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QUARTERLY ACTIVITIES REPORT JUNE QUARTER 2012

Corporate Activities

On June 19 2012, Ormil Energy Limited (“Ormil”) announced its intention to make a takeover offer for all of the shares and options in the public unlisted company Energy Botswana Limited (“EBL”) (Refer to ASX release 19 June and 16 July 2012). EBL has a strong portfolio of coal seam gas (“CSG”) assets in Botswana that Ormil believes will complement its CSG portfolio in NSW. Ormil intend to commence exploration activities in Botswana as soon as practical.

Under the offer EBL shareholders will receive 9 (nine) fully paid ordinary shares of Ormil for every 10 (ten) issued and fully paid EBL shares, and EBL option holders will receive 1 (one) Ormil option for every 5 (five) EBL options held. If the Offers are successfully completed, EBL shareholders will hold 49.3% of the combined entity. The EBL Board has unanimously recommended that the offer be accepted. At the date of this report, acceptances for EBL shares have reached a 91.18% level and the offers have been declared free of any conditions precedent. Therefore as at 30 July Ormil’s voting power in EBL is 91.18% and the Company expects to achieve a 100% controlling shareholding of EBL in the near future.

Background on Energy Botswana Limited

EBL is an Australian public unlisted energy company with a portfolio of highly prospective Coal Seam Gas (“CSG”) licenses in Botswana, Africa.

EBL has an experienced management team with strong local relationships and partners in Botswana, a politically stable and flourishing country.

The EBL CBM exploration portfolio consists of multiple CBM prospecting licences, focused on two separate project areas, within the overall central Kalahari Karoo basin. The “Central CBM Project” consists of 1,205 km² of prospecting licences over prospective CBM acreage in the Mmashoro Region. The “Northern CBM Project” consists of 1,132 km² of prospecting licences over prospective CBM acreage in the Nata Region. The Botswana Department of Geological Survey reports that 196 Tcf of “gas in place” is estimated to be present in the coal and carbonaceous shale sequences in the central Kalahari Karoo Basin in Botswana.

The exploration opportunity is reinforced by neighbouring peers that are significant multinationals such as Exxaro Resources Ltd and Origin Energy Ltd.

EBL also has a petroleum exploration licence application in the Nata Region currently pending with the Botswana Government.

Prospecting Licences

Prospecting Licence	Botswana Project Area	Size (km ²)	Status
352/2008	Central CBM Project	694	Current
353/2008	Central CBM Project	511	Current
644/2009	Northern CBM Project	479	Renewal Pending
645/2009	Northern CBM Project	653	Renewal Pending

Exploration Activities

No Exploration activities were undertaken during the last quarter.

Apex Energy NL Joint Venture

Apex Energy NL (“Apex”) has been in the process of renewing PEL 442, but there have been problems with the renewal (Refer ASX release 7 June 2012). Apex and Ormil are working to resolve these problems.

Other Activities

The Company is actively looking for other projects including new permit applications, joint ventures, farmins and corporate deals both within and outside Australia.

The Company will make further announcements as appropriate.

T Fontaine
Managing Director
30th July 2012