



ODYSSEY ENERGY LIMITED

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 24 JUNE 2008

ODYSSEY TO SELL TWO GAS PROJECTS TO MARION ENERGY

The Board of Odyssey Energy Limited ("Odyssey" or "Company") is pleased to announce that it has entered into an agreement to sell two of its current projects (North Helper and Jester-Bloomington) to Marion Energy Limited ("Marion" - ASX Code: MAE) in consideration for 27.5 million Marion Shares.

Upon completion, Odyssey will hold a material interest in Marion providing Odyssey's shareholders with:

- *Continued exposure to the upside from the Company's current projects as Marion Energy have a majority interest and is operator of both the North Helper and Jester-Bloomington Projects;*
- *Reduced requirements for working capital going forward, which is of particular importance as it is expected that Marion, as operator, will commence a new drilling campaign at North Helper in the coming months targeting the recently discovered deeper zone (Morrison Formation), which commenced production at a rate of 1.5 million cubic feet of gas per day ("mmcfpd");*
- *As a substantial shareholder in Marion, exposure to:*
 - *Marion's cornerstone project, Clear Creek, which is expected to see increased reserves and production over the coming months;*
 - *Marion's increased interest to 100% at North Helper and 100% in the majority of the Jester-Bloomington project area (with 67% in the remaining leases), which is expected to increase the ultimate value of Marion's projects;*
 - *Marion's combined Proved and Probable (2P) reserves base (upon completion) assessed at approximately 319 billion cubic feet, with further reserve additions anticipated at Clear Creek and Helper during mid 2008.*

Commenting on the sale of the projects, Odyssey's Managing Director, Mr Mark O'Clery said "this is a very good outcome for our shareholders. Not only will Odyssey continue to have exposure to the potential value and upside in its current projects, but also exposure to Marion's flag-ship project, Clear Creek.

The sale will also allow the Company to focus on evaluating the merits of its new 1,000 acre gas and associated oil exploration project in Oklahoma where it has a 50% Working Interest. Odyssey will also continue to consider new business opportunities, whilst limiting our working capital requirements in the short term."

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The sale of the two projects will be implemented by Odyssey selling one of its wholly owned US subsidiaries (OEL Operating (USA)) to Marion Energy in consideration for 27.5 million fully paid ordinary shares.

The sale is subject to approval by Odyssey shareholders. The Company expects to issue a notice of general meeting in the coming weeks, with settlement expected to occur in the September 2008 quarter. The shares issued by Marion will be subject to a voluntary escrow period of 9 months. The Odyssey Board will examine the most appropriate alternatives for the shareholding in Marion upon the expiry of the escrow period, which may include a return of capital.

Enquiries-

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