlighted the potential for bypassed gas pay in a number of wells in the Wellington Limestone sequence which overlies the primary Granite Wash and Brown Dolomite reservoirs. This sequence has been a prolific producer in two wells in the project area (producing over one Bcf of gas each), but appears to have been over-looked in a number of wells on-trend during the original 1970’s and 80’s field development programs. Having identified this potential and run state-of-the-art logging suites on a number of existing wells, the Company will now conduct a series of “high-impact” work-overs targeting the Wellington in addition to the current field optimisation strategy.

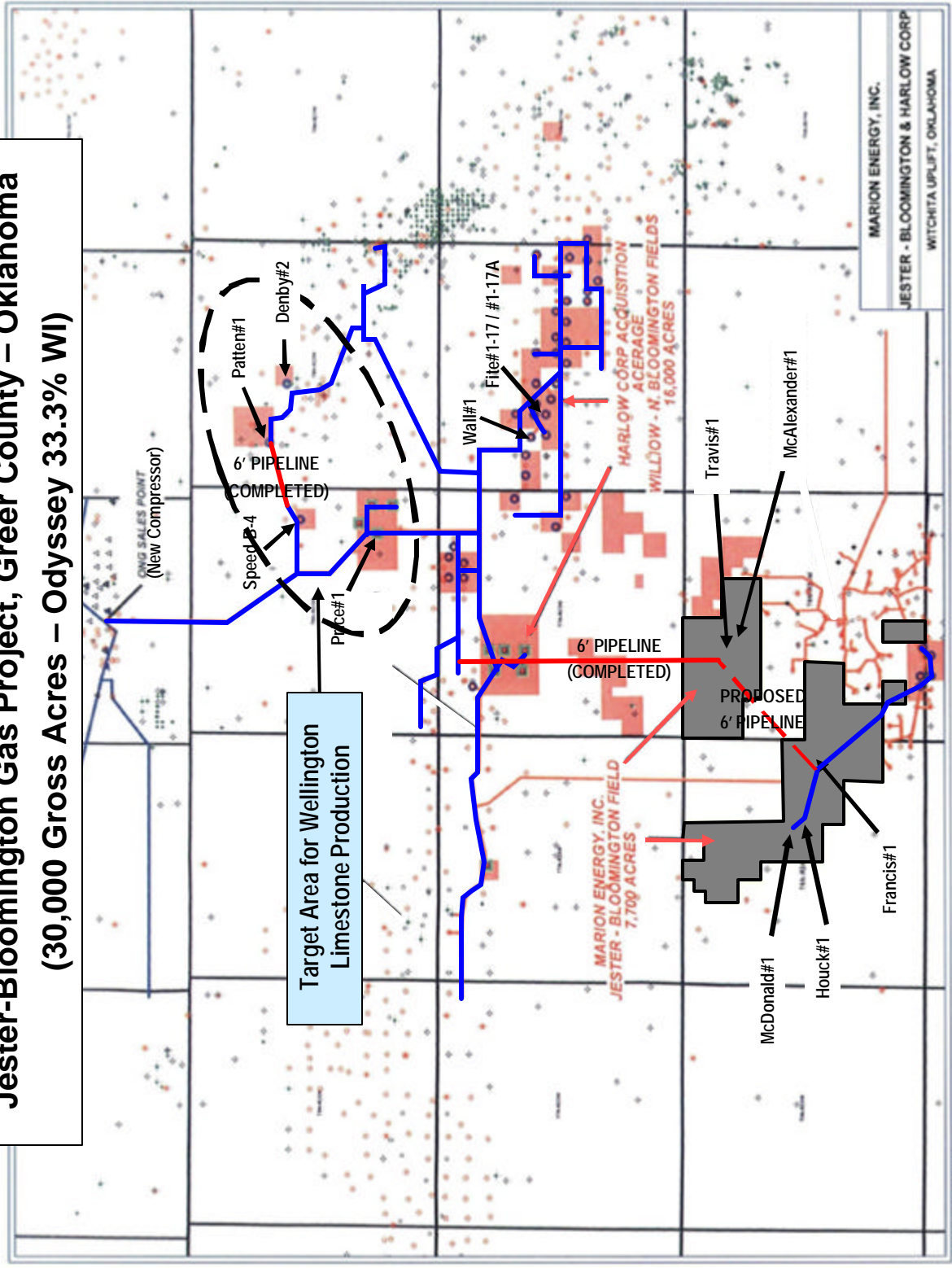
Commenting on the production increases and work-over program, Odyssey’s Managing Director Mark O’Clery said “the current increase in production at Jester-Bloomington is the first step in building significant and stable cash flow from this project. The completion of major infrastructure upgrades in June gives the company pipelines and production facilities capable of supporting new work-over and drilling campaigns throughout the project area. The new program targeting the Wellington is intended as the beginning of a much larger work-program targeting the project’s substantial proved and probable reserve base of 68 billion cubic feet of gas”.

Enquiries-

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**Jester-Bloomington Gas Project, Greer County – Oklahoma
(30,000 Gross Acres – Odyssey 33.3% WI)**



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

JESTER-BLOOMINGTON GAS FIELD RE-DEVELOPMENT PROJECT – 30,000 GROSS ACRES, ODYSSEY 33.3% WORKING INTEREST

In December 2006 the Company participated in the acquisition of approximately 16,000 gross acres covering parts of the North Bloomington and Willow Fields in Greer and Beckham counties in Oklahoma, adjacent to the existing Jester-Bloomington Gas Re-Development Project.

In addition to the large increase in the project area's size, the acquisition included the rights to 52 wells which have produced approximately 5 billion cubic feet of gas ("Bcf") from the Brown Dolomite and Granite Wash reservoirs. The majority of these wells were shut-in or in need of remediation, but at the time of settlement produced at a combined rate of 200 mcfgd. Given that the wells had been poorly maintained over the past 5 years and the acreage was developed on a spacing of greater than 160 acres in the 1970's and 1980's, the Company saw the potential for significant increases in production through a program of work-overs and re-completion of existing wells, as well as the potential for major re-development of the area through down-spacing to 40 acres or beyond.

This view was strongly supported by the first independent certification of reserves for the project in June 2007 (see below).

Importantly the acquisition also included compression facilities and 112 kilometres of pipeline and gathering systems which give the Company direct access to the domestic US natural gas market. After the completion of a series of upgrades to this system, the company now has infrastructure in place to support new work-over programs and drilling campaigns targeting the project's certified reserves base.

Reserves Report:

In June 2007 the Company published the results of the first independent certification of reserves at Jester-Bloomington, with gross proved and probable gas reserves for the project totalling 68 Bcf, and 18 Bcf net to Odyssey's 33.3% Working Interest (approximately 26.7% Net Revenue Interest).

Additional possible gas resources are associated with the potential for further down-spacing of development locations in both the Brown Dolomite and Granite Wash reservoirs and the potential for higher ultimate recoveries per well than assumed in the base reserve cases.

Jester-Bloomington Gas Project – Reserves Net to Odyssey's 33.33% Working Interest

	<i>Proved (Bcf)</i>	<i>Probable (Bcf)</i>	<i>Total 2P (Bcf)</i>	<i>Possible (Bcf)</i>	<i>Total 3P (Bcf)</i>
<i>Brown Dolomite</i>					
+	5	13	18	-*	18*
<i>Granite Wash</i>					

* Possible gas reserves associated with down-spacing from 40-acre development locations have not been estimated.