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News Release

Odyssey Petroleum Announces Drilling & Workover Plans

(August 3, 2006) – **Odyssey Petroleum Corp.** (TSX-V: ODE) (the “Company” or “ODE”) announces significant progress with its oil and gas development programs in the U.S. The following summarizes activities:

Twelve Well Drilling Contract Agreement

The Company has received an agreement from a drilling company, which provides for the drilling of twelve new wells over the next two years. Rig availability is to begin by October 2006, or as soon thereafter as practical. Under the terms of the contract, the drilling company will furnish a newly constructed 1,000 HP drilling rig with a fully staffed, experienced crew capable of drilling efficiently to a depth of 12,500 ft.

The drilling rig will be utilized to drill ODE’s developmental wells in Mississippi; particularly infield proven locations at Puckett Field, Pelahatchie Field, Verba Field, and Barber Creek Field, all situated near the Company’s production operations headquarters in Puckett, Mississippi.

It is estimated that the cost of drilling and equipping each of the wells will be approximately US\$1,250,000 each. Formations targeted in each well are expected to yield 250 barrels of oil per day per well. The Company anticipates funding the first two or three wells from a privately sourced debenture financing, although other financing alternatives may be utilized. If successful in drilling and producing wells as anticipated, the remainder of the wells may be financed from cash flow.

New Four Well Workover Program Scheduled for Verba Field

The Company has negotiated debenture subscriptions for a total of US\$1,500,000 in funds from private sources, which will be utilized to re-enter and re-establish production in four previously abandoned wells in Verba Field. Studies indicate that these four wells will yield a daily rate of approximately 160 barrels per day. Currently ODE is producing four wells in the Verba Field, yielding 85-95 barrels of oil per day. Under the terms of the debenture offering, the debenture holders will contribute 100% of the necessary funds in consideration of the receipt of 40% of net revenues (after royalties and operating expenses) until 100% of their funds are recovered; at which time they will receive 20% of

the net revenues (after royalties and operating expenses) from these four wells for the life of the wells. The Company is guaranteeing the debenture holders a minimum 10% annual return for ten years. Using US\$50 for the price of a barrel of oil, the four wells have the potential of returning over US\$37,500,000 in future gross income to the participants and mineral owners.

June Operational Update

The Company sold approximately 7,000 barrels of oil to gross US\$450,000, and approximately 34 million feet of gas to gross US\$205,000 during June 2006. Revenues were lower than anticipated for this month due to several wells being down awaiting workover operations. To take advantage of the current high oil prices, the Company has now employed two workover rigs on a full-time basis in order to not only maintain current production but to also target and re-enter other previously abandoned wells in its fields where new production might be acquired. Current oil prices and new technology for locating bypassed oil/gas accumulations makes the re-entry of wells already drilled and cased profitable. With 30 wells currently producing and another 20 or more previously drilled wells scheduled for reentry and workover, the Company expects to continue to increase its revenue base while holding valuable leases by production on which it plans to drill new wells. Additionally ODE has, in the past two years, developed its own production capabilities. With a staff of approximately 20 employees in the field, the Company staffs one leased workover rig, employs another contract rig, and does its own roustabout work, hauling, heavy equipment work and gauging of wells.

Increased Acreage Position at Pelahatchie Field

At Pelahatchie Field, the Company has completed the foreclosure on the approximately US\$6,000,000 judgment previously purchased from Patterson Drilling Company on the Harold Karges well, and is in receipt of a Sheriff's Deed to the properties. The Harold Karges well, which is cased to a depth of 17,100 feet, has at least 20 oil and gas zones behind pipe which can now be produced by the Company. This well, drilled in year 2001, has never produced due to litigation between the drilling company and the previous owners of the well. All legal problems are now resolved. At Pelahatchie Field, the Company now owns a controlling interest in approximately 3,850 gross acres of oil and gas mineral rights. According to Fletcher Lewis Engineering, Inc. in a report to the Company dated October 12, 2006, Pelahatchie Field has proven, probable and possible oil and gas reserves totaling 33,722,520 net oil (BBLs) and 94,030,401 net gas (MCF). Refer to the Company's News Release dated October 25, 2005 for further particulars regarding this report.

In addition, the Company advises that it has granted options pursuant to its 20% Stock Option Plan (the "Plan") to eligible participants entitling them to purchase up to 10,000,000 common shares, exercisable on or before August 2, 2011 at a price of \$0.12 per share. The Plan was approved by shareholders at the Annual General Meeting held May 31, 2006 and was accepted by the TSX Venture Exchange on June 21, 2006. After this grant, there will be 9,176,649 shares remaining available for issuance under the Plan.

About Odyssey Petroleum Corp.

Odyssey Petroleum Corp. is a Canadian based junior oil and gas company traded publicly under the symbol **ODE** on the TSX-V Exchange. The Company holds assets of approximately \$34,500,000 in five majority controlled oil and gas fields located in the States of Louisiana and Mississippi, U.S.A. The Company's mission is the discovery and development of economic oil and gas through the exploration of high quality projects located primarily in the Southeastern United States. **Odyssey Petroleum Corp.'s** website is www.odysseypetroleum.com. For investor information, call (604) 718-2800, FAX (604) 718-2808.

ON BEHALF OF THE BOARD

“Joe DeVries”

Joe DeVries, Chief Executive Officer

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements:

Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors identified in ODE's periodic filings with Canadian Securities Regulators. Such forward-looking information represents management's best judgment based on information currently available. No forward-looking statement can be guaranteed and actual future results may vary materially. ODE does not assume the obligation to update any forward-looking statement.