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## ODIN ENERGY LIMITED

### *QUARTERLY REPORT*

FOR THE 3 MONTHS ENDED 31 MARCH 2009

## HIGHLIGHTS

- Odin Energy entered into a Memorandum of Understanding to farmin to Kilgore Oil and Gas Limited's interest in a gas production development in the Texas state waters of USA.
- Odin Energy is progressing legal action for the return of \$4.5m having terminated the Farmin Agreement on PEL 106 Spinel Block.

### Corporate

#### Legal Action

The Farmin Agreement PEL 106 Spinel Block was terminated by notice to Kompliment Pty Ltd (a wholly owned subsidiary of Blue Energy Limited (BUL)). Odin Energy has commenced legal action for the return of \$4.5 million.

### Operations

#### Snipe, Egret and Sandpiper Prospects-Galveston Block 307-Offshore-Texas State Waters

Odin Energy has entered into a Memorandum of Understanding with Kilgore Oil and Gas Ltd to farmin to Kilgore's Egret, Snipe and Sandpiper prospects. Each of the wells has found commercial quantities of gas and is being completed for production. A reserve study is being undertaken. Production is expected to commence late in the June quarter or early in the September quarter of this calendar year.

Three directional wells were successfully drilled and cased on these prospects in the quarter.

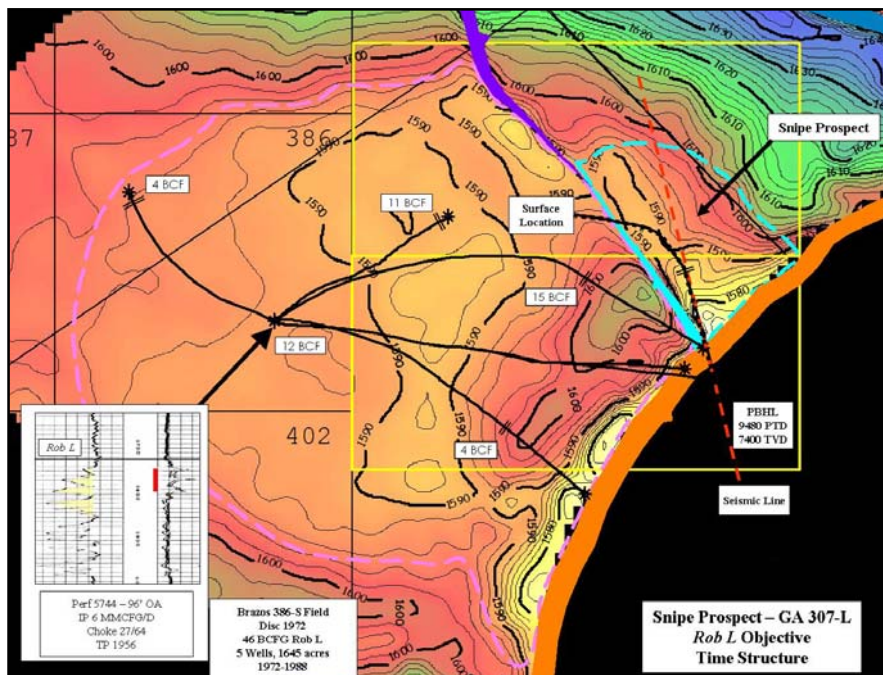
The Snipe Prospect, an untested fault block within the Brazos 386 S Field, was directionally drilled to a depth of 9,850 ft (7,126 ft, TVD) encountering three pay zones. The well has been completed in the “7,000 ft” sand, a common productive zone in nearby fields, the Rob L, the primary producer at Brazos 386 S Field, and the Rob C, also a primary field pay.

Following the Snipe well, the Egret Prospect, an exploration project, was drilled from the same surface location. The original Egret well found productive Rob C pay on water in the target sand. The well was sidetracked successfully to a higher location on the structure and encountered the Rob C sand full to base. Production casing was run and the well will be completed and tested in early May.

Following the Egret well, the Sandpiper Prospect, an attic test of the main pay zones within the Brazos 386 S Field, was drilled from the same surface location. The Sandpiper well encountered two productive reservoirs, the 7,000 ft sand and Rob L. The well has been cased and at the time of this report was being completed and tested.

A production caisson has been installed and final completion work is currently underway on all three wells. Subsequent to the completion and flow test of each well, production facilities will be set and the production stream will be tied into a nearby sales line. Initial production from all three wells is anticipated late in the June quarter or early in the September quarter.

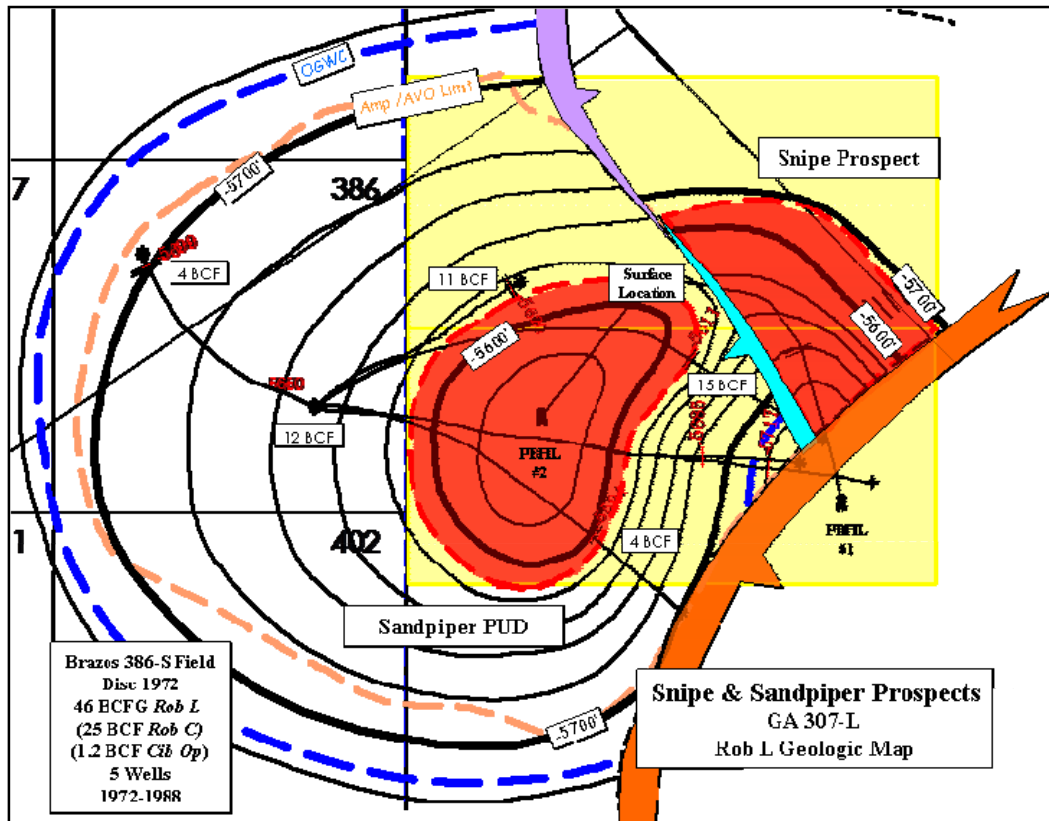
**Snipe Prospect – Rob L Structure**



**Sandpiper Prospect - Rob L Structure Map**

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## 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")

31 March 2009

#### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date ( 9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(32)	(363)
(b) development	-	-
(c) production	-	-
(d) administration	(340)	(920)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	69	148
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	(304)	(1,136)
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	(2,386)	(2,386)
(b)equity investments	(112)	(121)
(c)other fixed assets	(3)	(3)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	71	9,823
(c)other fixed assets	-	-
1.10 Loans to other entities	-	(76)
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material) Interest bearing debentures @12%pa	(79)	(2,859)
<b>Net investing cash flows</b>	(2,505)	4,379
1.13 Total operating and investing cash flows (carried forward)	(2,809)	3,243

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

1.13	Total operating and investing cash flows (brought forward)	(2,809)	3,243
<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	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (capital raising costs)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(2,809)	3,243
1.20	Cash at beginning of quarter/year to date	6,594	542
1.21	Exchange rate adjustments to item 1.20		
		3,785	3,785
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	125
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Consulting fees

**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

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### 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	Nil
3.2 Credit standby arrangements	Nil	Nil

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	750
<b>Total</b>	<b>750</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	78	60
5.2 Deposits at call	3,707	6,535
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>3,785</b>	<b>6,596</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			
6.2	Interests in mining tenements acquired or increased	Snipe, Sandpiper, Egret (Texas offshore)	Farming in-working interest	0%
				6.25% (upon practical completion)

+ 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> <i>(description)</i>	10,500 (convertible preference shares)	Unquoted class		
7.2 Changes during quarter				
(a) Increases through issues	-			
(b) Decreases through returns of capital, buy-backs, redemptions	-			
7.3 <b>+Ordinary securities</b>	107,730,005	81,730,005		
7.4 Changes during quarter				
(a) Increases through issues	-			
(b) Decreases through returns of capital, buy-backs	-			
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	-			
7.6 Changes during quarter				
(a) Increases through issues	-			
(b) Decreases through securities matured, converted	-			
7.7 <b>Options</b> <i>(description and conversion factor)</i>	Unlisted - 1,000,000 1,000,000 105,364,999	105,364,999	<i>Exercise price</i> 25 cents 50 cents 25 cents	<i>Expiry date</i> 31 Dec 2012 31 Dec 2012 30 Nov 2012
7.8 Issued during quarter	-			
7.9 Exercised during quarter	-			
7.10 Expired during quarter	-			
7.11 <b>Debentures</b> <i>(totals only)</i>	-			
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-			

+ 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 ~~not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: .....Date: ..30 April 2009.....  
(~~Director~~/Company secretary)

Print name: .D Ballantyne.....

## 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.

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