

# Appendix 3B

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

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

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

**ODYSSEY ENERGY LIMITED**

ABN

**73 116 151 636**

We (the entity) give ASX the following information.

### Part 1 - All issues

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

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | A. Ordinary Shares (Placement)<br>B. Options (Rights Issue)  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | A. 10,000,000 Shares<br>B. 19,384,667 Options  |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | A. Fully paid ordinary shares<br>B. Options – Exercise price of \$0.50 on or before 31 December 2009 |

+ See chapter 19 for defined terms.

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<p>4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>A. Yes  B. New listed security</p>						
<p>5 Issue price or consideration</p>	<p>A. \$0.40  B. \$0.03 per option on the basis of 1 for every 3 shares issued.</p>						
<p>6 Purpose of the issue  (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Provide funding for the Jester-Bloomington development program, together with additional working capital for its operations at North Helper in Utah and Business Development.</p>						
<p>7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates</p>	<p>TBA – placement subject to shareholder approval, and rights issue to be completed following settlement of the placement</p>						
<p>8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1500 989 1545">Number</th> <th data-bbox="989 1500 1281 1545"><sup>+</sup>Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1545 989 1601">54,839,000</td> <td data-bbox="989 1545 1281 1601">Shares</td> </tr> <tr> <td data-bbox="686 1601 989 1765">19,384,667</td> <td data-bbox="989 1601 1281 1765">Options</td> </tr> </tbody> </table>	Number	<sup>+</sup> Class	54,839,000	Shares	19,384,667	Options
Number	<sup>+</sup> Class						
54,839,000	Shares						
19,384,667	Options						

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	3,315,000	Ordinary shares (restricted)
	300,000	Unlisted Options exercisable at \$0.20 cents and expiring 31 December 2008.
	4,346,000	Convertible notes - \$0.65
	850,000	Unlisted Options exercisable at \$0.60 cents and expiring 30 June 2009.
	1,400,000	Unlisted Options exercisable at \$1.00 and expiring 31 December 2009.
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable	

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No – however rights issue will only be completed upon settlement of a placement, which is subject to shareholder approval
12 Is the issue renounceable or non-renounceable?	Non-renounceable
13 Ratio in which the +securities will be offered	1 for 3
14 +Class of +securities to which the offer relates	Ordinary shares
15 +Record date to determine entitlements	To be determined following shareholder approval of placement
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Yes

+ See chapter 19 for defined terms.

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17	Policy for deciding entitlements in relation to fractions	Rounded down
18	Names of countries in which the entity has <sup>+</sup> security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	New Zealand United States China Saudi Arabia
19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of <sup>+</sup> security holders	Up to 5%
25	If the issue is contingent on <sup>+</sup> security holders' approval, the date of the meeting	TBA
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	TBA – following shareholder approval for the proposed placement
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable

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30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable
33	+Despatch date	TBA

### Part 3 - Quotation of securities

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

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

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

#### Additional securities forming a new class of securities

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

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

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

38 Number of securities for which  
 +quotation is sought 

Not applicable
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39 Class of +securities for which  
 quotation is sought 

Not applicable
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40 Do the +securities rank equally in all  
 respects from the date of allotment  
 with an existing +class of quoted  
 +securities?

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

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

Not applicable
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41 Reason for request for quotation  
 now

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

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

Not applicable
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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

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**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
  
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  
  - There is no reason why those +securities should not be granted +quotation.
  
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
  
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: ..... Date: 27 September 2007  
(~~Director~~/Company secretary)

Print name: Mark Pearce

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+ See chapter 19 for defined terms.