

ASX Release

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PETRATHERM LIMITED
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Drilling Rig secured for Paralana

Rig Contract with Weatherford Drilling International

Petratherm Ltd and its joint venture partners Beach Petroleum and TRUenergy are pleased to announce that they have secured a 2,000 HP Drilling Rig from Weatherford Drilling International Australia Pty Ltd for the Paralana Geothermal Energy Joint Venture Project.

The Drilling Contract signed with Weatherford Drilling will secure Rig # 828 which is a 2,000 HP LeTourneau "Lightning" Drilling Rig (refer photo).

Paralana 2 Well to spud in February 2009

Petratherm expects to spud the Paralana 2 well (up to 4 kms deep) in February 2009 and is planning to spud the Paralana 3 well in early 2010.

This exciting development enables Petratherm and its joint venture partners Beach Petroleum and TRUenergy to move quickly through the key HEWI "proof of concept stage" of the Paralana JV Project.

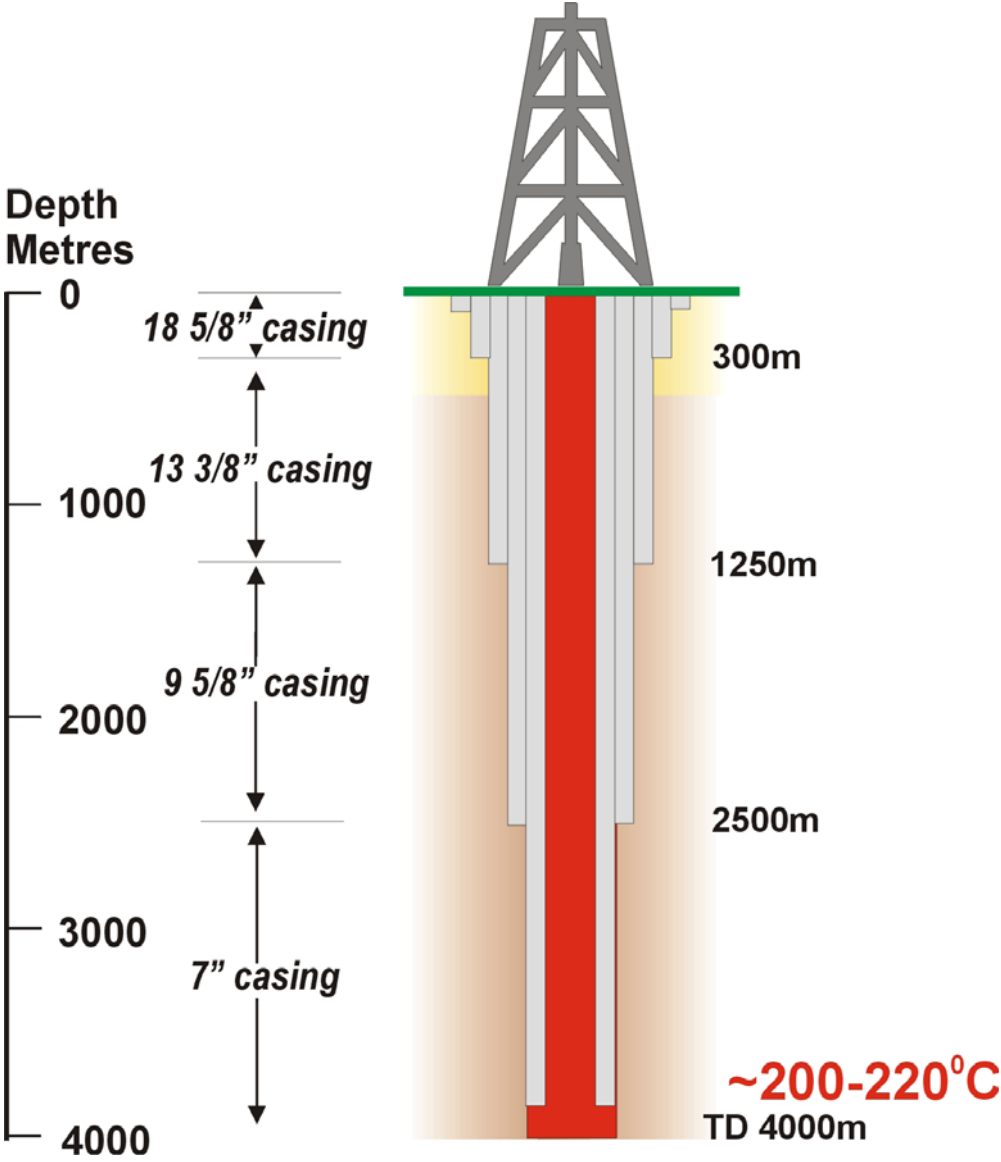
The Paralana JV aims to supply power to Heathgate Resources' Beverley Uranium Mine in the second half of 2010.

Major condition of \$57 M TRUenergy Farm-in satisfied

Securing the drilling rig satisfies the major condition subsequent included in the recently announced \$57 M TRUenergy Farm-in deal. The remaining Farm-in conditions (such as FIRB approval and JV amendments) are considered procedural and should be satisfied in the coming weeks.

Long lead time plant items ordered to meet February 2009 spud date

The Company is also pleased to advise that, in anticipation of securing the drilling rig, orders have been placed for key long lead time plant items. This provides the JV partners with the ability to drill the 4km deep Paralana 2 well (refer diagram below) as soon as the drilling rig is on site.



(Diagram above - Paralana 2 Well design parameters)

2000HP Weatherford Drilling Rig # 828

The Weatherford Rig # 828 is a “Lightning” Rig manufactured by Le Tourneau Technologies Inc. from the USA. The drilling rig is being built in Dubai and is expected to be delivered to Australia in January 2009.

The 2000 HP Rig # 828 is capable of drilling very deep wells and will be available to other Australian geothermal energy developers thus enabling an acceleration of development across the geothermal sector.



Further updates on the Paralana 2 well drilling program and the HEWI “proof of concept stage” work will be provided on a regular basis.

Yours faithfully

Handwritten signature of Terry Kallis

Terry Kallis
Managing Director

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