

ASX Release



PETRATHERM LIMITED
ABN 17 106 806 884

\$1.2 million GDP grant monies to be brought forward

Petratherm and its JV partners Beach Energy and TRUenergy are pleased to advise that the Commonwealth Government has agreed to bring forward \$1.2 million of Geothermal Drilling Program (GDP) grant monies to assist in the preparatory work for the Paralana 3 well.

Petratherm, through its wholly owned subsidiary MNGI Pty Ltd has been allocated a \$7m Geothermal Drilling Program (GDP) grant for the Paralana JV project delivered through the Commonwealth's Australian Centre for Renewable Energy (ACRE).

A total of \$4.2 million has been spent under the GDP grant towards the drilling and fracture stimulation of the Paralana 2 well. The remaining \$2.8 million was originally allocated to be paid for activities once spudding had commenced of the Paralana 3 well.

The Commonwealth Government has agreed to bring forward a sum of \$1.2 million by six months to assist in the design of the Paralana 3 well, securing long lead plant items and to secure a drilling slot. The Company's 69% share of the grant monies will complement the \$2.3 million in funds raised under the recent Placement and the Share Purchase Plan currently underway.

The GDP grant funds will be made available to the Paralana JV after the conclusion of the planned flow test and the JV's formal decision to proceed with the planned next stage.

The bringing forward of funds will greatly assist the Company ensuring that its current timetable for producing power by the end 2012 is kept on track.

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Yours faithfully



Terry Kallis
Managing Director

ABOUT THE JOINT VENTURE PARTNERS:

Beach Energy (ASX: BPT) is an oil and gas company headquartered in Adelaide that farmed-in to the Paralana Project in January 2007. Beach can earn up to 36% of the project for \$30 million plus its equity share of project costs.

TRUenergy is a wholly owned subsidiary of the CLP group, one of the largest publicly-listed power businesses in Asia Pacific. TRUenergy Geothermal farmed-in to the Paralana project in August 2008. TRUenergy Geothermal can earn up to 30% of the project for \$57 million.

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