



**ODYSSEY**  
ENERGY LIMITED

## ASX ANNOUNCEMENT

28 APRIL 2017

### MARCH 2017 QUARTERLY REPORT

The Directors of Odyssey Energy Limited (“**Odyssey**” or “**Company**”) are pleased to present the March 2017 quarterly report.

Activities during, and subsequent to, the quarter were as follows:

- Odyssey has an acreage position with oil and gas rights in McLean County, Kentucky, USA. The project comprises a 100% working interest in oil and gas leases totalling 710 acres and located adjacent to the Rough Creek Fault System.
- The McLean County Project is adjacent to historical gas wells, and the Company is continuing to review the prospectivity of the project area for both conventional and unconventional oil & gas targets, but particularly with regard to the potential of the New Albany Shale as an unconventional oil target.
- The Company announced its intention to undertake a 2 for 1 pro rata renounceable entitlements issue (“Entitlements Issue”). An Offer Document was lodged in March 2017 and the offer closed in April 2017. The funds raised will enable the Company to progress its existing oil and gas leases and better assist the Company in expanding its existing project base and attracting new business opportunities in the oil and gas sector.
- The Company is looking to continue in its efforts to identify and acquire suitable new business opportunities in the oil and gas and resources sectors, both domestically and overseas. The Company will make announcements to the market as appropriate should an acquisition occur;

For enquiries, please contact:

**Clint McGhie** | **Company Secretary**

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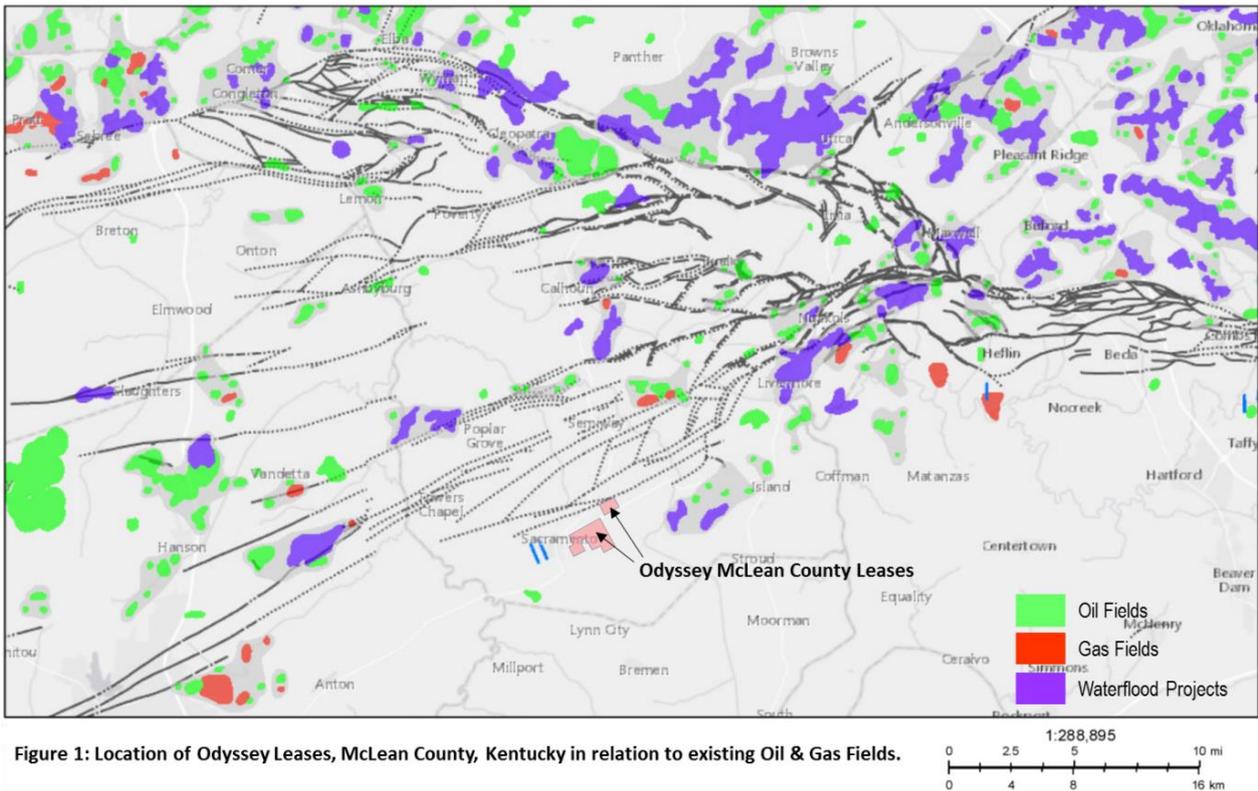
# Operations

## McLean County Project – Odyssey 100% WI

The Company has an acreage position with oil and gas rights in McLean County, Kentucky, USA.

The project comprises a 100% working interest in oil and gas leases totalling 710 acres and are located adjacent to the Rough Creek Fault System, which forms the northern boundary of the Rough Creek Graben and is one of the major structural features in Western Kentucky.

Figure 1 shows the location of the Company’s permits in relation to oil and gas field locations and the Rough Creek fault system. Although the majority of production on-trend is historic, there is potential for small new conventional oil and gas pools in the area.



The leases are also located within the depositional limits of the New Albany Shale, which is the primary source rock for a petroleum system which has produced over 4 Billion Barrels of oil in the Illinois Basin. Figure 2 shows the extent to which this source rock is thermally mature for oil generation and a target for unconventional oil and gas appraisal drilling and evaluation.

The Company is continuing to review the prospectivity of the project area for both conventional and unconventional oil & gas targets, but particularly with regard to the potential of the New Albany Shale as an unconventional oil target. This analysis will define future activities in this project area, which may include expansion of the lease area footprint.

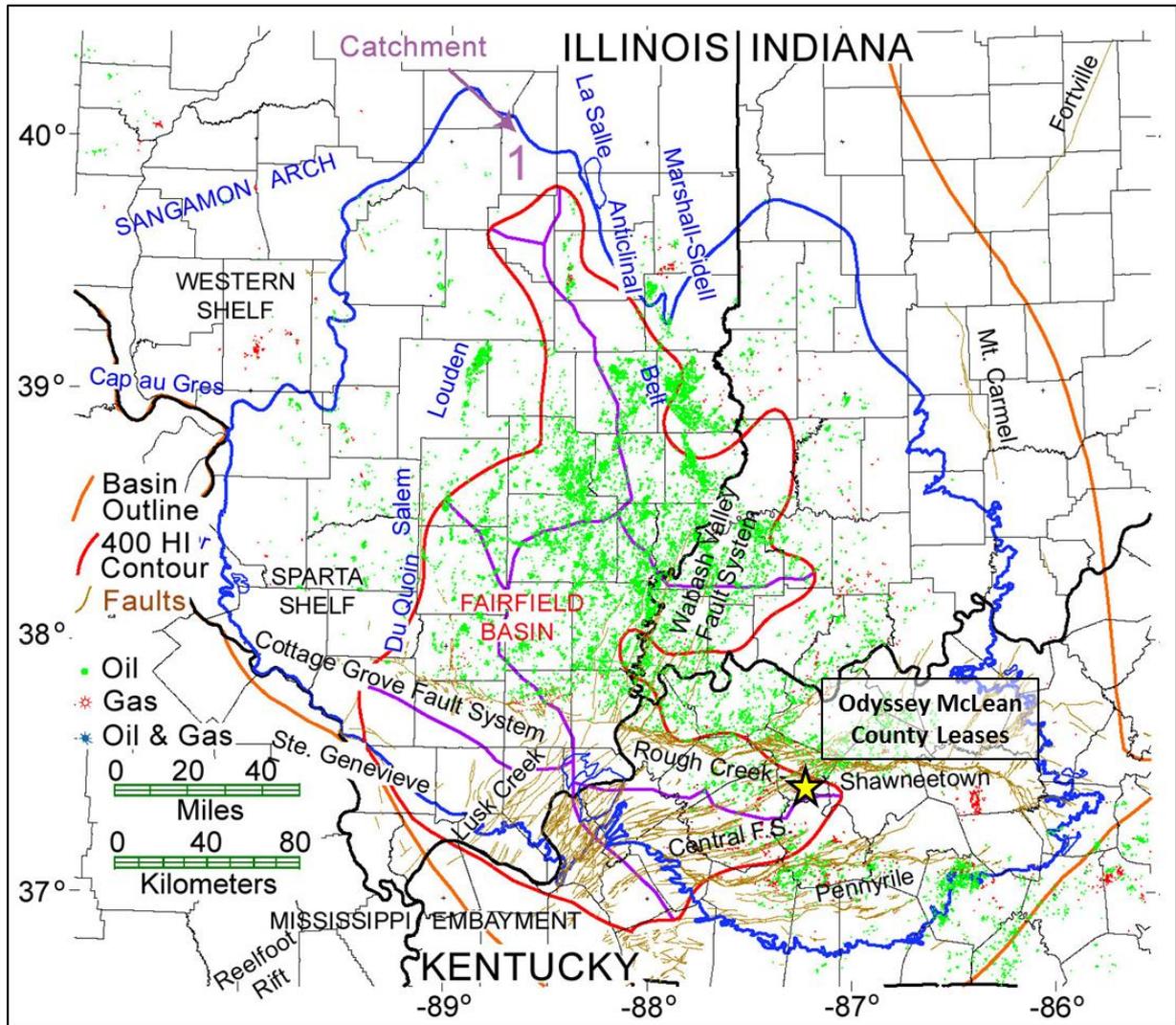


Figure 2: Extent of New Albany Shale mature for oil generation in Illinois Basin (red contour).

As previously advised, the system for obtaining title to gas leases in the USA is complex given that numerous parties may hold the undivided mineral rights to a particular tract of land. This can be a lengthy and expensive process. 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. As a result, limited title work has been conducted to date, and further title work will need to be completed before any substantial exploration expenditure is incurred.

## Corporate

In October 2016, the Company announced its intention to undertake an entitlements issue (“Entitlements Issue”) to raise additional funds. The Entitlements Issue was subsequently deferred until early 2017. In March 2017, amended terms for the Entitlements Issue were announced and the Company lodged an Offer Document for a 2 for 1 pro rata renounceable entitlement offer (“Offer”).

The Offer closed in April 2017 and the Company received applications for 205,771,135 Shares at an issue price of \$0.05 each. The shortfall for the Offer is 12,582,505 Shares and in accordance with the terms of the Offer, the Directors will exercise their discretion to offer the shortfall securities to nominated parties. In accordance with the ASX Listing Rules the shortfall securities will be allotted within three (3) months from the closing date of the Offer.

The Entitlements Issue will enable the Company to progress its existing oil and gas leases, and will better assist the Company in expanding its existing project base and attracting new business opportunities in the oil and gas sector.

Cash on hand at 31 March 2017 (which excludes any proceeds from the Entitlements Issue) was \$3.77 million.

### ***Business Development***

The Company is looking to continue in its efforts to identify and acquire suitable new business opportunities in the oil and gas and resources sectors, both domestically and overseas.

However no agreements have been reached or licences granted and the Directors are not able to assess the likelihood or timing of a successful acquisition or grant of any opportunities.

## Exploration Tenement Information

As at 31 March 2017, the Company has an interest in the following project:

Project	Net Acreage Participation	Odyssey Working Interest
McLean County Project	710	100%

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

ODYSSEY ENERGY LIMITED

### ABN

73 116 151 636

### Quarter ended ("current quarter")

31 MARCH 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(21)	(55)
(b) development	-	-
(c) production	-	-
(d) staff costs	(6)	(19)
(e) administration and corporate costs	(41)	(158)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	19	59
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material):		
- Business development	-	(5)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(49)</b>	<b>(178)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(5)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>(5)</b>
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	<b>3,816</b>	<b>3,950</b>
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(49)	(178)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	(5)
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>3,767</b>	<b>3,767</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	21	18
5.2 Call deposits	3,746	3,798
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,767</b>	<b>3,816</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	50
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments include director fees, superannuation and provision of a fully serviced office.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Not applicable

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Not applicable

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	40
9.2 Development	-
9.3 Production	-
9.4 Staff costs	6
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	20
<b>9.7 Total estimated cash outflows</b>	<b>116</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  
(Company secretary)

Date: 28 April 2017

Print name: .Clint McGhie.....

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.