



ODYSSEY
ENERGY LIMITED

ASX ANNOUNCEMENT

17 March 2017

ENTITLEMENT OFFER

As previously announced on 1 March 2017, Odyssey Energy Limited (“**Odyssey**” or “**Company**”) will undertake a 2 for 1 pro rata renounceable entitlement offer (“**Entitlement Offer**”).

Under the terms of the Entitlement Offer, eligible shareholders will be entitled to acquire two (2) new ordinary shares (“**New Shares**”) for every one (1) ordinary share held at the record date (being 23 March 2017). New Shares under the Entitlement Offer will be offered at \$0.05 per share to raise up to \$10.92 million before costs.

The Offer Document together with an Entitlement and Acceptance Form are expected to be sent to eligible shareholders on 28 March 2017.

The Entitlement Offer is renounceable meaning eligible shareholders will be able to buy and sell their entitlements on market. If you acquire an entitlement on ASX when rights trading commences, you will not receive an Offer Document or an Entitlement and Acceptance Form in respect of the entitlement acquired. The process in place to exercise your entitlement is governed by the arrangements in place between you and your stockbroker, and may vary between stockbrokers. You should contact your stockbroker for instructions as to the most appropriate way to participate in the offers and to take up the entitlement you have acquired on ASX.

A revised Appendix 3B and s708AA Cleansing Notice is attached.

For enquiries, please contact:

Clint McGhie | **Company Secretary**

Tel: +61 8 9322 6322

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

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 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

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 | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to approximately 218,353,640 new shares
(New Shares) |
| 3 | Principal terms of the +securities (e.g. 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) | Fully paid ordinary shares ranking equally with existing fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • 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 	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.05 each</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To provide working capital to continue to progress its existing oil and gas leases and to pursue new opportunities in the oil and gas sector.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>17 November 2016</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>Nil</p>

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	Nil				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil				
6f	Number of +securities issued under an exception in rule 7.2	Up to 218,353,640				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Not applicable				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not applicable				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 – 49,129,569 Rule 7.1A – 32,753,046				
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	On or around 21 April 2017				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">327,530,460</td> <td>Ordinary Shares</td> </tr> </tbody> </table>	Number	+Class	327,530,460	Ordinary Shares
Number	+Class					
327,530,460	Ordinary Shares					

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	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	2 for 1
14	+Class of +securities to which the offer relates	Ordinary Shares
15	+Record date to determine entitlements	23 March 2017
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17	Policy for deciding entitlements in relation to fractions	Rounded down
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Botswana, Germany, United Kingdom, Monaco, Panama, Singapore, United States of America.
19	Closing date for receipt of acceptances or renunciations	12 April 2017

+ See chapter 19 for defined terms.

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 security holders	Not applicable
25	If the issue is contingent on security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	28 March 2017
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)	22 March 2017
29	Date rights trading will end (if applicable)	5 April 2017
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Contact your stockbroker and provide instructions to them regarding the entitlement you wish to sell on ASX.
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Complete the personalised Entitlement and Acceptance Form accompanying the Offer Document by inserting the number of New Shares you wish to take up and contact your broker in respect of the part of your entitlement you wish to sell. Forward the completed Entitlement and Acceptance Form to the Company's share registry together with a cheque for the total amount payable or arrange payment by BPAY in respect of the New Shares accepted.

+ See chapter 19 for defined terms.

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|----|--|---|
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | Forward a completed standard renunciation and transfer form (obtainable from the share registry) accompanied by the applicable transferee's cheque for the shares you wish to subscribe for to the Company's share registry, Computershare. Refer to Section 2.6 of the offer document. |
| 33 | +Issue date | 21 April 2017 |

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

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought Not applicable

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

40 Do the +securities rank equally in all respects from the +issue date 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

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

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

+ See chapter 19 for defined terms.

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 is not available now, we 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: 17 March 2017
(~~Director~~/Company secretary)

Print name: Clint McGhie

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	109,176,820
Add the following: <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	218,353,640
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	327,530,460

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	49,129,569
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	49,129,569
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	Nil
Total [“A” x 0.15] – “C”	49,129,569 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	327,530,460
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	32,753,046
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

+ See chapter 19 for defined terms.

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Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A

<p>"A" x 0.10 <i>Note: number must be same as shown in Step 2</i></p>	<p>32,753,046</p>
<p>Subtract "E" <i>Note: number must be same as shown in Step 3</i></p>	<p>Nil</p>
<p>Total ["A" x 0.10] – "E"</p>	<p>32,753,046 <i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

+ See chapter 19 for defined terms.



Notice under Section 708AA

17 March 2017

Odyssey Energy Limited (**Company**) has previously announced that it is proposing to despatch to eligible shareholders an offer document in respect of a renounceable entitlement offer of up to approximately 218,353,640 shares (**New Shares**) each at an issue price of \$0.05 to raise approximately \$10.92 million (before costs) on the basis of 2 New Shares for every 1 share held on the record date of 23 March 2017 (**Offer**).

The Company hereby gives notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth) (**Act**) that:

- (a) the Company will offer the New Shares under the Offer without disclosure under Part 6D.2 of the Act;
- (b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Act;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no information:
 - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - (ii) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (B) the rights and liabilities attaching to the New Shares; and
- (e) the potential effect that the issue of the New Shares, under the Offer, will have on the control of the Company is as follows:
 - (i) if all eligible shareholders take up their entitlements under the Offer, the issue of the New Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer;
 - (ii) in the more likely event that there is a shortfall, eligible shareholders who do not subscribe for their full entitlement of New Shares under the Offer and ineligible shareholders unable to participate in the Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement; and
 - (iii) in relation to any person participating in the shortfall offer, the Directors will ensure that no person will be issued, New Shares if such issue will result in their voting power in the Company exceeding 19.9%.