

ASX Release

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Paralana Project Update

Petratherm and its JV partners Beach Energy and TRUenergy Geothermal advise that work at the Paralana geothermal project site has been delayed by at least four weeks due to recent heavy rainfall that has occurred in the region.

The rains have delayed the deployment of the necessary equipment to the site. Current expectations are that mobilization of equipment would commence in early May 2011.

As advised previously the forward plan for the Paralana 2 well is to undertake the main fracture stimulation process.

That process will involve the injection of significant volumes of water at varying pumping rates. The actual volumes and rates will be dependent on the micro-seismic response measured by the installed micro-seismic array.

The operation is expected to be conducted over a period of approximately ten days with the actual injection of water being conducted over a period of three to five days. The recent successful perforation and injectivity test involved water being injected over a relatively short period of a few hours. That test resulted in microseismic events being propagated up to 300 metres from the injection point.

The aim of the main fracture stimulation process is to create a fracture network and to connect to and enhance the existing natural fracture network that contained over-pressured brines found during drilling of Paralana 2. The target for the main fracture stimulation is to detect microseismic events propagated beyond 500 metres from the injection point.

The work will assist in determining the location of the Paralana 3 well and it seeks to further de-risk the Paralana geothermal energy project.

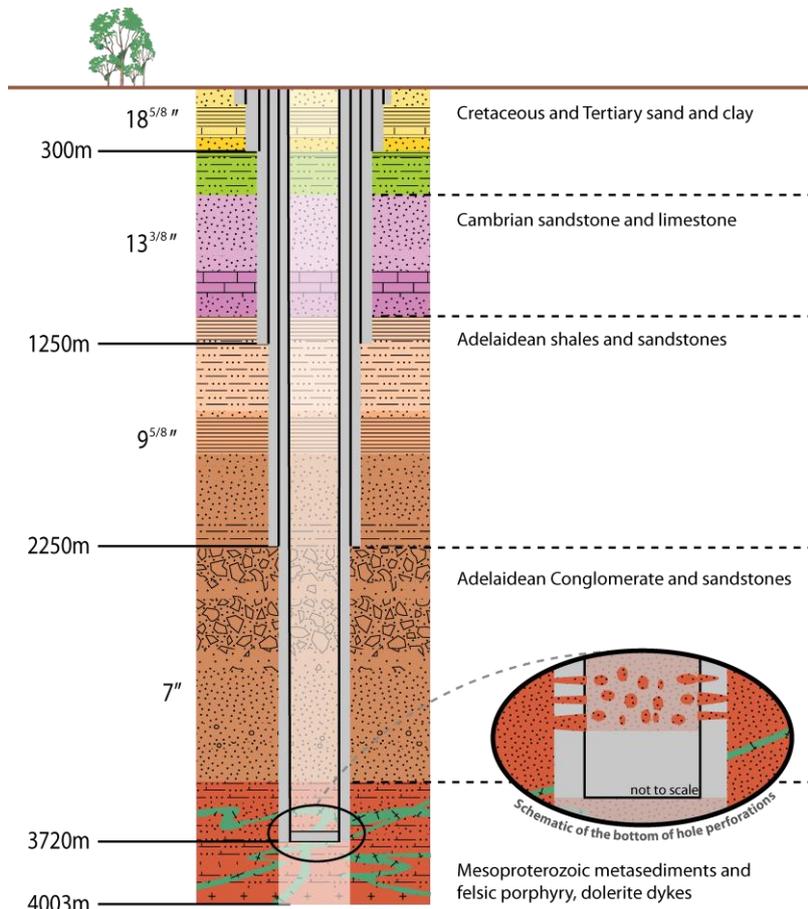


Figure - Paralana well 2 – fracture stimulation zone and target interval

Terry Kallis

Managing Director, Petratherm Limited

Competent Persons Statement

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 of the material herein in the form and context in which it appears.

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.

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.

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