

ASX Release

8 July 2011

ASX Code: PTR

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

Fracture Stimulation Commences

Petratherm and its JV partners Beach Energy and TRUenergy Geothermal are pleased to advise that the fracture stimulation works have commenced.

The fracture stimulation of the Paralana 2 deep well represents a key stage in the Company's and JV's development and aims to further de-risk the Paralana 2 geothermal energy project.

The primary aim of the stimulation work is to demonstrate the ability to propagate fractures beyond 500 metres from the Paralana 2 well.

Halliburton, the operator of the stimulation services, are mobilising to site, and will set up pumps and related equipment for the stimulation work. Setting up will take around a day, after which the fluid injection (hydraulic fracture stimulation) process will begin. The stimulation works are expected to be completed by the end of next week.

The fracture stimulation is aimed at creating a fracture network greater than 500m from the injection point (Refer Figure 1). In addition, the fracture stimulation works aim to connect to, and enhance the existing natural fractures identified during drilling of the Paralana 2 well, which contain over-pressured brines below 3670 metres. The operating micro-seismic array (Refer Figure 2) at the Paralana site will map in three dimensions the growth and nature of the fracture field during the fracture stimulation process.

The fracture stimulation and associated micro-seismic work will greatly assist the JV's understanding of the sub-surface heat exchange potential for potential commercial geothermal power production at Paralana. Results will also determine the optimum site for the drilling of Paralana 3, the planned deep geothermal production well to follow.

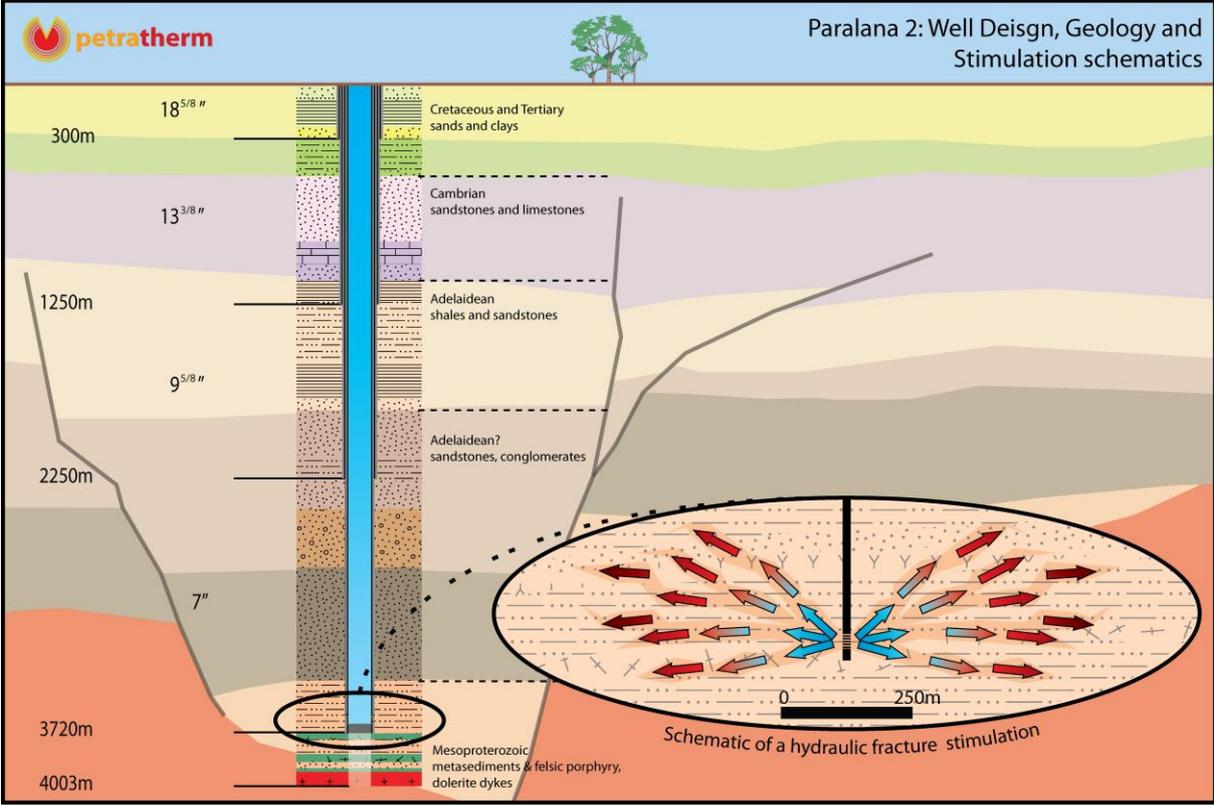


Figure I – Schematic of target fracture stimulation injection point for Paralana 2

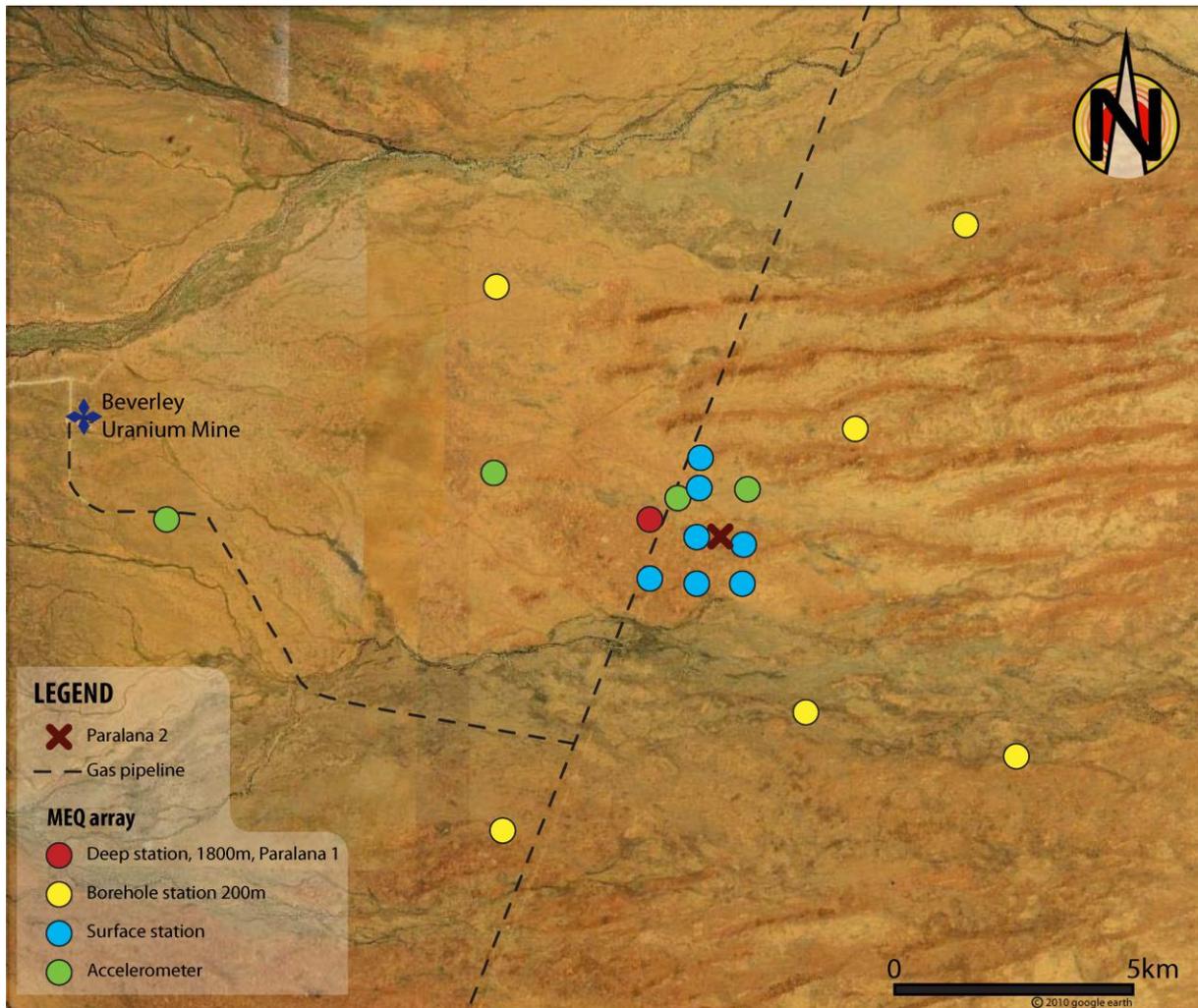


Figure 2 – Map of the microseismic array

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.

MEDIA CONTACT:

Terry Kallis	Petratherm Limited	08 8274 5000
Kieran Hall / Tim Hughes	Hughes Public Relations	08 8412 4100