



**ODYSSEY**  
ENERGY LIMITED

## ASX ANNOUNCEMENT

15 August 2014

### ENTITLEMENTS OFFER

As previously announced on 17 June 2014, the Board of Odyssey Energy Limited ("**Odyssey**" or "**Company**") is pleased to advise that it proposes to dispatch to eligible shareholders an offer document ("**Offer Document**") in respect of a pro rata renounceable entitlements offer to raise up to \$3.28 million before costs ("**Offer**").

Under the Offer, eligible shareholders will be entitled to acquire three (3) new ordinary shares ("**New Shares**") for every two (2) ordinary shares held at the record date (being 22 August 2014) at an issue price of \$0.05.

The Offer is renounceable meaning eligible shareholders will be able to buy and sell their rights on market.

The Offer Document together with an Entitlement and Acceptance Form are expected to be sent to eligible shareholders on 26 August 2014.

A revised Appendix 3B and s708AA Cleansing Notice is attached.

For enquiries, please contact:

**Dylan Browne** | Company Secretary

Tel: +61 8 9322 6322

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

ODYSSEY ENERGY LIMITED

ABN

73 116 151 636

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |                            |
|---|---|----------------------------|
| 1 | +Class of +securities issued or to be issued  | Ordinary shares            |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 65,506,092                 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares |

+ See chapter 19 for defined terms.

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|--|--|
| <p>4 Do the <sup>+</sup>securities rank equally in all respects from the <sup>+</sup>issue date with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional <sup>+</sup>securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul> | <p>Yes</p>   |
| <p>5 Issue price or consideration</p>  | <p>\$0.05 each</p>   |
| <p>6 Purpose of the issue<br/>         (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>   | <p>To provide working capital to continue exploration activities and to pursue new opportunities in the oil and gas and other sectors.</p> |
| <p>6a Is the entity an <sup>+</sup>eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the <sup>+</sup>securities the subject of this Appendix 3B</i>, and comply with section 6i</p>   | <p>Yes</p>   |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p>   | <p>21 November 2013</p>  |
| <p>6c Number of <sup>+</sup>securities issued without security holder approval under rule 7.1</p>  | <p>Nil</p>   |
| <p>6d Number of <sup>+</sup>securities issued with security holder approval under rule 7.1A</p>  | <p>Nil</p>   |

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<sup>+</sup> See chapter 19 for defined terms.

| 6e             | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)  | Nil  |        |        |                |                 |            |   |  |
|----------------|--|--|--------|--------|----------------|-----------------|------------|---|--|
| 6f             | Number of +securities issued under an exception in rule 7.2  | 65,506,092   |        |        |                |                 |            |   |  |
| 6g             | If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.   | Not applicable   |        |        |                |                 |            |   |  |
| 6h             | If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements   | Not applicable   |        |        |                |                 |            |   |  |
| 6i             | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements   | Rule 7.1 – 16,376,523<br>Rule 7.1A – 10,917,682  |        |        |                |                 |            |   |  |
| 7              | <p>+Issue dates</p> <p><small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p> | 12 September 2014  |        |        |                |                 |            |   |  |
| 8              | Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)  | <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">109,176,820</td> <td>Ordinary shares</td> </tr> <tr> <td style="text-align: center;">18,548,856</td> <td>Options exercisable at \$0.50 expiring 31 December 2014</td> </tr> </tbody> </table> | Number | +Class | 109,176,820    | Ordinary shares | 18,548,856 | Options exercisable at \$0.50 expiring 31 December 2014 |  |
| Number         | +Class   |  |        |        |                |                 |            |   |  |
| 109,176,820    | Ordinary shares  |  |        |        |                |                 |            |   |  |
| 18,548,856     | Options exercisable at \$0.50 expiring 31 December 2014  |  |        |        |                |                 |            |   |  |
| 9              | Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)  | <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Number</th> <th style="text-align: left;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Not applicable</td> <td>Not applicable</td> </tr> </tbody> </table>   | Number | +Class | Not applicable | Not applicable  |            |   |  |
| Number         | +Class   |  |        |        |                |                 |            |   |  |
| Not applicable | Not applicable   |  |        |        |                |                 |            |   |  |

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10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

**Part 2 - Pro rata issue**

11 Is security holder approval required?

12 Is the issue renounceable or non-renounceable?

13 Ratio in which the +securities will be offered

14 +Class of +securities to which the offer relates

15 +Record date to determine entitlements

16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?

17 Policy for deciding entitlements in relation to fractions

18 Names of countries in which the entity has security holders who will not be sent new offer documents  
Note: Security holders must be told how their entitlements are to be dealt with.  
Cross reference: rule 7.7.

19 Closing date for receipt of acceptances or renunciations

20 Names of any underwriters

21 Amount of any underwriting fee or commission

22 Names of any brokers to the issue

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+ See chapter 19 for defined terms.

|    |   |   |
|----|---|---|
| 23 | Fee or commission payable to the broker to the issue  | Not applicable  |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders  | Not applicable  |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting   | Not applicable  |
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled   | 26 August 2014  |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | 18 August 2014  |
| 28 | Date rights trading will begin (if applicable)  | 20 August 2014  |
| 29 | Date rights trading will end (if applicable)  | 29 August 2014  |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker?  | Contact your broker and provide instructions to them regarding the entitlement you wish to sell on ASX.   |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?   | Complete the personalised Entitlement and Acceptance form accompanying the Offer Document by inserting the number of new shares you wish to take up and contact your broker in respect of the part of your entitlement you wish to sell. Forward the form to the Company's share register together with a cheque for the total amount payable or arrange payment by BPAY in respect to the new shares accepted. |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)?  | Forward a completed standard renunciation and transfer form (obtainable from the Share Registry) accompanied by the applicable transferee's cheque for the shares you wish to subscribe for to the Company's Share Registry, Computershare. Refer to Section 2.6 of the Offer Document for further details.   |

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33 +Issue date

12 September 2014

**Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

34 Type of +securities  
(tick one)

(a)  +Securities described in Part 1

(b)  All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

**Entities that have ticked box 34(b)**

38 Number of +securities for which  
+quotation is sought

39 +Class of +securities for which  
quotation is sought

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+ See chapter 19 for defined terms.

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

|  |
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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

|  |
|--|
|  |
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42 Number and +class of all +securities quoted on ASX (*including* the +securities in clause 38)

| Number | +Class |
|--------|--------|
|        |        |

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**Quotation agreement**

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: .....  
(~~Director~~/Company secretary)

Date: 15 August 2014

Print name: DYLAN BROWNE  
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+ See chapter 19 for defined terms.

## Appendix 3B – Annexure 1

### Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

#### Part 1

| <b>Rule 7.1 – Issues exceeding 15% of capital</b>  |   |
|--|---|
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>  |   |
| <b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue  | 43,670,728 (post Consolidation)   |
| <b>Add</b> the following: <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul>   | <div style="margin-bottom: 10px;">65,506,092</div> <div style="margin-bottom: 10px;">Nil</div> <div>Nil</div> |
| <b>Note:</b> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> |   |
| <b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period  | Nil   |
| <b>“A”</b>   | 109,176,820   |

+ See chapter 19 for defined terms.

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|---|--|
| <b>Step 2: Calculate 15% of “A”</b>   |  |
| <b>“B”</b>  | 0.15<br><i>[Note: this value cannot be changed]</i>                                  |
| <b>Multiply “A” by 0.15</b>   | 16,376,523   |
| <b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>  |  |
| <p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> | Nil  |
| <b>“C”</b>  | Nil  |
| <b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>   |  |
| <p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>  | 16,376,523   |
| <p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>   | Nil  |
| <p><b>Total</b> [“A” x 0.15] – “C”</p>  | 16,376,523<br><i>[Note: this is the remaining placement capacity under rule 7.1]</i> |

+ See chapter 19 for defined terms.

## Part 2

| <b>Rule 7.1A – Additional placement capacity for eligible entities</b>   |   |
|--|---|
| <b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>  |   |
| <b>“A”</b><br><br><i>Note: number must be same as shown in Step 1 of Part 1</i>  | 109,176,820   |
| <b>Step 2: Calculate 10% of “A”</b>  |   |
| <b>“D”</b>   | 0.10<br><br><i>Note: this value cannot be changed</i> |
| <b>Multiply “A” by 0.10</b>  | 10,917,682  |
| <b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>  |   |
| <b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A<br><br><b>Notes:</b> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities – not just ordinary securities</i></li> <li>• <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul> | Nil   |
| <b>“E”</b>   | Nil   |

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| <b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b> |   |
|--|---|
| <b>"A" x 0.10</b><br><i>Note: number must be same as shown in Step 2</i>                               | 10,917,682  |
| <b>Subtract "E"</b><br><i>Note: number must be same as shown in Step 3</i>                             | Nil   |
| <b>Total ["A" x 0.10] – "E"</b>  | 10,917,699 ( <i>post Consolidation</i> )<br><i>Note: this is the remaining placement capacity under rule 7.1A</i> |

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+ See chapter 19 for defined terms.



## **Notice under Section 708AA**

**15 August 2014**

The Company hereby gives notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Act**) that:

- (a) the Company will offer the New Shares under the Offer without disclosure under Part 6D.2 of the Act;
- (b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Act;
- (c) at the date of this notice, the Company has complied with:
  - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and;
  - (ii) section 674 of the Act;
- (d) at the date of this notice, there is no information:
  - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
    - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
    - (B) the rights and liabilities attaching to the New Shares; and
- (e) the potential effect that the issue of the New Shares, under the Offer, will have on the control of the Company is as follows:
  - (i) if all eligible shareholders take by their entitlements under the Offer, the issue New Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer;
  - (ii) in the more likely event that there is a shortfall, eligible shareholders who do not subscribe for their full entitlement of New Shares under the Offer and ineligible shareholders unable to participate in the Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement; and
  - (iii) in relation to any person participating in the shortfall offer, the Directors will ensure that no person will be issued, through participating in the shortfall offer, New Shares if such issue will result in their voting power in the Company exceeding 19.9%.