

## **ORMIL ENERGY LIMITED**

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### **QUARTERLY ACTIVITIES REPORT DECEMBER QUARTER 2011**

#### **Joint venture - Apex Energy N.L.**

During the last quarter the Company with joint-venturer Apex Energy NL continued to work with various Government Departments to obtain the necessary approvals to drill on the joint venture properties.

As announced to the market on 29<sup>th</sup> June 2011 the NSW Department of Resources and Energy granted approval for Ormil and Apex to drill a Coal Seam Gas (CSG) well in the Burratorang region south west of Sydney in PEL 454. The company is in discussions with drilling companies to secure a rig for drilling by first quarter 2012. An announcement will be made when a rig is secured.

The exploration core hole 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 areas. Ormil has the right to earn 50% interest in the areas.

The Company continues to work with Apex to progress its other drilling applications which are awaiting approval.

#### **Exploration Activities**

The Company has not carried out any exploration activities in the Quarter but has considered a number of new exploration possibilities. The Company is actively looking for other projects including new permit applications, joint ventures, farm-ins and corporate deals both within and outside Australia.

The Company will make further announcements as appropriate.

T Fontaine  
Managing Director  
30<sup>th</sup> January 2012

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