

# ASX Release

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## **Tenerife Magnetotelluric Survey identifies Geothermal Drill Target**

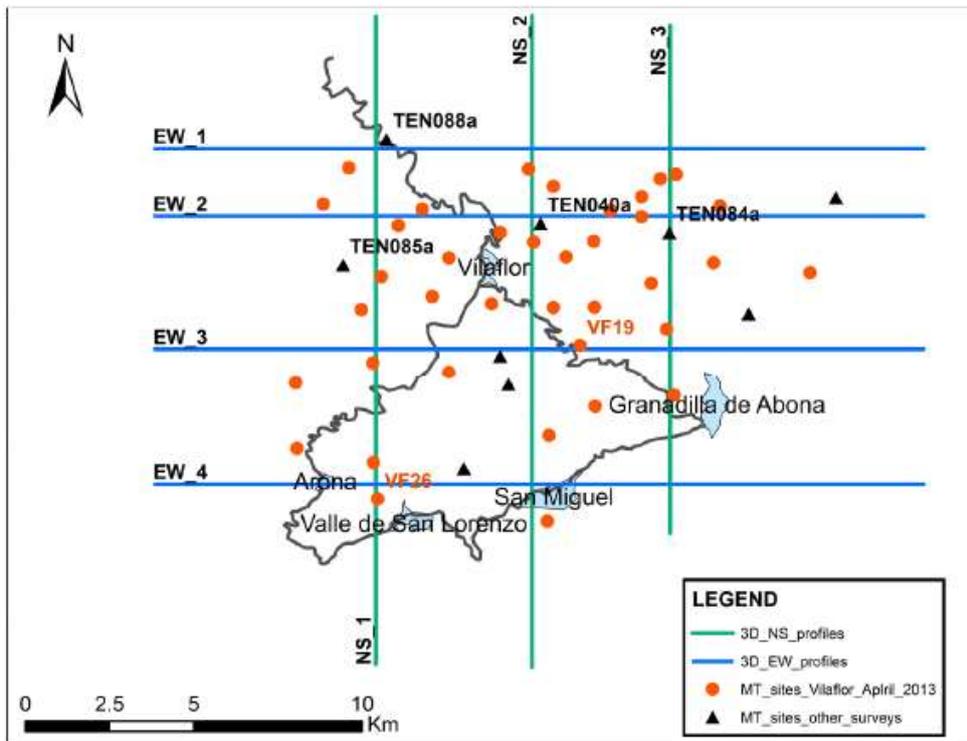
### Highlights

- *3D inversion modelling of a detailed magnetotelluric survey has defined a geothermal target on the southern slopes of Teide Volcano, Tenerife, in an area suitable for development.*
- *Drill depth into the target zone is about 2000m.*

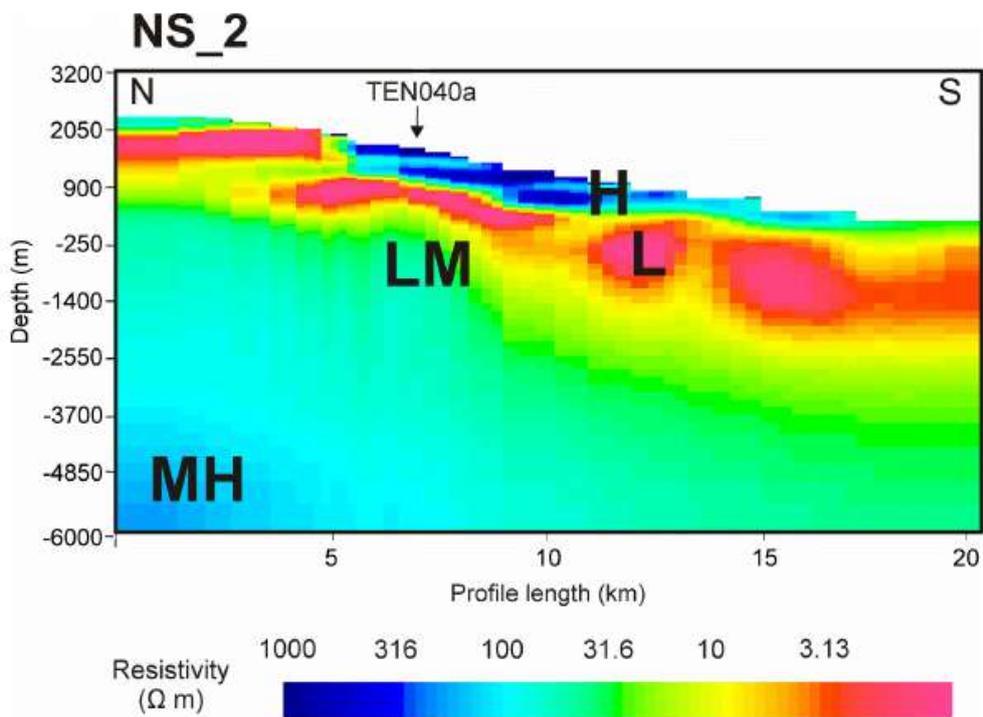
3-D Inversion Modelling of an extensive magneto-telluric (MT) survey undertaken earlier in the year, on the volcanic island of Tenerife has been completed. Findings from the survey clearly define a previously unconstrained conductivity feature identified by Petratherm on the southern slopes of the Teide Volcano which may indicate a zone of geothermal upwelling. The large dome shaped conductivity target occurs near the town of Vilaflor in an area accessible by road and is amenable to development if commercial geothermal energy sources are found.

The magnetotelluric processing and 3-D inversion modelling was undertaken by researchers at the University of Barcelona as part of the collaborative Spanish Government funded Geothercan project to assess the geothermal potential of the Canary Islands. Model sections are presented below characterising the geothermal target. The high conductivity feature (yellow to red colours) maps the extent of the hydrothermal alteration clay cap which forms above a geothermal system.

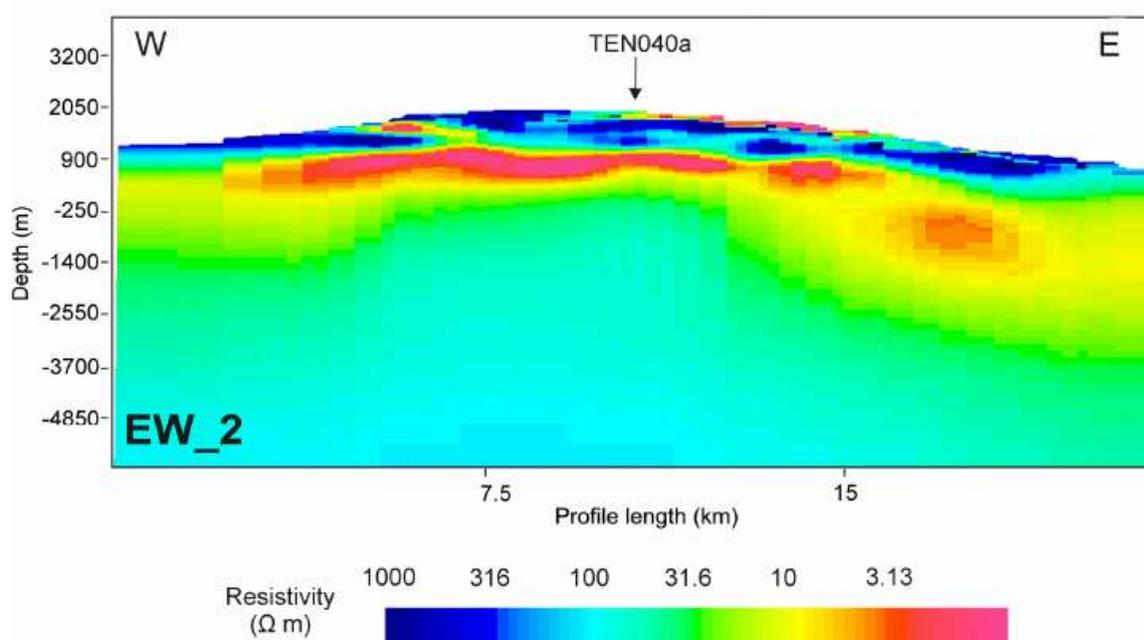
Previous geochemical analysis by independent geothermal consultants, Sinclair Knight Merz (SKM), of the active fumaroles in the Mt Teide Caldera indicate a fluid dominated geothermal system with temperatures of approximately 240°C potentially present below the clay alteration cap. The thinning of this conductivity zone in the vicinity of Vilaflor is interpreted by Petratherm to potentially represent an upward welling of geothermal fluids to depths assessable by drilling. The modelling work suggests a well drilled to 2000m is sufficient to penetrate through the clay alteration cap into the potential geothermal system below.



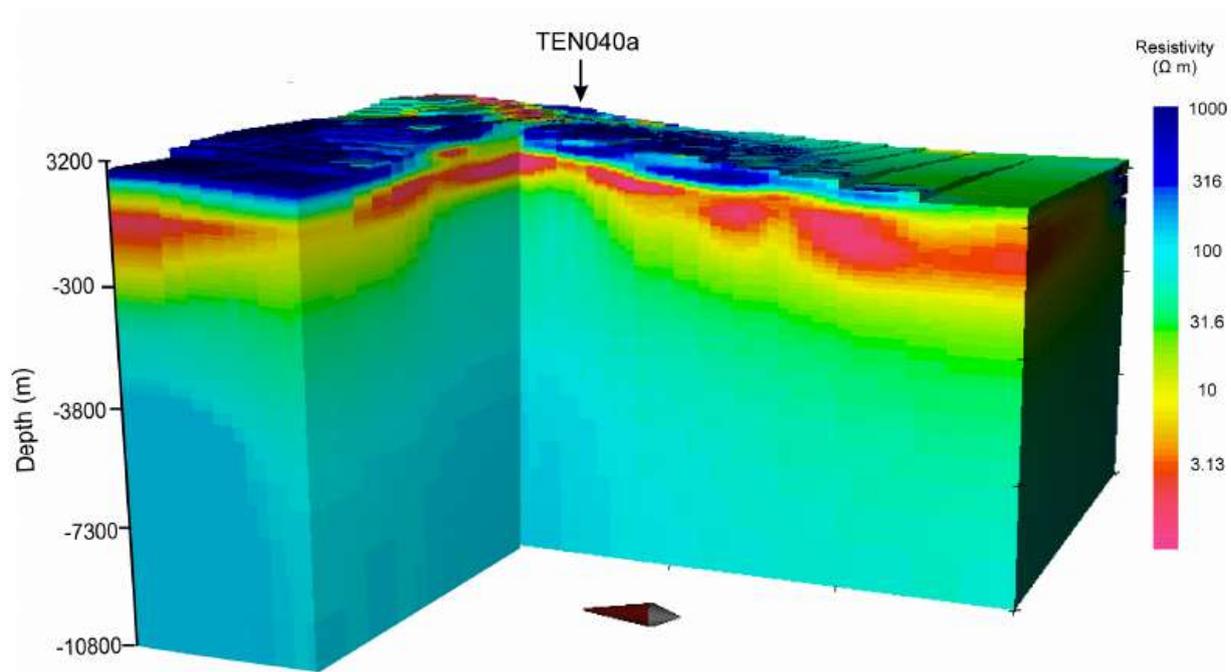
**Figure 1** - Location of the Magnetotelluric stations and cross-sections from the 3-D Inversion Model.



**Figure 2** - North to South resistivity cross section of the Vilaflor Anomaly. The yellow and red colours delineate the extent of a hydrothermal clay alteration cap. Note the thinning and dome shape in the vicinity of the area coded LM (LM = low to moderate resistivity).



**Figure 3** - West to East resistivity cross-section of the Vilaflor Anomaly, showing the upward thinning of the clay alteration cap (high conductivity = yellow to red).



**Figure 4** - 3-D perspective view of the 3-D inversion model, clearly defines upward thinning of high conductivity (yellow to red colours) clay alteration cap.

### **Competent Persons Statement**

The information in this report that relates to Exploration Results is based on information compiled by Peter Reid, who appears on the Register of Practicing Geothermal Professionals maintained by the Australian Geothermal Energy Group Incorporated at the time of the publication of this report. Peter Reid is a contract employee of the Company. Peter Reid has sufficient experience which is relevant to the style and type of geothermal play under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the Second Edition (2010) of the Australian Code for Reporting Exploration Results, Geothermal Resources and Geothermal Reserves. Peter Reid has consented in writing to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Yours faithfully



**Terry Kallis**  
Managing Director

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