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ODIN ENERGY LIMITED

29 JULY 2010

QUARTERLY REPORT

FOR THE 3 MONTHS ENDED 30 JUNE 2010

HIGHLIGHTS

- First gas production from Galveston 307 subsequent to period end following completion of the production platform and sales pipeline.
- Initial production on a tight (8/64th inch) choke, to increase as choke is opened.
- Anticipated increase in production flows to reach volumes achieved during 2009 flow test of 10,000 MCFPD.

Operations

Galveston 307 Prospect (Snipe, Egret and Sandpiper), Texas State Waters (WI 5.625% NRI 4.5% post Odin earn-in)

During the period the installation of the platform and pipeline facilities continued. Subsequent to the period end the operator, Black Pool Energy, has advised that installation is now complete and that first production flows of gas have now commenced. Production flows commenced on a tight choke (8/64") with the aim of gradually opening the choke and increasing the flow to 2009 flow test levels of 10,000 MCFPD (450 MCFPD net to Odin).

Although the initial production date was later than originally anticipated, as a result of delays arising from Hurricane Alex and mechanical issues, the Company is delighted with this significant milestone. The Company also notes that some production days may be lost in the current quarter to 30 September 2010 to pipeline maintenance of lines into which the Galveston 307 pipeline is

now flowing. Further pipeline maintenance during the economic life of the project is unlikely and Black Pool is working with Upstream Energy to see if gas flows can temporarily be re-directed.

Corporate

Legal Action

The Company is continuing its legal action against Blue Energy Ltd and Great Artesian Oil and Gas Ltd (a subsidiary of Drillsearch Energy Ltd (DSL)) for the recovery of \$4.5m plus interest and costs. During the period the parties to the action entered into a mediation process.

For Further Information Contact:

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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")

30 June 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(19)	(204)
(b) development	-	-
(c) production	-	-
(d) administration (Including litigation costs)	(519)	(1,387)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	54	188
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(484)	(1,403)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	(392)	(1,043)
(c)other fixed assets	-	-
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	74	787
(c)other fixed assets	-	-
1.10 Loans to other entities	(200)	(374)
1.11 Loans repaid by other entities	-	1,115
1.12 Other (provide details if material)	-	(171)
Net investing cash flows	(518)	314
1.13 Total operating and investing cash flows (carried forward)	(1,002)	(1,089)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,002)	(1,089)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	614	614
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)		(22)
	Net financing cash flows	614	592
	Net increase (decrease) in cash held	(388)	(497)
1.20	Cash at beginning of quarter/year to date	2,098	2,207
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,710	1,710

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	91
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, reimbursements for work related expenses.

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

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	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	50
4.2	Development	-
4.3	Production	-
4.4	Administration (Including litigation costs) The Company is introducing a number of cost cutting measures which it anticipates will reduce its administration overheads in the second half of calendar 2010)	300
Total		350

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	1,480	1,868
5.2 Deposits at call	230	230
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	\$1,710	\$2,098

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			

+ 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 <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 +Ordinary securities	172,660,034	172,660,034		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	64,930,029 -	64,930,029 -		
7.5 +Convertible debt securities <i>(description)</i>	-			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -			
7.7 Options <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 Debentures <i>(totals only)</i>	-			
7.12 Unsecured notes <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: ..29 July 2010

(~~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.

+ See chapter 19 for defined terms.