

ASX Release

20 September 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

\$1.07 million in Federal government subsidies for Canary Islands geothermal exploration

A consortia led by Petratherm España has been awarded over AUD \$1 million (or € 796,000) in subsidies to be used in a major geothermal exploration program across Spain's Canary Islands.

The consortia successfully applied to the Federal government of Spain with a project entitled "GeotherCan" – which is the development of 3D models for the characterization of geothermal resources in the sub-surface of the Canary Islands, through the use and combined applications of geophysical, geochemical and geological methods.

The other parties involved in the GeotherCan consortia are;

- Institute of Technology & Renewable Energy (ITER)
- University of Barcelona
- University of Laguna
- Institute of Volcanology, Canaries (IVC)

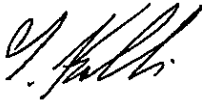
Almost all of the work will be conducted on the islands of Tenerife and Gran Canaria, and in the areas where Petratherm España holds geothermal exploration tenements.

The work to be conducted by the five parties will be guided through a coordinated work program integrating various results from different studies. The subsidies will cover 40% of the total value of exploration work to be undertaken by the five parties and is estimated at over AUD \$2.5 million.

The award of the subsidies to the GeotherCan consortia is of major benefit to Petratherm España's work program with substantial additional new information available to the Company without the attendant costs.

The information is expected to add significant value to the Company's projects, in particular the more advanced Tenerife volcanic geothermal project, through a better understanding of the sub-surface system on the island.

The information in this report that relates to Exploration Results, Geothermal Resources or Geothermal Reserves is based on information compiled by Peter Reid, who appears on the Register of Practicing Geothermal Professionals maintained by the Australian Geothermal Energy Group Incorporated at the time of the publication of this report. Peter Reid is a full time employee of the Company. Peter Reid has sufficient experience which is relevant to the style and type of geothermal play under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the Second Edition (2010) of the Australian Code for Reporting Exploration Results, Geothermal Resources and Geothermal Reserves. Peter Reid has consented in writing to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Terry Kallis
Managing Director

MEDIA CONTACTS:

Terry Kallis
Kieran Hall / Tim Hughes

Petratherm Ltd
Hughes Public Relations

08 8274 5000
08 8412 4100