



ODYSSEY
ENERGY LIMITED

ACN 116 151 636

OFFER DOCUMENT

For a renounceable pro-rata entitlement offer of New Shares at an issue price of \$0.05 each, on the basis of three (3) New Shares for every two (2) Shares held on the Record Date (**Offer**).

This document is important and requires your immediate attention.

It should be read in its entirety. If you do not understand its content or are in doubt as to the course you should follow, you should consult your stockbroker or other professional adviser without delay.

This Offer Document is not a prospectus. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered by this Offer Document.

The Offer opens at 10.00am (Perth time) on 26 August 2014 and closes at 5:00pm (Perth time) on 5 September 2014. Valid acceptances must be received before the Offer closes.

Please read the instructions in this document and on the accompanying Entitlement and Acceptance Form regarding the acceptance of your Entitlement.

NOT FOR RELEASE INTO THE UNITED STATES OR TO U.S. PERSONS OR IN ANY JURISDICTION WHERE THIS DOCUMENTATION DOES NOT COMPLY WITH THE RELEVANT REGULATIONS

IMPORTANT INFORMATION

This Offer Document is issued pursuant to section 708AA of the Corporations Act 2001 (Cth) (as modified by ASIC Class Order 08/35) for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Document has been prepared by Odyssey Energy Limited ABN 73 116 151 636 and was lodged with ASX on 15 August 2014. ASX takes no responsibility for the content of this Offer Document.

This Offer Document is not a prospectus and does not contain all of the information that an investor would find in a prospectus or which may be required by an investor in order to make an informed investment decision regarding, or about the rights attaching to, New Shares. Nevertheless, this Offer Document contains important information and requires your immediate attention. It should be read in its entirety. If you are in any doubt as to how to deal with this Offer Document, you should consult your professional adviser as soon as possible.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Eligibility

Applications for New Shares by Eligible Shareholders can only be made on an **original** Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

Overseas shareholders

No action has been taken to permit the offer of New Shares under this Offer Document in any jurisdiction other than Australia or New Zealand. The distribution of this Offer Document in jurisdictions outside Australia or New Zealand may be restricted by law and therefore persons outside of Australia or New Zealand and into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. Applications from Shareholders with a registered address in a jurisdiction other than Australia or New Zealand will not be accepted.

This Offer Document does not constitute an offer of New Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Offer Document.

Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes detailed in this Offer Document and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

TABLE OF CONTENTS

Section	Contents	Page
1.	Details of the Offer	4
2.	Action Required by Shareholders.....	10
3.	Risk Factors.....	14
4.	Rights attaching to New Shares.....	25
5.	Defined Terms	28

1. Details of the Offer

1.1 The Offer

The Company is making a renounceable pro-rata entitlement offer of New Shares at an issue price of \$0.05 each, on the basis of three (3) New Shares for every two (2) Shares held on the Record Date, in accordance with section 708AA of the Corporations Act, to raise approximately \$3.28 million (before costs) (**Offer**).

The proceeds from the Offer will be used by the Company to improve the Company's ability to attract new business opportunities in the oil and gas and other sectors as well as to expand its existing project base, as outlined in Section 1.3.

As at the Record Date, the Company expects to have on issue approximately 43.67 million Shares and approximately 18.55 million Options exercisable at \$0.50 on or before 31 December 2014. Assuming the Offer is fully subscribed, approximately 65.51 million New Shares will be issued under the Offer (assuming no Options are exercised before the Record Date). If all of the existing Options are exercised before the Record Date, and assuming that the Offer is fully subscribed, a total of 93.33 million New Shares will be issued under the Offer.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded down to the nearest whole New Share.

This Offer Document is also for the offer of the Shortfall Shares to Eligible Shareholders. Refer to Section 1.20 for further information and details of the Shortfall Offer.

1.2 Proposed Timetable

Event	Date
Lodgement of Offer Document & Appendix 3B with ASX	15 August 2014
Notice of Offer sent to Optionholders	18 August 2014
Notice of Offer sent to Shareholders	19 August 2014
Shares quoted on an "Ex" basis and Rights trading commences	20 August 2014
Record Date for determining Entitlements	22 August 2014
Offer Document and Entitlement and Acceptance Form despatched to Eligible Shareholders	26 August 2014
Opening Date of Offer	26 August 2014
Rights trading ends	29 August 2014
Closing Date of Offer	5 September 2014*
Notification of Shortfall	10 September 2014
Anticipated date for issue of the Securities	12 September 2014
Anticipated date for dispatch of holding statements	15 September 2014

This timetable is indicative only and subject to change

* Subject to the Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer. Any extension will have a consequential effect on the anticipated date of issue for the Securities.

1.3 Use of funds

If fully subscribed, the Offer will raise approximately \$3.28 million (before costs), assuming that no Options are exercised prior to the Record Date.

The funds raised from the Offer are proposed to be applied as follows:

Description of Cash Outflows	Amount (A\$)
Exploration activities on current project and any new projects acquired	1,100,000
Identification of new business opportunities and projects (including due diligence costs, legal costs, travel costs and consultant fees)	960,000
Corporate and administrative costs	698,000
Costs of the Offer	140,000
Working capital	377,305
Total funds raised under the Offer	3,275,305

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, the development of new opportunities and other factors (including the risk factors outlined in Section 3).

If less than \$3.28 million is raised pursuant to the Offer, the Company will firstly pay the associated expenses of the Offer and then scale back funds available for the identification and acquisition of new business opportunities and projects and then, if required, scale back funds available for working capital and exploration activities.

1.4 Capital structure on completion of the Offer

	Number of Shares	Number of Options ⁽¹⁾
Balance at the date of this Offer Document	43,670,728	18,548,856
To be issued under the Offer ⁽²⁾	65,506,092	Nil
Balance after the Offer	109,176,820	18,548,856

(1) The Options have an exercise price of \$0.50 and an expiry date of 31 December 2014.

(2) The maximum number of New Shares to be issued under the Offer and assumes that the Offer is fully subscribed and that no Options are exercised before the Record Date.

1.5 Entitlements and acceptance

The Entitlement of Eligible Shareholders to participate in the Offer is determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document.

Acceptance of a completed Entitlement and Acceptance Form by the Company creates a legally binding contract between the Applicant and the Company for the number of New Shares accepted by the Company. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of New Shares.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

1.6 Entitlements trading

Entitlements are renounceable, which means that Eligible Shareholders who do not wish to exercise all or a portion of their Entitlements may choose to sell their Entitlements on ASX. Information on how Entitlements may be sold on ASX is detailed in Section 2.

Rights trading is scheduled to commence on ASX on 12 August 2014 and cease on 29 August 2014.

1.7 Shortfall Securities

The Offer is not underwritten. In the event that not all Shareholders accept their full entitlement pursuant to the Offer, the Directors reserve the right, subject to any restrictions imposed by the Corporations Act and the Listing Rules to issue the Shortfall Securities at their sole discretion. See Section 1.20 for further details of the Shortfall Offer.

1.8 Dilution and effect on the control of the Company

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 60% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document). Examples of how the dilution may impact Shareholders are detailed in the table below:

Holder	Shareholding as at Record Date	% at Record Date	Entitlements under the Offer	Shareholdings if Offer not taken up	% post Offer ⁽¹⁾
Example Shareholder 1	1,000,000	2.29%	1,500,000	1,000,000	0.92%
Example Shareholder 2	500,000	1.15%	750,000	500,000	0.46%
Example Shareholder 3	150,000	0.34%	225,000	150,000	0.14%
Example Shareholder 4	50,000	0.11%	75,000	50,000	0.046%
Example Shareholder 5	5,000	0.01%	7,500	5,000	0.005%

(1) The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements are not accepted are placed under the Shortfall Offer. If all Entitlements are not accepted and some or the entire resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

1.9 Directors' interests and participation

The relevant interest of each Directors in the securities of the Company as at the date of this Offer Document, together with their respective Entitlements, is detailed in the table below:

Director	Shares Held	Options Held ⁽¹⁾	Entitlement (Number of New Shares)
Ian Middlemas	2,310,000	1,010,000	3,465,000
David Cruse	811,352	385,349	1,217,028
Mark Pearce	902,400	400,400	1,353,600

(1) The Options have an exercise price of \$0.50 and an expiry date of 31 December 2014.

As at the date of this Offer Document, each of the Directors have indicated that they intend to take up their full Entitlement.

1.10 Opening and closing dates

The Offer opens on the Opening Date, namely 26 August 2014. The Company will accept Entitlement and Acceptance Forms until 5:00pm (Perth time) on the Closing Date, namely 5 September 2014, or such other date as the Directors in their absolute discretion shall determine, subject to the Listing Rules.

1.11 Issue and despatch

The expected dates for issue of New Shares offered by this Offer Document and despatch of holding statements is expected to occur on the dates specified in the timetable detailed in Section 1.2.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

1.12 ASX listing

Application will be made to the ASX for the official quotation of the New Shares on ASX. If the ASX does not grant quotation of the New Shares within 3 months after the date of this Offer Document (or such period as ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to the Offer.

1.13 Rights and liabilities

The Shares offered under this Offer Document will rank equally in respect of dividends and have the same rights in all other respects (e.g. voting, bonus issues) as existing Shares.

A summary of the rights and liabilities attaching to Shares are detailed in Section 4.

1.14 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement Pty Ltd (a wholly owned subsidiary of ASX) operates CHESS in accordance with the Listing Rules and ASXS Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of New Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be despatched by Computershare Investor Services Pty Limited and will contain the number of New Shares issued to you under this Offer Document and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their holding changes. Shareholders may request a statement at any other time. However, there may be a charge associated with the provision of this service.

1.15 Overseas shareholders

No Offer will be made to Shareholders with a registered address outside Australia or New Zealand (**Ineligible Shareholders**).

The Company is of the view that it is unreasonable to make the Offer to Shareholders outside Australia or New Zealand due to a small number of such Shareholders and the

number and value of New Shares these Shareholders would be offered, the cost of complying with applicable regulations in jurisdictions outside Australia or New Zealand and the administrative burden that will place on the Company in making the Offer available to Shareholders outside Australia or New Zealand.

This Offer Document and accompanying Entitlement and Acceptance Form do not, nor are they intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an Offer.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

Pursuant to ASX Listing Rule 7.7, the Company has appointed Argonaut Securities Pty Limited (AFSL 274099) (**Nominee**) to sell the Entitlements to which Ineligible Shareholders are entitled.

The Nominee will direct the proceeds (if any) to the Company or other party upon its instruction to facilitate pro-rata payments to Ineligible Shareholders. The Nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner in which any sale is made.

Any interest earned on the proceeds of the sale of these Entitlements, will firstly be applied against the expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholder as described below.

The net proceeds of the sale of these Entitlements (if any) will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, the proceeds may be retained by the Company.

Notwithstanding that the Nominee must sell the Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.16 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

1.17 Risk factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are described in Section 3.

1.18 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX and, as such, the Company is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

Specifically, the Company is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the securities markets conducted by the ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price of value of its securities.

This Offer Document is intended to be read in conjunction with the publicly available information in relation to the Company, which has been notified to ASX, and does not include information that would be included in a disclosure document or which investors ought to have regard to in deciding whether to subscribe for New Shares under the Offer. Investors should therefore have regard to the other publically available information in relation to the Company before making a decision whether or not to invest.

All announcements made by the Company are available from its website www.odysseyenergy.com.au or the ASX website www.asx.com.au.

Additionally, the Company is required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. These reports are released to ASX and published on the Company's and ASX websites.

This Offer Document (including the Entitlement and Acceptance Form) and the contracts that arise from the acceptance of the Applications are governed by the laws applicable in Western Australia and each applicant submits to the non-exclusive jurisdiction of the courts of Western Australia.

1.19 Rights issue notice

The Company has lodged with ASX a notice in accordance with section 708AA of the Corporations Act. This notice may be reviewed on the websites of the Company and ASX.

1.20 Shortfall Offer

In the event that the Offer is not fully subscribed, the Directors reserve the right, subject to any restrictions imposed by the Corporations Act and Listing Rules, to issue the Shortfall Shares at their sole discretion (**Shortfall Offer**).

The Shortfall Offer is a separate offer made pursuant to this Offer Document and may remain open after the Closing Date. The issue price of the shortfall shares will be \$0.05 each, being the same price as the New Shares being offered under the Offer.

Applications for Shortfall Shares can only be made by completing and returning the Shortfall Acceptance Form which will be sent with this Offer Document to the parties to whom the Company makes Shortfall Offers. The Shortfall Offer will open following the Closing Date and remain open until it is closed by the Directors. Shortfall Shares will not be issued more than 3 months after the Closing Date.

In relation to the Shortfall Offer, the Company reserves the right to issue to an applicant a lesser number of Shares than the number applied for in a Shortfall Acceptance Form, reject

an application or not proceed with the issuing of the Shortfall Shares or part thereof. If the number of Shares issued is less than the number applied for in a Shortfall Acceptance Form, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded.

1.21 Enquiries concerning Offer Document

Any questions in relation to this Offer Document should be directed to the Company Secretary by telephone on +61 (08) 9322 6322.

If you have any questions on the Entitlement and Acceptance Form, please contact:

Computershare Investor Services Pty Limited

Telephone: 1300 850 505 (within Australia)
+61 (0)3 9415 4000 (outside Australia)

2. Action Required by Shareholders

2.1 What Eligible Shareholders may do

The number of New Shares to which Eligible Shareholders are entitled to is shown on the accompanying personalised Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) accept all of their Entitlement (refer to section 2.2);
- (b) sell all of their Entitlement on ASX (refer to section 2.3);
- (c) accept a proportion of their Entitlement and sell the balance on ASX (refer to section 2.4);
- (d) accept a proportion of their Entitlement and allow a balance to lapse (refer to section 2.5);
- (e) sell all or a proportion of their Entitlement other than on ASX (refer to section 2.6); and
- (f) not take up their Entitlement (refer to section 2.7).

2.2 Acceptance of ALL of your Entitlement under the Offer

If you wish to accept your Entitlement to New Shares in full, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the form and submit your acceptance either electronically by BPAY® or together with a cheque by mail to reach the Share Registry prior to the Closing Date. Please read the instructions carefully.

Payment by cheque

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Odyssey Energy Limited – Subscription Account" and be lodged at any time after the Opening Date, and on or before the Closing Date, at the Share Registry (by post) at:

By Post:

Computershare Investor Services Pty
Limited
GPO Box 505
MELBOURNE VIC 3001

Payment by BPAY®

Alternatively, Entitlements may be accepted electronically using BPAY®, in which case you are not required to return the Entitlement and Acceptance Form. You can simply make payment for the total number of New Shares accepted by using the Biller Code and the personalised Reference Number set out in your Entitlement and Acceptance Form. You must ensure that acceptance and payment by BPAY® is received no later than 5pm (Perth Time) on 5 September 2014.

Instructions for making payment by BPAY® are set out in your Entitlement and Acceptance Form. You should be aware that your own financial institution may impose earlier cut-off times with regards to electronic payments and you should therefore take this into consideration when making payment.

2.3 Selling ALL of your Entitlement on ASX

The Entitlements under the Offer are renounceable, which means that all or part of an Eligible Shareholder's Entitlement may be traded on ASX. If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement which you wish to sell on ASX. Trading of Entitlements will commence on ASX on 20 August 2014 and will cease on 29 August 2014.

There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX.

2.4 Acceptance of PART of your Entitlement and selling the balance on ASX

Should you wish to only take up part of your Entitlement, then applications for New Shares under this Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Offer Document, in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Payment by cheque

Complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of New Shares you wish to accept and the Application Monies (calculated at \$0.05 per New Share accepted)

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Odyssey Energy Limited – Subscription Account" and be lodged at any time after the Opening Date, and on or before the Closing Date at the Share Registry (by post) at the address listed in Section 2.2.

Payment by BPAY®

If paying via BPAY®, you should be aware that your own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Shareholder to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX.

2.5 Acceptance of PART of your Entitlement and allowing the balance to lapse

Should you wish to only take up part of your Entitlement, then applications for New Shares under this Offer Document must be made on the Entitlement and Acceptance Form which accompanies this Offer Document, in accordance with the instructions referred to in this Offer Document and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Complete the Entitlement and Acceptance Form by filling in the details in the spaces provided, including the number of New Shares you wish to accept and the Application Monies (calculated at \$0.05 per New Share accepted).

Payment by cheque

Completed Entitlement and Acceptance Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Odyssey Energy Limited – Subscription Account" and be lodged at any time after the Opening Date, and on or before the Closing Date at the Share Registry (by post) at the address listed in Section 2.2.

Payment by BPAY®

If paying via BPAY®, you should be aware that your own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Shareholder to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

If you take no further action, the balance of your Entitlement will lapse and you will have forfeited any potential benefit to be gained from taking up or selling that part of your Entitlement.

2.6 Selling all or a proportion of your Entitlement other than on ASX

You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder were they a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased.

If you are a Shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person, other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) accompanied by the applicable transferee's cheque for the New Shares they wish to subscribe for in Australian dollars, crossed "Not Negotiable" and made payable to "Odyssey Energy Limited – Subscription Account" and lodged at any time after the issue of the Opening Date and no

later than 5.00pm (Perth Time) on 5 September 2014 at the Share Registry (by post) at the address listed in Section 2.2.

If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister, you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf.

Payment by cheque

The Application Monies for New Shares the transferee of the Entitlement wants to acquire must be received by the Share Registry by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Odyssey Energy Limited – Subscription Account" and lodged at any time after the issue of the Opening Date and no later than 5.00pm (Perth Time) on 5 September 2014 at the Share Registry (by post) at the address listed in Section 2.2.

Payment by BPAY®

If paying via BPAY®, you should be aware that your own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Shareholder to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

2.7 Entitlement not taken up

Shareholders should be aware that their Entitlement may have value. Entitlements are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX. If you do not wish to accept any of your Entitlement under the Offer, you are not obliged to do anything. You will receive no benefit or New Shares and your Entitlement under the Offer will become Shortfall Shares.

The number of Shares you hold and the rights attached to those Shares will not be affected should you choose not to accept any of your Entitlement.

2.8 Enquiries concerning your Entitlement

If you have any questions in relation to your Entitlement under the Offer, please contact:

Computershare Investor Services Pty Limited

Telephone: 1300 850 505 (within Australia)
+61 (0)3 9415 4000 (outside Australia)

3. Risk Factors

The New Shares offered under this Offer Document are considered speculative. The Directors strongly recommend Eligible Shareholders examine the contents of this Offer Document and consult their professional advisers before deciding whether to apply for the New Shares pursuant to this Offer. In addition, Eligible Shareholders should be aware there are risks associated with investment in the Company. There are certain general risks and certain specific risks which relate directly to the Company's business and are largely beyond the control of the Company and its Directors because of the nature of the business of the Company.

The summary of risk factors described below ought not to be taken as exhaustive of the risks faced by the Company or by Eligible Shareholders. The risk factors described below, and others not specifically referred to below, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Offer Document. The New Shares to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

3.1 Risks specific to the Company, the Offer and the Shortfall Offer

(a) New projects and acquisitions

The Company has to date and will continue to actively pursue and assess other new business opportunities in the resources sector and in particular the energy sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or successful. If the propose acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess, at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or the raising of additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

Furthermore, if a new investment or acquisition by the Company is completed, ASX may require the Company to seek Shareholder approval and to meet the admission requirements under Chapters 1 and 2 of the Listing Rules as if the Company were a new listing. There would be costs associated in re-complying with the admission requirements. The Company may be required to incur these costs in any event, were it to proceed to seek to acquire a new project which is considered to result in a significant change to the nature or scale of its existing operations.

If a new investment or acquisition is not completed, then the Company may not be in a position to comply with the ongoing Listing Rules, which includes but is not limited to, maintaining a sufficient level of operations and financial position. Given

the nature of oil and gas exploration, this may also occur if the Company abandons and/or relinquishes a project which is no longer considered viable.

Any new project or business acquisition may change the risk profile of the Company, particularly if the new project is located in another jurisdiction, involving a new commodity and/or changes the Company's capital/funding requirements. Should the Company propose or complete the acquisition of a new project or business activity, investors should re-assess their investment in the Company in light of the new project/business activity.

(b) Additional Requirements for Funding

The Company's funding requirements depend on numerous factors including the Company's ability to generate income from its projects, the results of joint venture operations, future exploration and work programs and the acquisition of new projects.

If less than \$3,275,305 is raised pursuant to the Offer and Shortfall Offer, the Company will need to scale back funds available as outlined in Section 1.3. Furthermore, the Company may require further funding in addition to current cash reserves and proceeds from the Offer and Shortfall Offer to fund exploration activities.

Additional equity financing, if available, may be dilutive to Shareholders and at lower prices than the current market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

(c) Limited Operating History of the Company

The Company has limited operating history on which it can base the evaluation of its prospects.

The success of the Company in the short to medium term is dependent upon a number of factors, including the successful identification and acquisition of new projects in the energy sector and the successful exploration of any new or current projects.

The prospects of the Company must be considered in light of the considerable risks, expenses and difficulties frequently encountered by companies in the early stage of energy exploration and development activities.

Furthermore, as no projects of the Company have commenced operations, there can be no guarantee that the business will operate in line with assumed cost structures. Should the level of costs required to operate the business be higher than anticipated then it may have a materially adverse effect on the future performance and prospects of the Company.

There can be no assurance that any new or current projects will be profitable in the future. Should production commence, the operating expenses and capital expenditures of the projects may increase in future years as targeted resources are more difficult to extract.

The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution

of any joint venture agreements with strategic partners, and other factors, many of which are beyond the Company's control.

The Company expects to incur losses unless and until such time as any new or current projects enter into commercial production and generate sufficient revenues to fund their continuing operations. The development of the new and current projects will require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues or achieve profitability.

(d) Reliance on key personnel

The Company is reliant on a small number of key personnel and consultants. The loss of one or more of these key contributors could have an adverse impact on the business.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people, given the current high demand in the industry and relatively small size of the Company, compared to other industry participants.

The continued availability of consultants and advisers is to some extent dependent on maintaining the professional relationships that the Company's personnel have developed over time and which may be lost if key personnel cease to be involved with the Company before replacement arrangements can be made. If the involvement of key oil and gas specialists, managers or other personnel ceases for reasons of contract termination, ill health, death or disability, then technical programs and achievements may be adversely affected.

3.2 General risks associated with energy sector operations

The Company operates in the energy sector and is subject to risks relating to exploration, drilling and production of oil and gas and other energy based resources which may not generally be associated with other sectors.

The exploration of oil and gas reserves and other energy based resources and successful project development is considered to be of a high risk nature and involves inherent risks including but not limited to:

(a) Exploration and development risks

Oil and gas exploration and development involves significant risks which only occasionally provide high rewards. In addition to the normal competition for prospective ground, and the high costs of discovery and development of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing, foreign currency fluctuations and technical problems all affect the ability of a company to profit from a discovery.

There is no assurance that exploration and development of the Company's projects, or any other projects that may be acquired in the future, will result in the discovery of an economic oil and gas deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.

The exploration for, and development of, mineral deposits (including energy based resources) involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. Resource exploration and development is a speculative business, characterised by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the

failure to discover mineral deposits, but also from finding mineral deposits that, although present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on a property without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in the discovery of an economically viable mineral deposit.

The Company has relied on, and may continue to rely on, consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in developing its properties.

There can be no assurance that the Company's mineral exploration activities will be successful. If such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realise value or may even be required to abandon its business and fail as a "going concern".

(b) Reserve and resource estimates

Hydrocarbon reserve estimates are an expression of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove inaccurate. Should the Company encounter oil and/or gas deposits or formations different from those predicted by past drilling, sampling and similar examinations, reserve estimates may have to be adjusted and production plans may have to be altered in a way which could adversely affect the Company's operations.

Ore reserve and mineral resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Ore estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of ore deposits cannot be known until mining takes place, and will almost always differ from the assumptions used to develop

resources. Further, Ore Reserves are valued based on future costs and future prices and consequently, the actual Ore Reserves and Mineral Resources may differ from those estimated, which may result in either a positive or negative effect on operations.

Should the Company's projects encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(c) Foreign Operations Risks

The Company's Project is located in the USA and, as such, the operations will be exposed to various levels of political, economic and other risks and uncertainties.

Changes, if any, in mining or investment policies or shifts in political attitude in the USA may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety.

Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

(d) Title

The Company's exploration activities are dependent upon the grant, or as the case may be, the maintenance of appropriate tenements, which may be withdrawn or made subject to limitations. The maintaining of tenements, obtaining renewals, or getting tenements granted, often depends on the Company being successful in obtaining required statutory approvals for its proposed activities and that the tenements, licences, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

Furthermore, the system for obtaining title to oil and gas leases in the USA is complex given that numerous parties may hold the undivided mineral rights to a particular tract of land, making it extremely difficult to secure contiguous leases. Securing the leases to those rights often requires lengthy negotiation with the various parties. In order to independently verify that the parties with whom the Company is dealing are the correct and sole holders of the mineral rights, and to analyse the full rights and restrictions applying to the interest held by those parties, requires that a company obtain detailed title opinions from appropriately qualified and experienced lawyers. This can be a lengthy and expensive process and the final opinions are often the subject of numerous qualifications. It is therefore customary that such title opinions are not sought until the Company proposes to conduct a drilling operation and/or expend significant amounts of money on a particular lease. In addition, obtaining leases in the USA involves a

substantial amount of legal work even before leasing can begin. There is therefore no guarantee that the Company will be able to lease on commercially acceptable terms.

The Company has adopted this customary approach and, accordingly, may not have obtained the detailed title opinions on its leases. As a consequence there may be third parties that hold or claim mineral rights in relation to the leases held by the Company which have not previously been identified.

Further, some of the leases in which the Company has an interest may have a fixed term and be subject to applications for renewal. The renewal of the term of each lease is usually at the discretion of the relevant lessor. If a lease is not renewed or granted, the Company may suffer significant damage through loss of the opportunity to develop and discover any oil or gas resources on that lease.

(e) Payment obligations

Under the exploration permits and certain other contractual agreements to which the Company is or may in the future become party, the Company's projects are, or may become, subject to payment and other obligations. Failure to meet these payments and obligations may render the Company's projects' claims liable to be cancelled. Further, if any contractual obligations are not complied with when due, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by the Company.

(f) Operating risks

Industry operating risks include the risk of fire, explosions, blow-outs, pipe failure, abnormally pressured formations and environmental hazards such as accidental spills or leakage of petroleum liquids, gas leaks, ruptures or discharges of toxic gasses, the occurrence of which could result in substantial losses to the Company due to injury or loss of life, severe damage to or destruction of property, natural resources and equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation and penalties and suspension of operations. Damages occurring as a result of such risks may give rise to claims against the Company. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of operations of the Company.

(g) Commercialisation of discoveries

It may not always be possible for the Company to participate in the exploitation of any successful discoveries, which may be made in any projects in which the Company has an interest. Such exploitation will involve the need to obtain the necessary licences or clearances from the relevant authorities, which may require conditions to be satisfied and/or the exercise of discretions by such authorities. It may or may not be possible for such conditions to be satisfied. Further, the decision to proceed to further exploitation may require the participation of other companies whose interests and objectives may not be the same as the Company. As described above, such further work may require the Company to meet or commit to financing obligations for which it may not have planned.

(h) Result of studies

Upon acquisition of a suitable new project, and subject to the results of any future exploration and testing programs, the Company may progressively undertake a

number of studies in respect of the Company's new projects. These studies may include scoping, pre-feasibility and bankable feasibility studies.

These studies will be completed within certain parameters designed to determine the economic feasibility of the Company's projects within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of the Company's projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further, even if a study determines the economics of the Company's projects, there can be no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study, once production commences including, but not limited to, operation costs, mineral recoveries and commodity prices. In addition the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

(i) Commodity price volatility

The demand for, and price of, natural gas is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, and global economic and political developments.

International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in oil and gas prices, and, in particular, a material decline in the price of oil or gas, may have a material adverse effect on the Company's business, financial condition and results of operations.

The price of energy resources fluctuate widely and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary scheme, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. The supply of these resources consists of a combination of a new mine production and existing stocks held by governments, producers, speculators and consumers.

Future production, if any, from the Company's projects will be dependent upon the price of the resources being adequate to make the project economic. Future price declines in the market value of the commodity could cause continued development of, and eventually commercial production from, the project to be rendered uneconomic. Depending on the price of the commodity, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, the project. There is no assurance that, even if commercial quantities of the resource are produced, a profitable market will exist for them.

In addition to adversely affecting future reserve estimates, if any, of any project, declining commodity prices can impact operations by requiring a reassessment of the feasibility of the project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to the project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

(j) Acquisition risks

Prior to any acquisition, the Company will conduct due diligence on the projects to satisfy themselves in relation to the potential to successfully achieve an economically recoverable hydrocarbon reserve. There can be no guarantee, however, that such a reserve will result from such an acquisition and the Company may have expended resources which do not result in discoveries being economically viable.

(k) Drilling risks

The Company's future drilling operations may be curtailed, delayed or cancelled due to a number of factors including weather conditions, mechanical difficulties, shortage or delays in the delivery of rigs and/or other equipment and compliance with governmental requirements. While drilling may yield some hydrocarbons there can be no guarantee that the discovery will be sufficiently productive to justify commercial development or cover operating costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs.

(l) Claims by indigenous inhabitants

The current and future oil and gas assets of the Company may be subject to land claims by indigenous people. Should this occur, the Company's ability to conduct exploration and/or mining activities may be affected, which may have a material adverse effect on the Company's financial performance and the price at which its securities trade.

The Company is not aware of any land claims or potential claims by indigenous people in respect of its exploration activities that could significantly affect its tenure or mining exploration or any future production operations.

(m) Insurance

Insurance of all risks associated with oil and gas exploration and production is not always available and, where it is available, the cost may be high. The company will have insurance in place considered appropriate for the Company's needs.

The business of the Company is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability, particularly as the Company is seeking to acquire new projects.

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production

is not generally available to the Company or to other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

(n) Government regulation

The oil and gas industry is subject to extensive regulation. Regulations relating to the exploration for and development, production, gathering and marketing of oil and gas may affect the Company's operations. Some of the regulations set forth standards for discharge permits for drilling operations, drilling and abandonment bonds or other financial responsibility requirements, reports concerning operations, the spacing of wells, unitisation and pooling of properties and taxation. From time to time, regulatory agencies have imposed price controls and limitations on production by restricting the rate of flow of oil and gas wells below actual production capacity to conserve supplies of oil and gas.

The Company cannot predict how existing, or future laws and regulations may be interpreted by enforcement agencies or court rulings, whether additional laws and regulations will be adopted, or the effect such changes may have on the Company's business or financial condition.

(o) Land access

Immediate access to leases cannot in all cases be guaranteed. The Company may, from time to time, be required to seek consent of landholders or other persons or groups with an interest in real property encompassed by the Company's leases. Compensation may be required to be paid by the Company to land holders in order that the Company may carry out exploration and/or production activities.

(p) Equipment access

High local, regional or global demand for oil and gas exploration and development equipment and infrastructure and experienced operators of this equipment may adversely affect the Company's operations. The Company may not always have access to experienced seismic crews, drill rigs, and operators and this may cause delays in the Company's exploration and development programs, which may result in increased costs in relation to the Company's projects.

(q) Commercialisation and infrastructure access

The Company's potential future earnings, profitability and growth are likely to be dependent on the Company being able to commercialise any oil and gas reserves that may exist on the oil and gas leases in which the Company currently has an interest or that are acquired by the Company in the future. The ability of the Company to do so is further dependent on a number of factors, including matters which may be beyond the control of the Company.

Sales of oil and gas, if applicable, will be affected by the availability, terms and costs of transportation. The Company's ability to sell and market any oil and gas produced will be negatively affected should it be unable to secure adequate transportation and/or processing facilities. Further, access will depend on the proximity and capacity of pipelines and processing facilities. The Company may be required to develop its own pipeline infrastructure or secure access to third party pipeline infrastructure in order to deliver its product to customers and markets.

3.3 Environmental Risks

(a) Environmental and other regulatory requirements

The Company's operations will be subject to environmental laws, including but not limited to, those governing the management of waste, the protection of water and air quality, the discharge of materials into the environment, and the preservation of natural resources, which may impact and influence the Company's operations. If the Company fails to comply with environmental laws regarding the discharge of oil, gas, or other materials into the air, soil or water, it may be subject to liabilities to the government and third parties, including civil and criminal penalties.

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before exploration and production activity can commence on any property, the Company must obtain regulatory approvals and there is no assurance that such approvals will be obtained.

The Company has indemnified, and may, from time to time in the future, agree to indemnify, sellers of producing properties against some liabilities for environmental claims associated with these properties.

(b) Hydraulic fracturing

Due to significant public debate surrounding the environmental impacts of hydraulic fracturing, the oil and gas industry is subject to substantial public and regulatory scrutiny and to rigorous environmental approval and monitoring processes. The implementation of future regulations or approval processes in the oil and gas industry may lead to additional costs or require changes to the way the Company proposes to operate or explore and, as a result, may have an adverse effect on the financial performance of the Company.

(c) Previous exploration

Previous small scale exploration activities undertaken by past tenement holders could in the future give rise to costs for environmental, rehabilitation, damage, control and losses. As at the date of this Offer, the Company has received no indication or instruction that rehabilitation of these areas is required. The enforcement of any environmental regulation could lead to increased costs for the Company which in turn could adversely affect the Company's financial performance and available cash reserves.

3.4 General risks

(a) Securities Investment

There are risks associated with any securities investment. The prices at which the Securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for oil and gas exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that these trading prices will be sustained. These factors may materially affect the market price of the Securities regardless of the Company's operational performance.

(b) Share Market conditions

Share market conditions may affect the value of the Securities, regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) changes in investor sentiment toward particular market sectors;
- (iv) the demand for, and supply of, capital; and
- (v) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Economic Risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption, the rate of growth of gross domestic product in Australia, or any other country in which the Company operates, interest rates and the rate of inflation.

(d) Changes in Government Legislation and regulation

Any material adverse changes in government policies or legislation of Australia, USA or any other country where the Company may acquire economic interests may affect the viability and profitability of the Company.

(e) Competition

The Company will compete with other companies, including major oil and gas companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce oil and gas, but also carry out refining operations and market petroleum and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(f) Foreign exchange risk

The Company's main business undertakings are currently based in the USA, and as a result, revenues, cash inflows, expenses, capital expenditure and commitments will be primarily denominated in USA dollars. However, should the Company acquire a new project, it may be exposed to adverse foreign exchange movements for the relevant currency of that jurisdiction.

Furthermore, no hedging strategy has yet been developed by the Company. This may result in the Company being exposed to the effects of the change in currency

(exchange rate) risk, which may have an adverse impact on the profitability and/or financial position of the Company.

3.5 Investment Highly Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares offered under this Offer Document. Therefore, the New Shares to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Offer Document.

4. Rights attaching to New Shares

4.1 General

The New Shares to be issued pursuant to this Offer Document are ordinary shares and will, as from their allotment, rank equally in all respects with all existing Shares.

The rights attaching to the Shares arise from a combination of the Constitution, statute and general law. Copies of the Constitution are available for inspection during business hours at its registered office. The Constitution has been lodged with ASIC.

A summary of the more significant rights is detailed below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Shareholders.

4.2 Reports and notices

Shareholders are entitled to receive all notices, reports, accounts and other documents required to be furnished to shareholders under the Constitution, the Corporations Act and the Listing Rules.

4.3 General meetings

Directors may call a meeting of Shareholders whenever they think fit. Members may call a meeting as provided by the Corporations Act. All Shareholders are entitled to a notice of meeting. A meeting may be held in two or more places linked together by audio-visual communication devices. A quorum for a meeting of Shareholders is 2 eligible voters.

The Company will hold annual general meetings in accordance with the Corporations Act and the Listing Rules.

Shareholders are entitled to be present in person, or by proxy, attorney or representative (in the case of a company) to speak and to vote at general meetings of the Company.

4.4 Voting

Subject to any rights or restrictions at the time being attached to any class or classes of shares, at a general meeting of the Company on a show of hands, every Shareholder present in person, or by proxy, attorney or representative (in the case of a company) has one vote and upon a poll, every Shareholder present in person, or by proxy, attorney or

representative (in the case of a company) has one vote for any Share held by the Shareholder.

A poll may be demanded by the chairperson of the meeting, any 5 Shareholders entitled to vote in person or by proxy, attorney or representative or by any one or more Shareholders holding not less than 5% of the total voting rights of all Shareholders having the right to vote.

4.5 Dividends

The Directors may declare and authorise the distribution from the profits of the Company, dividends to be distributed to shareholders according to their rights and interests. The Directors may determine the property to constitute the dividend and fix the time for distribution. Except to the extent that the terms of issue of shares provide otherwise, each dividend must be distributed according to the amount paid up on the Share in a manner calculated in accordance with the Constitution.

4.6 Winding up

Subject to any rights or restrictions attached to a class of shares, on a winding up of the Company, any surplus must be divided among the Shareholders in the proportions which the amount paid (including amounts credited) on the Shares of a Shareholder is of the total amounts paid and payable (including amounts credited) on the Shares of all Shareholders. Subject to any rights or restrictions attached to a class of shares, on a winding up of the Company, the liquidator may, with the sanction of a special resolution of the Shareholders:

- (a) distribute among shareholders the whole or any part of the property of the Company; and
- (b) decide how to distribute the property as between the holders of different classes of shares.

The liquidator of the Company may settle any problem concerning a distribution.

4.7 Transfer of shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, and to the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia.

4.8 Issue of further shares

The Directors may, subject to any restrictions imposed by the Constitution and the Corporations Act, allot, issue, grant options over, or otherwise dispose of, further shares with or without preferential rights on such terms and conditions as they see fit.

4.9 Directors

The business of the Company is to be managed by or under the direction of the Directors.

Directors are not required under the Constitution to hold any Shares.

Unless changed by the Company in general meeting, the minimum number of Directors is 3 and the maximum is 10. The existing Directors may appoint a new Director to fill a casual vacancy or as an addition to the Board. Any such Director must retire at the next following annual general meeting of the Company (at which meeting he or she may be eligible for election as a Director).

The Constitution contains provisions relating to the rotation and election of directors. No Director other than the Managing Director may hold office later than the third annual general meeting after his or her appointment or election, without submitting himself or herself for re-election.

For a person to be eligible for election as a Director, a nomination for the office of Director and the written consent of the proposed director must be received at the Company's registered office:

- (a) 30 business days prior to the meeting, in the case of a meeting of members that the Directors have been requested by members to call; and
- (b) 35 business days prior to the meeting, in any other case.

4.10 Offer of shares

Subject to the requirements of the Corporations Act and if applicable, the Listing Rules, the issue of shares by the Company is under the control of the Directors. Under the Constitution the Company is empowered, without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, to issue shares with preferred, deferred or other rights.

4.11 Variation of shares and rights attaching to shares

Shares may be converted or cancelled with member approval and the Company's share capital may be reduced in accordance with the requirements of the Corporations Act.

Class rights attaching to a particular class of shares may be varied or cancelled with the consent in writing of holders of 75% of the shares in that class or by a special resolution of the holders of shares in that class.

4.12 Unmarketable parcels

The Company may procure the disposal of Shares where the member holds less than a marketable parcel of Shares within the meaning of the Listing Rules (being a parcel of Shares with a market value of less than \$500). To invoke this procedure, the Directors must first give notice to the relevant member holding less than a marketable parcel of Shares, who may then elect not to have his or her Shares sold by notifying the Directors.

4.13 Share buy-backs

The Company may buy-back Shares in itself in accordance with the provisions of the Corporations Act.

4.14 Indemnity and insurance of officers

Under the Constitution, the Company is obliged, to the extent permitted by law, to indemnify an officer (including Directors) of the Company against liabilities incurred by the officer in that capacity, against costs and expenses incurred by the officer in successfully defending civil or criminal proceedings, and against any liability which arises out of conduct not involving a lack of good faith.

To the extent permitted by law, the Company may also pay the premium on any insurance policy for any person who is or has been, an officer against a liability incurred by that person in his or her capacity as an officer of the Company, provided that the liability does not arise out of conduct involving a wilful breach of duty.

4.15 Changes to the constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of the members present and voting at a general meeting of the Company. At least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

4.16 Listing Rules

Provided the Company remains admitted to the Official List of the ASX, then despite anything in the Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules. The Constitution will be deemed to comply with the Listing Rules, as amended from time to time.

5. Defined Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Offer Document.

\$ means Australian dollars.

Applicant refers to a person who submits an Entitlement and Acceptance Form and

Application refers to the submission of an Entitlement and Acceptance Form.

Application Monies means application monies for New Shares received by the Company from an Applicant.

ASX means ASX Limited ACN 008 624 691 or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASXS means ASX Settlement Pty Ltd ACN 008 504 532.

ASXS Operating Rules means the operating rules of ASXS, except to the extent of any relief given by ASXS.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date means the closing date detailed in Section 1.2.

Company means Odyssey Energy Limited ABN 73 116 151 636.

Constitution means the constitution of the Company.

Corporations Act means *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia or New Zealand.

Entitlement means the entitlement of an Eligible Shareholder to participate in the Offer.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Ineligible Shareholder has the meaning given in Section 1.15

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker, or without the holder being admitted as an institutional participant in CHES.

Listing Rules means the Listing Rules of the ASX.

New Share means a new Share proposed to be issued pursuant to the Offer.

Offer means the offer described in Section 1.1.

Offer Document means this Offer Document dated 15 August 2014.

Option means an option to acquire a Share.

Opening Date means the opening date detailed in Section 1.2.

Record Date means 5.00pm (Perth Time) on the date detailed in Section 1.2.

Section means a section of this Offer Document.

Securities means a Share or Option granted (as the case may be) by the Company.

Share means an ordinary fully paid share in the capital of the Company.

Share Registry means Computershare Investor Services Pty Limited.

Shareholder means a holder of Shares.

Shortfall Offer has the meaning given in Section 1.20.

Shortfall Share means New Shares not subscribed for under the Offer.