

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 Fracture Stimulation to Commence Early July

Petratherm and its JV partners Beach Energy and TRUenergy Geothermal are pleased to advise that the fracture stimulation of Paralana 2 is scheduled to begin in the first week of July.

The stimulation process involves the injection of water into the geothermal reservoir in the subsurface. The volumes and rates of injection of water are dependent on the micro-seismic response measured by the installed micro-seismic array. The stimulation will be performed by Halliburton and managed by Joint Venture Partner Beach Energy.

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. Passive seismic monitoring will be used to monitor the development of fracturing in the geothermal reservoir and to allow better control of the fracture stimulation process.

The successful perforation and injectivity test performed in January 2011, involved relatively small volumes of water being injected over a 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 stimulation process is to create a fracture network and to connect to and enhance the existing natural fracture network that contains over-pressured brines intercepted below 3670 metres during drilling of Paralana 2. The target for the main stimulation is to detect microseismic events propagated beyond 500 metres from the injection point.



Photo - Paralana 2 Well Injectivity Test in January 2011
showing some hydraulic pumps (left) and Coil Tubing Unit (right)

Yours faithfully,

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.

MEDIA CONTACT:

Terry Kallis
Kieran Hall

Petratherm Limited
Hughes Public Relations

08 8274 5000
08 8412 4100