ODYSSEY
ENERGY LIMITED

ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE: 8 MARCH 2006

ODYSSEY INCREASES INTEREST IN THE NORTH HELPER GAS PROJECT TO 30%

The Board of Odyssey Energy Limited ("Odyssey" or "Company") is pleased to announce that it has entered into an agreement with Marion Energy Limited (ASX Code: MAE) to acquire a further 15% working interest in the North Helper Gas Project, taking the Company's working interest to 30% of the Project.

Commenting on the transaction, Mr Mark O'Clery, Technical Director of Odyssey said "the doubling of our interest in the North Helper Gas Project to 30% is a major step forward in the development of the Company. The Board of Odyssey is very excited by this Project, which has recently commenced generating cash flows from production at the Kenilworth Railroad # 1 & 2 wells. These wells have been tested at a combined flow rate of 2.4 million cubic feet of gas per day, some 4 times the average for the area.

In addition three new wells, Cordingly Canyon 15-1, 15-2 and Ball Park Canyon # 1 have been drilled. All encountered strong gas shows in the objective section and are now in the process of being completed and placed on production.

Importantly for Odyssey, this acquisition also doubles our interest to 30% in the large Area of Mutual Interest with Marion Energy that covers 180,000 acres, and includes the highly prospective lands surrounding the North Helper Gas Project."

The commercial terms of the acquisition provide for a total payment of US$3.6 million; with US$1.0 million payable at signing; another US$1.0 million at settlement and a final payment of US$1.6 million within 90 days of Marion Energy advising that five wells within the North Helper Gas Project are producing and generating sales revenue.

To assist the Company in funding this transaction, Odyssey has mandated Argonaut Capital Limited to place A$3.15 million in unsecured convertible notes (convertible into Odyssey shares at $0.70 each with a coupon rate of 9%) to institutional and sophisticated investors.

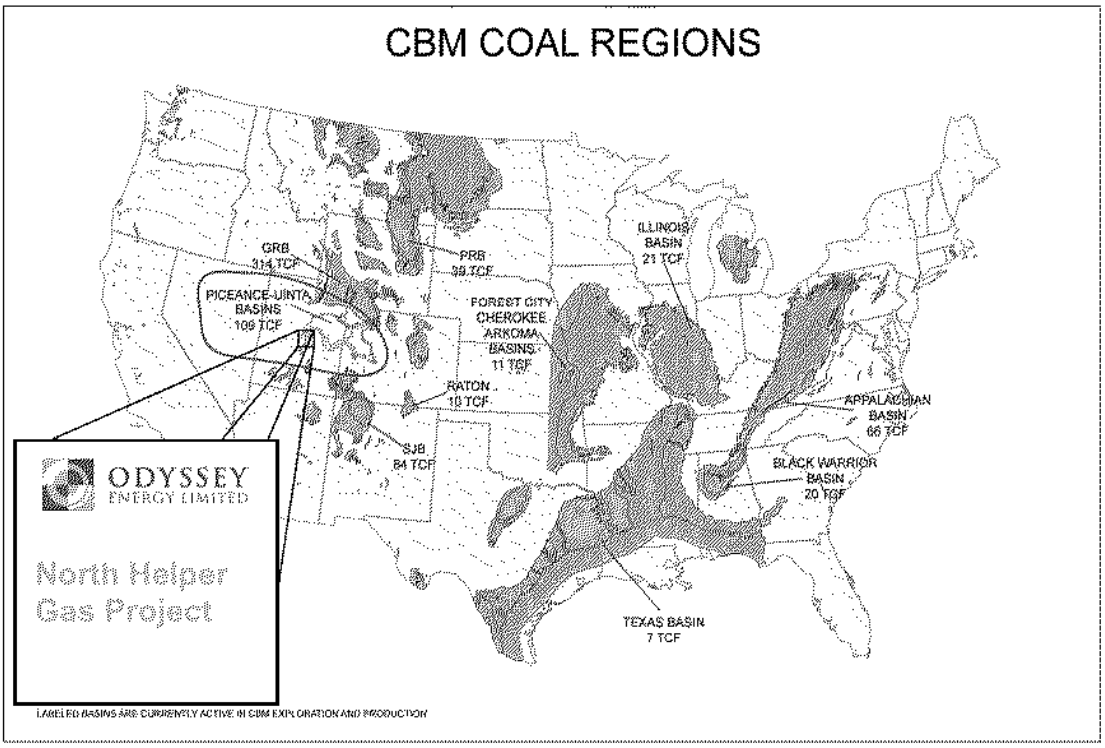
Odyssey continues to actively assess other new opportunities with a view to developing a portfolio of quality producing and/or advanced exploration projects in the oil and gas sector.

Enquiries-	*Mark O'Clery*	*Director*	
	Shane Cranswick	*Company Secretary*	
	Contact Details:	*Telephone:*	*(61 8) 9322 6322*
		Facsimile:	*(61 8) 9322 6558*

About the North Helper Gas Project

The North Helper Gas Project is located along the northern edge of the Helper Field on the same Ferron CBM trend as the Drunkards Wash CBM Field in Utah, North America. Drunkards Wash is the largest producing gas field in Utah, averaging 5.4 BCF per month.

The Project comprises approximately 5,000 acres, consisting of the 3,000 acre Blackhawk Lease and Farmout Agreements ("FOA") covering an additional area of approximately 2,000 acres. The Company is also party to an Area of Mutual Interest ("AMI") covering approximately 180,000 acres surrounding the Blackhawk Lease, which enables Odyssey to participate in any farmin that Marion Energy enters into within this area.



The primary objective at the Helper Field is the Ferron Formation of the Mancos Shale. The Upper Cretaceous age Ferron Coals are both source and reservoir rock, with a portion of the gas producing out of marine Ferron sands that are inter-bedded with the coal beds. Wells commonly contain three to six coal beds over a stratigraphic section of 100-250 feet.

The Independent Geologist (to Odyssey's IPO prospectus dated 18 October 2005) estimated the gas in place (GIP) for the Ferron coals and sands in the Project area to be 3.0 BCF to 3.7 BCF for each 160 acre well spacing. Recovery factors are difficult to project in early testing, but historically, 50% of GIP for initial CBM production is considered acceptable.

Since discovery in 1997, the wells in the Helper Field have achieved an average production rate of 304,000 cf/d. Wells typically reach peak production within three years and are then expected to gradually decline.

Geological Information

The geological information in this report was compiled by Mr Mark O'Clery BSc(Hons), who is a petroleum geology consultant with over 5 years of relevant experience. Mr O'Clery consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.