

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 the 12 August 2009 Weekly Drilling Report by Beach Petroleum, the Paralana 2 geothermal exploration well is at a depth of 1,427 metres and is currently drilling in the Erudina shale formation.

The Paralana 2 well drilling campaign was originally expected to take between 2-3 months. The drilling campaign is now scheduled to take 3-4 months. The primary cause of the time extension relates to lower than expected rates of penetration (ROP) during drilling of the large diameter 17 1/2" hole in the hard rocks that are prevalent in the upper geological sequence.

The Paralana 2 well is currently drilling the 12 1/4" section of the 4 kilometre well and the ROP has increased significantly achieving more than double previous rates.

Paralana Project Ministerial Launch

On Friday 7 August 2009, the Honourable Martin Ferguson AM MP, Federal Minister for Resources, Energy & Tourism officially launched the Paralana Geothermal Energy Joint Venture Project.

Derek Carter, Chairman of Petratherm, officiated over a group of 70 guests including SA Premier – the Honourable Mike Rann MP, the Honourable Paul Holloway MLC, the Honourable Graham Gunn MP, the Honourable Rowan Ramsey MP and the Honourable Jane Lomax-Smith MP.

Both Minister Ferguson and Premier Rann addressed the audience providing federal and state perspectives on geothermal energy respectively. Their speeches reaffirmed the strong commitment at both levels of government to see geothermal projects such as the Paralana project succeed and to become part of the long-term energy solution for Australia's future energy security.

Reg Nelson, CEO of Beach Petroleum and Richard McIndoe, CEO of TRUenergy (Petratherm's joint venture partners) both provided their key and complementary perspectives on the Paralana project, renewable energy and energy issues more generally. Both Mr Nelson and Mr McIndoe reinforced their desire to meet the challenges of making geothermal energy a reality.

Other guests included Heathgate Resources (owners of the Beverley Uranium Mine and future customers of the Project), representatives of the Adnyamathana People, local landowners and other local stakeholders, together with representatives of PIRSA and other government departments – federal and state.

The launch represented the official commencement of the project and commemorated the awarding of a Federal Government \$7 million Geothermal Drilling Program grant to the Paralana JV Project. (Refer below for photographs of the event).



(L-R - Reg Nelson, Minister Martin Ferguson, Terry Kallis, Premier Mike Rann, Richard McIndoe)



(L-R – Premier Mike Rann, Derek Carter, Minister Martin Ferguson, Richard McIndoe, Reg Nelson)

(Additional information on the Ministerial Launch event will be posted over the next week on the Petratherm website, including photographs, video and speeches)

Yours faithfully



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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