

ASX Release

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ABN 17 106 806 884

Level 1, 129 Greenhill Road
Unley, SA 5061

T: +61 8 8274 5000

F: +61 8 8272 8141

W: www.petratherm.com.au/

E: admin@petratherm.com.au



PETRATHERM LIMITED
ABN 17 106 806 884

Paralana Joint Venture Project Update

Petratherm and its joint venture partners, Beach Petroleum and TRUenergy Geothermal, advise that late last week the Paralana 2 deep injector well encountered indications of permeable zones and the presence of geothermal fluids flowing into the well.

The inflows appear to have occurred at various zones between depths of 3,690 m and 3,864 m.

As is normal practice, when such inflows are encountered, the mud weight used for drilling is progressively increased to control the inflows and to allow drilling to continue.

The mud weight was progressively increased over a period of five days. The well is currently being conditioned prior to drilling ahead to the programmed total depth of 4000 m. It is anticipated that drilling will recommence later today.

The Company is unable to comment at this early stage on the significance of the inflows because the source and nature of the inflows will not be clear until after planned wire line logs have been completed and analyzed. The logs are planned to be conducted in the deeper part of the well, after the termination of drilling.

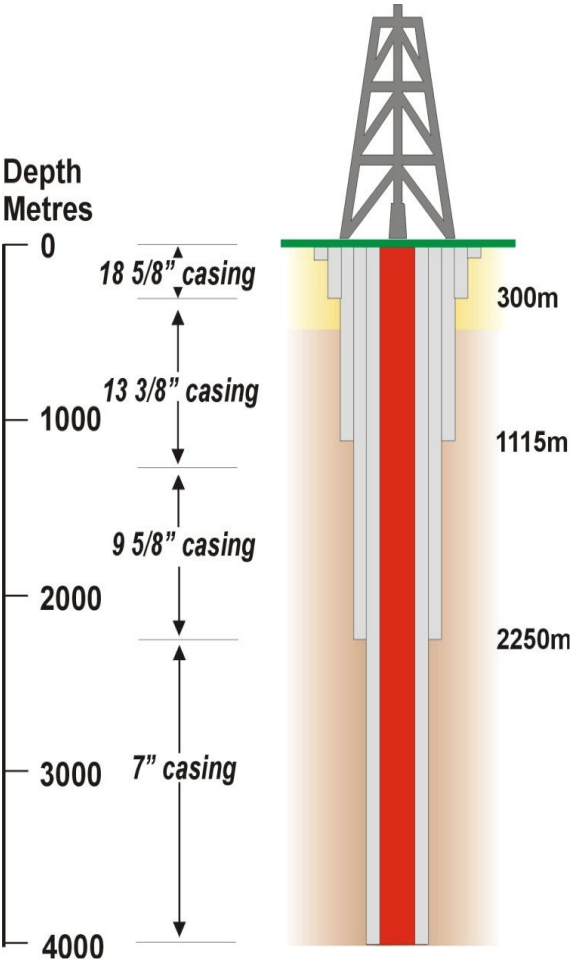
The Paralana 2 well achieved its minimum target depth of 3,600 m on Thursday 22 October 2009. The well is currently at a depth of 3,864 m and its maximum planned depth is 4,000 m.

Logging will be undertaken for various parameters, notably, temperature and other rock properties indicative of porosity and permeability, in order to select the optimum zones for fracture stimulation and reservoir creation.

While preliminary temperature measurements will be taken, the well will take a few weeks to achieve temperature equilibrium due to it having been drilled with mud cooled at the surface.

Following logging, the well will be cased to total depth. After analysis of logging and other data the casing will be perforated at the zone or zones deemed optimal for reservoir creation.

The well is expected to be finished within the next ten days.



Current depth of Paralana 2 well as at 4 November 2009 was 3,864 metres

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.

MEDIA CONTACT:

Terry Kallis
Kieran Hall / Tim Hughes

Petratherm Limited
Hughes Public Relations

08 8274 5000 or 0419 810 153
08 8412 4100 or 0422 147 151