

ORMIL ENERGY LIMITED

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28th August 2012

Companies Announcement Office
ASX Limited

ENTITLEMENT OFFER

Ormil Energy Limited (ASX code: OMX) (**OMX** or the **Company**) announces its intention to undertake a non-renounceable pro-rata entitlement offer at an issue price of 2.2 cents to raise up to \$4,362,388 (before expenses) (**Entitlement Offer**).

Key Information

Key information in connection with the Entitlement Offer and important dates are set out below:

- (a) The Entitlement Offer is a non-renounceable pro-rata offer and is being undertaken on the basis of 1 new fully paid ordinary share for every 3 fully paid ordinary share held by eligible shareholders at 2.2 cents per share.
- (b) The record date for eligible shareholders is 9 October 2012 (**Record Date**).
- (c) Eligible shareholders include those whose registered address on the Company's share register is within Australia or New Zealand on the Record Date.
- (d) Shareholders with a registered address on the Company's share register outside Australia or New Zealand on the Record Date may be eligible to participate in the Entitlement Offer, depending on the securities laws of their country and their individual circumstances.
- (e) A maximum of 198,290,369 ordinary shares will be issued under the Entitlement Offer. This number excludes shares which may be issued in the event that an option holder elects to exercise their right to convert their securities into ordinary shares prior to the Record Date. This number is also subject to a final reconciliation and rounding of entitlements.
- (f) After the Entitlement Offer (and subject to the Entitlement Offer being fully subscribed), the Company will have up to 793,161,475 ordinary shares on issue, all of which will be quoted on the Australian Securities Exchange (**ASX**)¹. The Company will also have 60,233,400 unlisted options on issue which are not quoted on the ASX².

¹ Subject exercise of ASX discretion

² Subject to shareholder approval to issue options to Edward Ellyard and Thomas Fontaine as per General Meeting scheduled for 27 September 2012.

- (g) As a non-renounceable entitlement offer, rights are not tradable on the ASX or otherwise transferable. Eligible shareholders who elect not to take up their full entitlement will not receive any value in respect of those entitlements not taken up. Ineligible shareholders will not receive any value in respect of entitlements they would have received as eligible shareholders.
- (h) For the purposes of calculating eligible shareholders' entitlements, fractional entitlements will be rounded up to the nearest round number.
- (i) New ordinary shares issued under the Entitlement Offer will rank equally with the Company's existing fully paid ordinary shares.
- (j) The Company intends that the Entitlement Offer will be underwritten. The Company will be seeking shareholder approval to enter into partial underwriting agreements with companies controlled by 2 of its directors, Edward Ellyard and Thomas Fontaine³ and will be seeking further underwriting arrangements with non-related parties.
- (k) The Entitlement Offer will be undertaken pursuant to an Offer Document in accordance with section 708AA of the Corporations Act 2001 (Cth).

Use of Funds

The purpose of the Entitlement Offer is to raise funds for the ongoing development of the Company's coal seam gas projects in New South Wales and Botswana (acquired through the recent acquisition of Energy Botswana Limited).

Key Dates

Full details of the Entitlement Offer will be contained in the Offer Document to be lodged with ASX. The Offer Document will be dispatched to all Eligible Shareholders together with a personalised entitlement and acceptance form on or about 10 October 2012.

Key dates which shareholders should note are detailed in the indicative timetable below:

28 August 2012	Initial announcement to ASX of Entitlement Offer
28 August 2012	Issue Notice of Meeting for General Meeting of Shareholders
27 September 2012	General Meeting of Shareholders
2 October 2012	Dispatch Appendix 3B information to shareholders
3 October 2012	Existing shares quoted on an Ex basis
9 October 2012	Record Date
10 October 2012	Offer document dispatched to shareholders – Opening Date
31 October 2012	Offer closes at 5pm

³ Refer to Notice of General Meeting scheduled for 27 September 2012.

1 November 2012	Securities quoted on a deferred settlement basis
5 November 2012	ASX notified of under subscriptions – Allotment Date
7 November 2012	Deferred settlement trading ends – Dispatch Date
8 November 2012	Normal trading recommences

These dates are indicative only and are subject to change. The Company reserves the right to amend this indicative timetable at any time and (subject to compliance with the Corporations Act and ASX Listing Rules) to extend the latest date for receipt of Entitlement and Acceptance forms.

Further information

For further information on the Entitlement Offer, please refer to the Company’s announcements from today as listed on the ASX website (www.asx.com.au).

Mark Ohlsson
Company Secretary