

ORMIL ENERGY LIMITED

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QUARTERLY ACTIVITIES REPORT JUNE 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 29th 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 Burragorang region south west of Sydney in PEL 454. This approval is subject to a number of environmental conditions including consents or licences which may be required from other government departments which are appropriate for this exploration well.

The exploration core hole named 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 Burragorang, 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.

There have been a number of NSW Government policy decisions made since the change of government. The Company is working with Apex to progress its other drilling applications which are awaiting approval having regard to the new government policies.

The Company will make further announcements as appropriate.

Chinese Interests Finalisation

As announced in the Company's last quarterly report dated 14th April 2011 the Company received \$381,462 in partial settlement of the sale of its 76% shareholding in Guangzi Golden Tiger Mining Joint Venture Limited and of loans due.

As announced on 26th May 2011 the Company received a further \$261,056 in full and final settlement. This brings the Company's involvement in China to finality.

Exploration Activities

The Company has not carried out any exploration activities in the Quarter but has considered a number of other exploration possibilities. The Company will continue to review exploration projects as they arise and will advise the market as appropriate.

T Fontaine
Managing Director
27th July 2011