

ASX Release

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PETRATHERM LIMITED
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Paralana Joint Venture Project Update

Paralana 2 Well Drilling Progress

As indicated in yesterday's Beach Petroleum's weekly drilling report the Paralana 2 geothermal exploration well is drilling ahead at a depth of 796 metres drilling in the Pantapinna Sandstone.

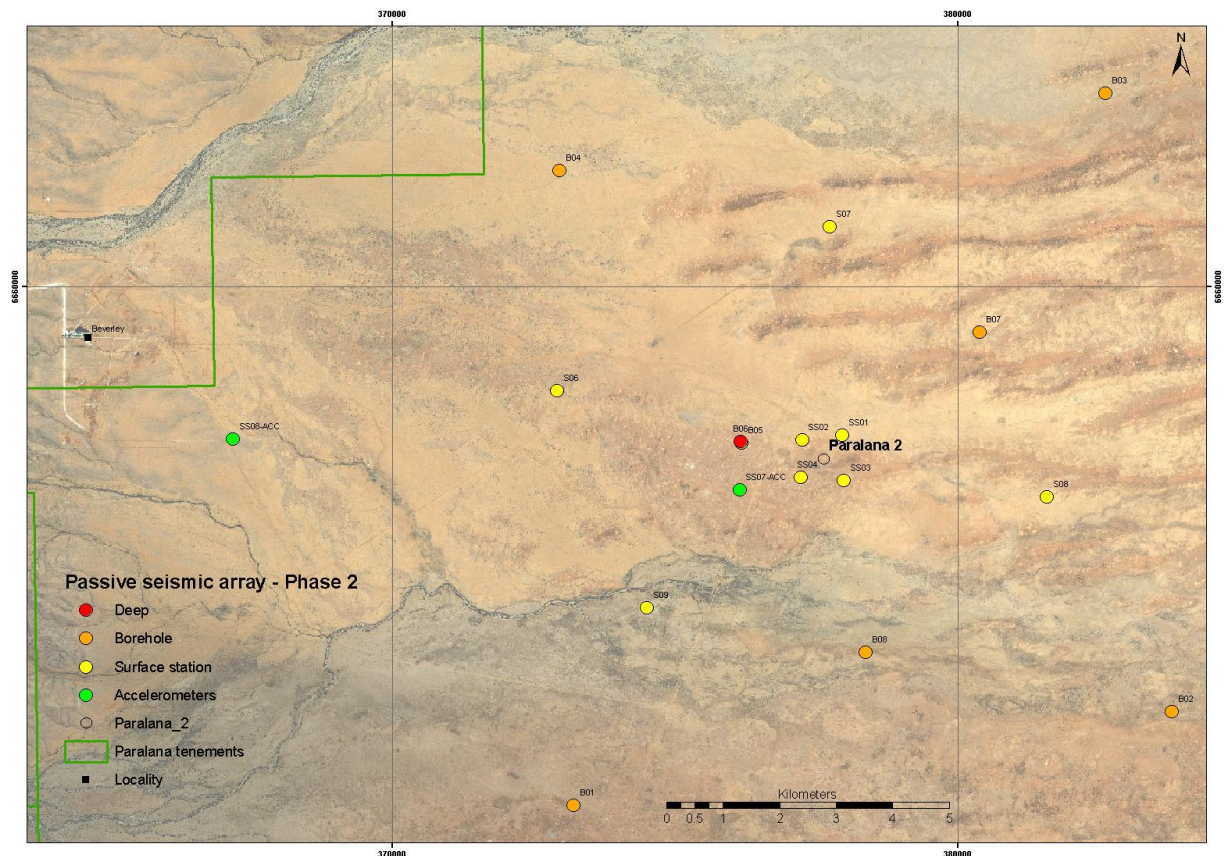
Passive Seismic Array Expansion

Work has also begun in expanding the existing seismic array to monitor activity around the Paralana well site.

A passive seismic monitoring study has been conducted around the well site of Paralana 2 between April 2008 and April 2009 to record background natural seismicity prior to drilling.

Phase 1 of the passive seismic study successfully provided 380 days of data from the immediate well site area. The array clearly showed its capacity to detect and locate local, regional and tele-seismic events.

The passive seismic array is currently being extended and upgraded for Phase 2 of the program, where the array will monitor the development of the geothermal reservoir during stimulation. The array will be upgraded to seven borehole stations, eight surface stations and one deep station as shown in the figure overleaf.



Passive Seismic Array – locations of various measuring stations

Governor’s Visit to Paralana

Last week, His Excellency the Governor of South Australia Rear Admiral Kevin Scarce visited the Paralana site as part of a series of industry visits. He was accompanied by Petratherm’s chairman Derek Carter, board member Richard Bonython and Managing Director Terry Kallis.

His Excellency also visited the Arkaroola Wilderness Sanctuary and the Beverley Mine with representatives from Petratherm. The Heathgate operated mine will be a customer for energy produced at the Paralana site.



L to R – Richard Bonython, Terry Kallis, Derek Carter and His Excellency Governor Scarce.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Terry Kallis'.

Terry Kallis
Managing Director

ABOUT THE JOINT VENTURE PARTNERS:

Beach Petroleum (ASX: BPT) is an oil and gas company headquartered in Adelaide that farmed-in to the Paralana Project in January 2007. Beach can earn up to 36% of the project for \$30 million plus its equity share of project costs. (www.beachpetroleum.com.au).

TRUenergy Geothermal is a wholly owned subsidiary of the CLP group, one of the largest publicly-listed power businesses in Asia Pacific (www.truenergy.com.au and www.clpgroup.com). TRUenergy Geothermal farmed-in to the Paralana project in August 2008. TRUenergy Geothermal can earn up to 30% of the project for \$57 million.

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