

# Petratherm Ltd

105 Tusmore Ave, Tusmore, 5065, South Australia  
Tel: +61 8 8304 8200 Fax: +61 8 8304 8201  
Website [www.petratherm.com.au](http://www.petratherm.com.au)  
Email [admin@petratherm.com.au](mailto:admin@petratherm.com.au)  
A.C.N. 106 806 884



Wednesday 21 June 2006

## **Paralana Geothermal Drilling Update - Early Results on Target**

Drilling of the Paralana Geothermal Test Well 130 kilometres east of the main electricity grid at Leigh Creek in South Australia, is continuing to make good progress. The drilling program is on target in terms of time, cost, and hole-depth achieved, having encountered ideal drilling conditions.

The wider HQ diameter portion of the well has been successfully drilled to 1442m and secured with steel casing. Drilling has now recommenced with smaller diameter NQ coring, with the well currently at 1590 metres depth.

First pass temperature logging performed after the HQ casing had been put in place, indicates that the rate of temperature increase is in line with the Company's original target expectations to produce economical viable electricity generation, that being resource temperatures of 200 Degrees Celsius or more at approximately 3.5 kilometres depth.

Absolute determination of the temperature gradient will occur once drilling has ceased and the well has had time to reach thermal equilibrium with the surrounding rock strata, approximately three weeks after drilling operations have ceased. This is expected to occur around mid-July 2006.

Importantly, rocks encountered so far indicate that satisfactory insulating properties exist, giving encouragement for the continuation of the well beyond the initial nominal depth of 1500m. This final stage of drilling is being undertaken to more accurately determine thermal conductivities and hence temperature gradient profiles of particular rock strata. That information together with other geological data will be used should the company proceed with its first geothermal production well at Paralana.

