



# ODYSSEY ENERGY LIMITED

ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 4 SEPTEMBER 2008

## **SALE OF TWO GAS PROJECTS TO MARION ENERGY COMPLETED**

*The Board of Odyssey Energy Limited (“Odyssey” or “Company”) is pleased to announce that the sale of its subsidiary OEL Operating (USA) (“OEL”) to Marion Energy Limited (“Marion” - ASX Code: MAE) for 27.5 million Marion Shares has now settled.*

*OEL holds a 30% working interest in the North Helper Project and a 33% working interest in the Jester-Bloomington Project. The sale was approved by Odyssey Shareholders in August 2008.*

*Odyssey now holds 27.5 million Marion shares providing Odyssey’s shareholders with:*

- *Continued exposure to the upside from the North Helper and Jester-Bloomington Project; as Marion have a majority interest and is operator of both Projects;*
- *Reduced requirements for working capital going forward, which is of particular importance as Marion have announced a new drilling campaign at North Helper in the coming weeks 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, in which Marion is currently undertaking a new drilling program and 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 in the coming months.*

*The shares issued by Marion are 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.*

*The Company will now focus on evaluating the merits of its new 1,626 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.*

*Enquiries-*

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