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Paralana Update

- ***A higher revised estimated temperature of 190°C ± 1°C reported at 4000m***
- ***At target depth, a much older rock sequence has been intersected which contains numerous fractures and faults***
- ***High pressure geothermal brines intersected in Paralana 2 well within the fractures and faults***
- ***Interpretation of the seismic data suggests the fractured/faulted older sequence is regionally extensive, under the Paralana tenements***
- ***A program of hydraulic stimulation designed to link the accessible well part to the encountered over pressured zone is planned for May***

Reservoir Temperature Update

Review of the technical specifications of the temperature recording equipment indicates the bottom hole temperature is the higher of the two measurements recorded by the temperature devices previously announced, being 176°C at 3672m. The revised extrapolated bottom hole temperature at 4000m is now 190°C ± 1 degree.

Paralana Play - Target Reservoir Geology

Paralana 2 intersected below 3405m a much older sequence of meta-sedimentary strata than initially prognosed. The sequence comprises layered siltstone and felsic volcanic horizons which are intruded by numerous dolerite dykes. Zircon age dating of the felsic volcanic indicates the sequence is approximately 1590 million years old and therefore equivalent to the Benagerie Ridge Sequence described in deep well bores east of Lake Frome. The newly confirmed Benagerie Sequence at Paralana 2 is capped unconformably by a thick quartzite. The quartzite and underlying Benagerie Sequence is well defined on the 2D seismic and shown to be regionally extensive across the Paralana tenements at the desired reservoir depth.

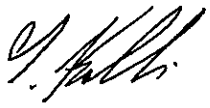
Interpretation of the seismic data indicates the Benagerie Sequence has undergone an earlier period of fracturing and faulting. This interpretation is supported by the drilling which intersected several fractures below 3405m. High drilling torques, drilling breaks, followed by inflow of geothermal over-pressured brines gives strong indication for the presence of natural and permeable fracture systems at the target reservoir depth. It is postulated the thick overlying quartzite has acted as a partial seal to the over pressured zone below. There is some evidence from Paralana 2, that fluid zones are preferentially enhanced along fractures/faults associated with the dolerite dykes.

Stimulation Program

A staged injection and testing program is planned to occur in May. The aim of the stimulation program is to link the well bore to the natural fractures observed through the section. The stimulation program will be undertaken by Halliburton International under the management of joint venture partner, Beach Energy. Paralana 2 has been engineered as an injector well and results from the stimulation program will be used to engineer an optimum well design for Paralana 3 such that targeted commercial flow rates may be achieved.

The Company is greatly encouraged by the identification of fractured and faulted zone, with evidence of geothermal brines and high recorded temperatures at the desired depth.

Yours faithfully,



Terry Kallis
Managing Director

ABOUT THE JOINT VENTURE PARTNERS:

Beach Energy (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.

TRUenergy Geothermal is a wholly owned subsidiary of the CLP group, one of the largest publicly-listed power businesses in Asia Pacific. TRUenergy Geothermal farmed-in to the Paralana project in August 2008. TRUenergy Geothermal can earn up to 30% of the project for $57 million plus its equity share of project costs.

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The information in this report relating to geothermal exploration results and geothermal resources is based on information compiled by P.W. Reid, a full time Petratherm employee. Mr Reid has sufficient experience in the style of geothermal play under consideration to qualify as a Competent Person under the Australian Code for Reporting of Exploration Results, Geothermal Resources and Geothermal Reserves (2008) edition. Mr Reid consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.