

## ASX ANNOUNCEMENT

---

**31 JULY 2015**

### **QUARTERLY REPORT**

FOR THE 3 MONTHS ENDED 30 JUNE 2015

#### **Corporate**

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. On 9 June, in a further announcement, the Company confirmed that THC had executed a terms sheet to acquire Ecofibre Industries Operations Pty Ltd (“Ecofibre”) and that this proposed acquisition would be incorporated into the existing MOU between Odin and THC. This further announcement significantly increased the scale of operations and the intellectual property (“IP”) within Odin’s acquisition of the expanded THC group.

Below are details of some of the salient features of THC:

- THC controls the supply and procurement process of hemp from seed propagation, planting, harvesting, processing and distribution at various sites within WA; and
- THC holds an industrial hemp growing licence in Western Australia, with plans to apply nationally.

During the quarter the Company announced a 1:1 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 \$113,734 subscribed for. The Directors will now look to place the shortfall over the coming month. The Company is also looking to raise further funds by way of converting note issue to be converted, at the Company’s discretion, at 80% of the final re-compliance capital raising price. Funds raised from the rights issue and converting note issue will be used for the costs of the re-compliance, ongoing due diligence in regard to the proposed THC acquisition and general working capital.

As Odin Energy is committed to proceeding with the takeover of THC, it has now entered into negotiations to sell off the assets it holds in its subsidiary, Kilgore Exploration Inc.

On 3 July the Company announced Odin has 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 resolves all outstanding matters between Odin and TV2U under the deed of settlement and release, and formally concludes Odin’s commercial relationship with TV2U and leaves Odin free to focus on the THC transaction.

## Operations

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

Production operations continued at the Galveston 307L project. Production for March 2015 (not previously available), April and May was 35,291 Mcf (3,134 Mcf net to Odin's subsidiary, Kilgore Exploration, Inc).

Figures are not currently available for June. As mentioned elsewhere in this report, and in line with the likely change of direction for the Company, its options in regard to the disposal of this project are being considered.

### For Further Information Contact:

Alex Bajada  
Chairman

Office: +61 (08) 9429 2900  
E-mail: [abajada@odinenergy.com.au](mailto:abajada@odinenergy.com.au)  
Website: [www.odinenergy.com.au](http://www.odinenergy.com.au)

## Annexure A

### Oil and Gas Interests as at 30 June 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 June 2015

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 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) litigation costs	(5) -	(151) (25)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received		
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other: Settlement net of litigation costs		
	<b>Net Operating Cash Flows</b>	(5)	(167)
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets		
1.9	Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets	35	91
1.10	Loans to other entities	(13)	(188)
1.11	Loans repaid by other entities		
1.12	Other (net assets and liabilities acquired)		
	<b>Net investing cash flows</b>	22	(98)
1.13	Total operating and investing cash flows (carried forward)	17	(265)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	17	(265)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	10	290
1.17	Repayment of borrowings	(24)	(24)
1.18	Dividends paid		
1.19	Other (capital raising costs)		
	<b>Net financing cash flows</b>	(14)	266
	<b>Net increase (decrease) in cash held</b>	3	1
1.20	Cash at beginning of quarter/year to date	8	10
1.21	Exchange rate adjustments to item 1.20	-	-
		11	11
1.22	<b>Cash at end of quarter</b>		

**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	-
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

N/A

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	5
<b>Total</b>	<b>5</b>

### 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)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>11</b>	<b>8</b>

### 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	<b>Preference securities</b> (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	<b>+Ordinary securities</b>	203,360,034	203,360,034		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -		
7.5	<b>+Convertible debt securities</b> (description)	-			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -			
7.7	<b>Options</b> (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	<b>Debentures</b> (totals only)	-			
7.12	<b>Unsecured notes</b> (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: 31 July 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.