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**ASX ANNOUNCEMENT
FOR IMMEDIATE RELEASE**

5 April 2012

UPDATE ON DATA ANALYSIS OF PEL 454 EXPLORATION WELL AB DDH1

The Directors of Ormil Energy (Ormil) are pleased provide the following update on the analysis of the AB DDH1 data gathered during the recent drilling operations. Drilling and testing of AB DDH1 was completed on 5 March, 2012. Drill stem testing was completed over four intervals, and eight samples of coal and two of carbonaceous shale were sent for gas desorption testing.

The results of the drill stem testing analysis are as follows:

- The combined Tongarra and Woonona and the America Creek seams are thin and have low permeability. These were secondary targets and these are the expected results.
- The primary target, the Wongawilli seam had a net coal thickness of 3.8 meters with fair to good permeability.
- The Bulli seam had a net coal thickness of 2.1 meters with fair permeability. The Bulli seam is the main seam that has been mined in the area for over 100 years.
- The seams showed between thirty and forty-five percent pressure depletion, most likely as a result of gas leakage from the nearby mining operations. Although this would mean less potentially recoverable gas, Ormil also believes it indicates good long distance communication of the seams which can be beneficial for reserves certification.

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- Ormil is still awaiting the results of the gas desorption testing. These results will be announced when they are available. If the desorption tests show high enough gas contents, Ormil believes that this area could become a commercial gas project.

Ormil Energy is a publicly listed ASX company that has formed a Joint Venture with public unlisted Apex Energy NL to explore for bypassed coal seam gas in previously mined areas in NSW. Ormil Energy can earn up to 50% in the combined PEL 454, 444 and 442 acreage (See previous ASX announcements).

For and on behalf of the Board of Directors

**Mark Ohlsson,
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NOTE: In accordance with ASX listing requirements, the geological information supplied in this report has been based on information provided by geologists who have had in excess of five years experience in their field of activity.

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