

ORMIL ENERGY LIMITED

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Approval to drill initial CSG exploration core hole in Burratorang PEL 454

The NSW Department of Resources and Energy has granted approval for Ormil and its Joint Venture partner, Apex Energy NL, to drill the first Coal Seam Gas (CSG) exploration core hole in the Burratorang region south west of Sydney in PEL454. The approval is subject to a number of stringent environmental conditions including approvals, consents or licences which may be required by other government departments which are appropriate for this type of exploration core hole.

The exploration core hole AB DDH1 is intended to test the Illawarra coal sequence in the area for gas content and permeability. Whilst there has been extensive mining of coal in the Burratorang, this core hole is believed to be the first to specifically target CSG. The Independent Resource Report prepared by RobSearch Australia Pty Limited (released to the ASX on 24 August 2010) indicates potential contingent resources of 1,638 Bcf gas in place for the Petroleum Exploration Licence area. Ormil has the right to earn 50% interest in the area.



M T Ohlsson
Company Secretary

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