

# ORMIL ENERGY LIMITED

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21<sup>st</sup> November 2011

Company Announcements  
Australian Stock Exchange

## **Chairman's Address – Annual General Meeting**

I am pleased to report that the Company is making slow but steady progress in meeting the permitting processes relating to our Coal Seam Gas areas in Southern New South Wales.

Unfortunately, there has been considerable criticism both from the media and local interest groups which have made the obtaining of approvals rather more difficult than was originally anticipated.

The Company's Managing Director, Mr Tom Fontaine, has been actively involved including on National Television in putting forward the Coal Seam Gas industry perspective for consideration by the public.

Whilst it is natural for people to be concerned when what appears to be a new technology is introduced, there has been a large amount of negative publicity largely based on a lack of information or sometimes malicious misinformation.

In actual fact CSG capture and use is an old and tried technology and has been used for many years in Australia and worldwide.

There is a need for dialogue between all the interested parties but pejorative and emotive language does little to advance the debate.

There is presently a private members bill before the New South Wales Parliament which expressly excludes Coal Seam Gas exploration in the Sydney Basin and Sydney Catchment Area. This legislation if passed would considerably affect Petroleum Exploration Licences 442 and 444.

We understand that it is unlikely that this Private Members Bill will be finally dealt with before early next year and shareholders will be promptly informed as further information in relation to this legislation becomes available.

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The delays occasioned within the State Approval process has resulted in the Company agreeing with its joint venture partner Apex Energy NL to extend the dates by which time expenditure needs to be made under the Farmin Agreement. The Phase 1 Farmin Date is now 30 June 2012, Phase 2 is 31 December 2012 and Phase 3 is 31 December 2015

Your Company is committed to progressing its exploration areas in Southern New South Wales in a considered and measured fashion and we look forward to drilling our first well in the first quarter of next year in the absence of further delays. This well will not be fraced.

At the same time as progressing the Southern New South Wales CSG areas the Company has considered and is actively considering other opportunities in CSG and in the Oil and Gas industry both in Australia and overseas.

A.A.Davis  
Chairman

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