
NEWS

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SPANISH MEDIA GROUP TAKES STAKE IN LEAD

AUSTRALIAN 'HOT ROCKS' ENERGY COMPANY

Spain's largest media group – with media, property and energy interests in the United Kingdom and Australia - has emerged as a potential key stakeholder in one of Australia's lead developers of alternative electricity generation through geothermal or "hot rocks" power sources.

ASX-listed geothermal developer, Petratherm Limited (ASX:PTR), announced today that Barcelona-based media and energy conglomerate, Editorial Prensa Iberica Communications ["EPI"], had taken an initial holding of just over 1% in the Australian hot rocks developer.

The stake was acquired through EPI securing entitlement to 750,000 ordinary shares in Petratherm's recent placement. The allocation to a "Spanish investor" had been previously flagged but the identity of the stakeholder was not revealed.

The identity of the investor was released today by Petratherm to coincide with its inaugural meeting in Adelaide this week of the Company's key overseas consultants – from Spain and the United States.

They have been contracted to help the Company by early 2010 become Australia's first electricity generator from geothermal sources from its Paralana project in the Flinders Ranges, South Australia.

"The initial holding is a first step only and the Spanish group is keen to increase its stake in Petratherm, but only to a point of being a long-term cornerstone and alliance investor and partner, not a majority stakeholder," Petratherm's Managing Director, Mr Terry Kallis, said today.

"Petratherm is a stand-out in the hot rocks industry internationally," EPI's Australian representative, Global Intertrade Pty Ltd's Managing Director, Mr Manuel Ortigosa, said in Adelaide this morning.

“We not only like its hot rocks leadership role in Australia, but Petratherm has also taken the first step to become involved in Spain’s fledgling geothermal sector - and this has significant appeal to us,” Mr Ortigosa said.

“It is a natural complement to EPI’s ability in our home country to open doors in government and energy and infrastructure project development corridors, and so be part of a new world electricity generation opportunity,” he said.

“The power markets of Madrid and Barcelona are high level electricity consumers and geothermal energy has significant opportunity to create new world supplier inroads while being increasingly climate friendly.”

“EPI has moved into alternative energy as a cornerstone business focus in selected markets and we believe hot rock power generation to be a significant energy builder in Australia particularly, and also on a conventional geothermal basis, in Spain and potentially Europe,” he said.

Mr Ortigosa said “that of particular appeal to EPI was that Petratherm had assembled under its Board and Management structure, people experienced not only in Australian drilling but who understood electricity networks, grid connection, and power transmission and marketing.”

“This is critical as if you expect to be a player in the Australian electricity market, you have to have an understanding of the market itself,” he said.

“It is just not the ability to tap the basis of hot rock energy’s potential - an underground heat exchanger in deep granites to bring superheated water to surface and subsequent electricity generation through steam driven turbines.”

“Geothermal explorers must have the ability to understand that on discovery and project validation, you have a product capacity able to bring electricity to market on a competitive commercial basis.”

“This technology, overall, has huge potential – and EPI is focused on partnering Petratherm through its endeavours in Australia, Spain and possibly China,” Mr Ortigosa said.

His comments come on the eve of a field trip from tomorrow by Petratherm executives, including Petratherm’s Spanish manager , Mr Raul Hidalgo to Paralana, where it has a Memorandum of Understanding, with nearby producing uranium mine, Beverely to supply power.

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