

# CLEAN ENERGY FOR FUTURE GENERATIONS

Quarterly Report  
30 June 2014

## Quarter four highlights

### Corporate

- > Board Restructure - the Company announced a major restructure of its Board in early April 2014.
- > ERP and REDP termination - in late July 2014, during the post reporting period, the Company advised the termination of federal government ERP and REDP grants.
- > New Projects - the Company advised that it is actively seeking new projects that will lead to creating shareholder value.

## Review of Operations

Quarterly exploration and evaluation expenditure amounted to \$8,000 and included costs associated with the Paralana and Tenerife projects.

The Company had ongoing administration costs of \$131,000 during the quarter.

At the end of the reporting period the Company held \$524,000 in cash.

## Corporate

The Company advised in early April 2014 that it has restructured its Board and put in place contingency plans should the Company be unable to satisfy the conditions of the \$13 million Emerging Renewables Program (ERP) Grant (refer later section) from ARENA for the Paralana project by 19 July 2014.

The Company advised that to preserve shareholder funds and to more appropriately reflect the Company's activities, the Board was restructured as follows:

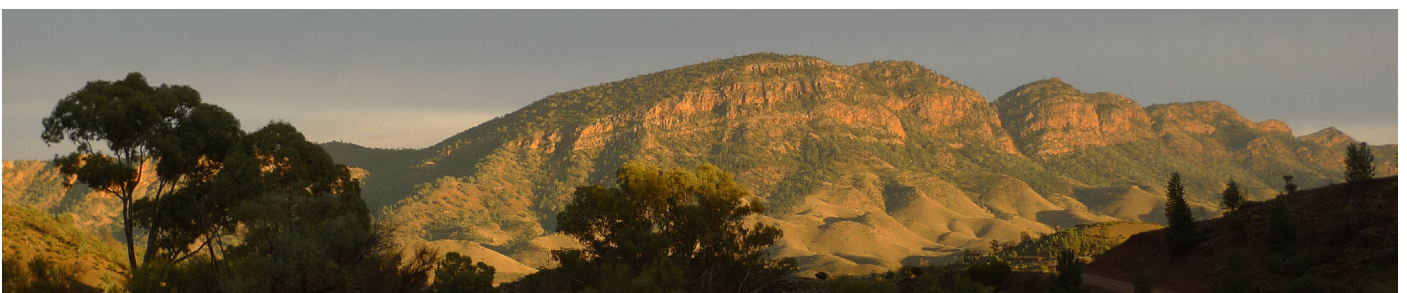
The following Directors retired on 31 March 2014:

- > Mr Derek Carter
- > Mr Richard Bonython
- > Professor Richard Hillis
- > Mr Lewis Owens

The continuing Board of Directors are:

- > Mr Simon O'Loughlin (Non-Executive Chairman)
- > Mr Terry Kallis (Executive Director)
- > Mr Donald Stephens (Non-Executive Director and Company Secretary)

The Company continues to prudently preserve its cash resources while carrying on essential activities. As part of this, the Board of Petratherm reduced the directors' fees by half from 1 April 2013 and also deferred payment of the reduced directors' fees. The Directors offered, subject to shareholder approval, to receive those unpaid directors' fees in the form of Petratherm shares. That offer was accepted by shareholders at an Extraordinary General Meeting held during the post reporting period on 23 July 2014.



## Projects

### Paralana

In the post reporting period the Company advised that, despite a seven month time extension, the Company had been unable to secure the additional \$5 million in equity required to draw down on the \$13 million Emerging Renewables Program (ERP) Grant awarded by Australian Renewable Energy Agency (ARENA). ARENA has advised that no further time extensions will be made to source these funds.

As a consequence, both the ERP and the Renewable Energy Development Program (REDP) grants will be terminated with no funds having been paid to Petratherm.

Petratherm's Managing Director, Terry Kallis, stated:

"This is disappointing for the Company and its shareholders given the technical success the Paralana Project had achieved. Despite our best efforts in Australia and internationally, we have been unable to raise the necessary funds. However, this is reflective of the difficulty in raising monies in the equity markets for small exploration and development companies. As outlined in our earlier announcements, the Company will continue to investigate new investment opportunities that will reward shareholders.

## Projects

### Tenerife

The Tenerife conventional volcanic geothermal project has now reached the stage that it will require a joint venture partner or be sold. Joint venture negotiations with a large Spanish energy company have stalled. The company is actively seeking parties interested in acquiring the project.

In the half yearly accounts, the value of the Company's Spanish projects were written down to reflect the situation.

### Exploration Licence EL3/2013 (Tasmania)

No activities relating to exploration occurred during the reporting period.

### New Projects

Petratherm will continue to seek new investment opportunities that will potentially reward shareholders. The Company has \$524,000 in cash as at 30 June 2014 and the directors intend to limit expenditure so that those funds can lead to creating shareholder value.

## Corporate information

### Corporate Office

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Unley, South Australia 5061  
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f. +61 8 8272 8141  
e. admin@petratherm.com.au  
www.petratherm.com.au  
ABN 17 106 806 884

### Board of Directors (as at 30 June)

#### Chair

Simon O'Loughlin

#### Executive Director

Terry Kallis

#### Non Executive Directors

Donald Stephens

#### Company Secretary

Donald Stephens  
HLB Mann Judd (SA) Pty Ltd

### Stock Exchange Listing

Australian Securities Exchange  
(ASX code: PTR)

### Share Registry

Computershare Investor  
Services Pty Ltd  
Level 5, 115 Grenfell Street  
Adelaide, South Australia 5000

### Legal Advisors

O'Loughlin Lawyers  
Level 2, 99 Frome Street  
Adelaide, South Australia 5000

### Auditors

Grant Thornton  
South Australian Partnership  
67 Greenhill Road  
Wayville, South Australia 5034

## Inside the Petratherm team

### Managing Director

Terry Kallis

### Exploration Manager

Peter Reid

### Office Manager

Elena McRae

### Manager – Spain

Raul Hidalgo

## Upcoming events

### Industry events

For further information on forthcoming events in the geothermal sector visit the Australian Geothermal Energy Association website at <http://agea.org.au> and the DMITRE website at <http://geothermal.dmitre.sa.gov.au>

## Website

Petratherm's website delivers regular information updates to shareholders and stakeholders

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### Competent Person Statements

The information in this report that relates to Exploration Results is based on information compiled by Peter Reid, who appears on the Register of Practising Geothermal Professionals maintained by the Australian Geothermal Energy Group Incorporated at the time of the publication of this report. Peter Reid is a full time 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.