

ORMIL ENERGY LIMITED

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QUARTERLY ACTIVITIES REPORT SEPTEMBER 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 Burratorang region south west of Sydney in PEL 454. The company is in discussions with drilling companies to secure a rig for drilling before the end of the year. 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 area. Ormil has the right to earn 50% interest in the area.

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

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.

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
25th October 2011