

ASX ANNOUNCEMENT

30 OCTOBER 2015

QUARTERLY REPORT

FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2015

Corporate

In June 2015 the Company announced a 1:1 non-renounceable rights issue offer at \$0.002 per share to raise up to approximately \$400,000. The issue closed on 28 July with a total of \$110,121 subscribed for, resulting in the issue of 55,060,544 fully paid ordinary shares. In October 2015 the Company placed a further \$13,314 (6,657,390 fully paid ordinary shares) from shortfall applications received.

On 29 April 2015 the Company announced that it had executed a Memorandum of Understanding ("MOU") with The Hemp Corporation Pty Ltd ("THC"), to explore the possible acquisition, subject to due diligence and shareholder approvals, of 100% of THC, a vertically integrated cannabis and hemp aggregator. During the current quarter, on 18 August, the MOU was terminated as technical and commercial due diligence matters could not be satisfactorily concluded.

On 3 July the Company announced it had entered into a deed of settlement and release for all commercial matters with the parties associated with the TV2U transaction (**TV2U**). Pursuant to the deed of settlement and release, TV2U has paid \$180,226 to Odin in full and final settlement of the outstanding loan amount under the Secured Loan Agreement which accrued interest since 12 March 2015. The completion of the above resolved all outstanding matters between Odin and TV2U under the deed of settlement and release, and formally concluded Odin's commercial relationship with TV2U, leaving it free to focus on the THC transaction.

The Company's subsidiary, Kilgore Exploration Inc, ("KEI") appealed in the September 2013 quarter against a judgement rendered against it in March 2013 in a lawsuit with Apache Corporation. The Company was informed during the March quarter of 2015 that this appeal has been unsuccessful and then applied for a re-hearing of the matter. This application was denied in May 2015, at which point the Board decided that the costs of any further appeals were not warranted. Judgement and the writ of garnishment have now been issued against KEI. The Company has previously brought the vast majority of costs to account in respect of this matter which account for the majority of liabilities in the accounts of KEI. Odin is owed a principal amount of USD 12.4 million, together with accrued interest, by KEI and believes these amounts rank in priority to any other creditors of KEI. Due to this the Board does not believe that the denial of the application for a re-hearing materially impacts on Odin.

Bearing in mind the above litigation matter and the performance of the gas project (see Operations below), the Company is now assessing options for the effective disposal of KEI during the 2016 financial year.

The Company also continues to review new opportunities for potential acquisition.

Operations

Galveston 307L Project (Snipe, Egret, and Sandpiper), Texas State Waters (WI 11.25%, weighted-average NRI 8.88%)

The group's interest in this project is held by Kilgore Exploration, Inc ("KEI") which is a 100% owned subsidiary incorporated in Texas. Production for June (not previously available), July and August was 37,472 Mcf (3,328 Mcf net to KEI). Figures are not currently available for September. Production for the year to 30 June 2015 was 171,653 MCF and 863 BBL condensate (KEI share approx. 15,105 MCF and 76 BBL condensate). For the corresponding year to 30 June 2014 production was 388,214 MCF (KEI share approx. 34,162 Mcf). One of the wells (Snipe) did not produce in either financial year due to low pressure. During 2014 a compressor was installed by the operator on the offshore platform in the hope of increasing production. We also understand that additional operations to recomplete Sandpiper and Snipe to new zones or to re-work existing zones were planned during 2014. We have requested a detailed operations report on a number of occasions from the operator Black Pool Energy, LP and at the time of this report we have received no response. However it is clear that if the workovers (on which KEI went non-consent) were undertaken, they were not successful in maintaining production levels, which have continued to decline over the last 12 months. The Galveston 307L asset was fully impaired in the consolidated financial statements for the year ended 30 June 2015.

As mentioned elsewhere in this report, and in line with the likely change of future direction for the Company, options in regard to the disposal of this project are being considered.

For Further Information Contact:

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Chairman

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Annexure A

Oil and Gas Interests as at 30 September 2015

Lease Number	Working Interest	Net Revenue Interest	Lease Name and Location
M - 105723	11.25%	8.71875%	Sandpiper, Texas, US
M - 105724	11.25%	8.71875%	Snipe, Texas, US
M - 109560	11.25%	9.00000%	Egret, Texas, US

The above leases are located in Texas state waters in the US; and are owned by the Company's subsidiary Kilgore Exploration, Inc.

Details of Convertible Preference Shares (Performance Shares)

The Company currently has 7,000 convertible preference shares on issue. Upon conversion each share converts into 1,000 fully paid ordinary shares. 3,500 of these convertible preference shares will convert into 3,500,000 fully paid ordinary shares upon the company proving up reserves of 2 Bcfe. The remaining 3,500 convertible preference shares will convert into 3,500,000 fully paid ordinary shares upon the company proving up reserves of 4 Bcfe. No milestones were achieved in the quarter and no performance shares were converted in the quarter.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ODIN ENERGY LIMITED

ABN

75 124 491 416

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from product sales and related debtors	-	9
1.2	Payments for (a) exploration and evaluation (b) development (c) production (d) administration (e) other costs	(232)	(232)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	5	5
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other: Settlement net of litigation costs		
	Net Operating Cash Flows	(227)	(227)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets	(10)	(10)
1.9	Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	11	11
1.10	Loans to other entities		
1.11	Loans repaid by other entities	175	175
1.12	Other (net assets and liabilities acquired)		
	Net investing cash flows	176	176
1.13	Total operating and investing cash flows (carried forward)	(51)	(51)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(51)	(51)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	50	50
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (capital raising costs)		
	Net financing cash flows	50	50
	Net increase (decrease) in cash held	(1)	(1)
1.20	Cash at beginning of quarter/year to date	11	11
1.21	Exchange rate adjustments to item 1.20	-	-
		10	10
1.22	Cash at end of quarter		

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	14
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Approximately \$60,000 of liabilities were settled in the quarter by the issue of shares at \$0.002 per share.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil
3.2	Credit standby arrangements	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	
4.2 Development	-
4.3 Production	-
4.4 Administration	10
Total	10

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	11	8
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		11	8

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A	For details of current oil and gas interests see Annexure A to the Activities report	
6.2	Interests in mining tenements acquired or increased	N/A		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	7,000 (convertible preference shares)	Unquoted class See Annexure A to the Activities Report for further details		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	- -			
7.3	+Ordinary securities	258,420,578	258,420,578		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	55,060,544 -	55,060,544 -		
7.5	+Convertible debt securities (description)	245,000	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -			
7.7	Options (description and conversion factor)				
7.8	Issued during quarter	-			
7.9	Exercised during quarter	-			
7.10	Expired during quarter	Unlisted -		<i>Exercise price</i>	<i>Expiry date</i>
7.11	Debentures (totals only)	-			
7.12	Unsecured notes (totals only)	-			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

Date: 30 October 2015

Print name: R. Berzins

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.