



ODYSSEY ENERGY LIMITED

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 25 AUGUST 2006

SHARE PLACEMENT TO FUND ACCELERATED DRILLING AND DEVELOPMENT PROGRAM ON GAS PROJECTS IN USA

The Board of Odyssey Energy Limited ("Odyssey" or "Company") is pleased to announce that it will make a sophisticated investor placement of 10,000,000 shares at \$0.60 each to clients of Argonaut Securities Pty Ltd to raise \$6.0 million in new capital.

The funds raised from the placement will be used to fund the accelerated drilling and development program on the Company's highly prospective North Helper Gas Project in Utah, USA, pursue business development activities and to provide general working capital.

Subject to the necessary approvals, Messrs Mark O'Clery (Managing Director) and Mark Pearce (Finance Director) intend to participate in the proposed placement by subscribing for up to 300,000 shares each.

The placement of the shares will be subject to shareholder approval at a General Meeting to be called shortly.

Enquiries-

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