



PETRATHERM LIMITED
ABN 17 106 806 884

Spanish Projects Update

- *The Company is pleased to advise that it has been awarded the first of three geothermal investigation permits over the highly prospective Valles Basin area near Barcelona. The two other permits are expected to be awarded by late April 2009.*
- *Petratherm's Spanish Manager – Mr Raúl Hidalgo Fernández has been appointed President of the Geothermal Division of the Spanish Renewable Energy Generators Asociación (Asociación de Productores de Energías Renovables – APPA).*

Barcelona Geothermal Investigation Permit Awarded

The Company has been awarded a geothermal investigation permit covering the Congost area (refer map overleaf) in the Valles Basin near Barcelona in the Catalonian region of Spain.

Additional investigation permits are expected to be secured by the end of April 2009 covering the Canoves and Montbui areas.

The permit areas are located approximately 30 kilometres north-northeast of Barcelona and in close proximity to major electricity transmission infrastructure with a capacity in excess of 2,000 MW.

The permit areas cover locations of known high heat flow with local hot aquifers evidencing temperatures of between 115°C to 130°C at depths of 1,000 metres to 1,500 metres. The heat source arises from high heat production granites that underpin the Valles Basin and outcrop in the adjacent ranges. The basin thickness is estimated at approximately 3,500 metres.

The geology and market characteristics make the Barcelona project area attractive for both geothermal district heating (GDH) applications and engineered geothermal system (EGS) development for electricity production. The known temperatures and depths of existing aquifers indicate very attractive economics, similar to, and potentially better than the Company's Madrid GDH and EGS projects.

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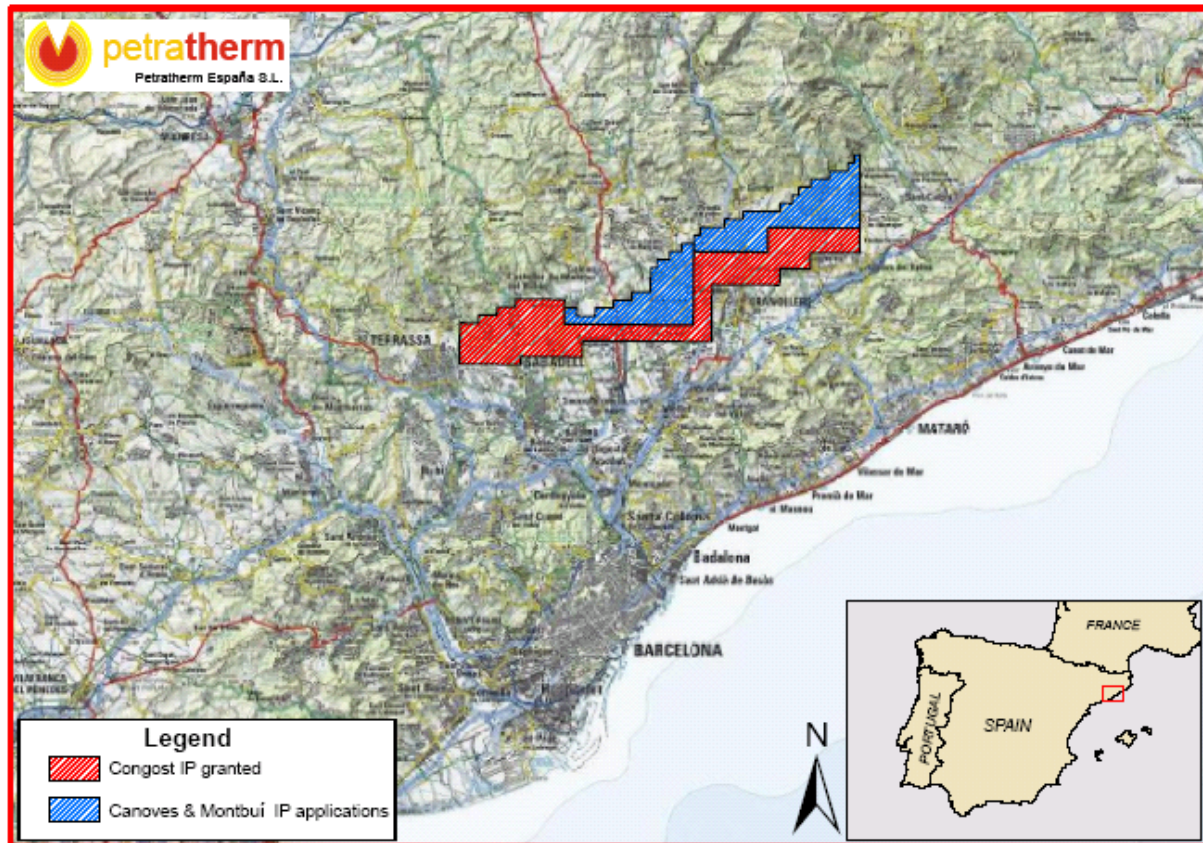
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Petratherm's Barcelona geothermal permit applications have undergone extensive consultation with potentially affected communities that have interest in existing spas and thermal springs which have been known since the Roman occupation of Spain and continue to be utilised in towns such as Montbui.

The community consultation process has resulted in modifications to the original permit applications to address community concerns while ensuring Petratherm's desired needs were met.



Spanish Manager appointed as President of Geothermal Chapter of APPA

Mr Raúl Hidalgo Fernández, Petratherm's Spanish Manager, has been appointed for a four-year term as the President of the Geothermal Chapter of Spain's Renewable Energy Generators' Association (APPA).

APPA is an Industry Association that is part funded by its members and the Spanish Federal Government through the provision of dedicated specialist staff. The Geothermal Chapter of APPA is managed on a full-time basis by Ms Margarita de Gregorio who is also responsible for solar thermal and biomass renewable energies.

The Geothermal Chapter was officially established in late December 2008 and now comprises more than 10 companies including explorers/developers, energy utilities, renewable energy companies and service providers.

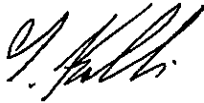
The focus of work for the Geothermal Chapter over the coming year will be:

- To assess the potential for geothermal energy applications across Spain, and
- To develop proposals to government in respect of geothermal energy feed-in tariffs and related renewable regulations.

That work is being led by Mr Hidalgo and Ms de Gregorio respectively, on behalf of the Geothermal Chapter.

The interest in geothermal energy in Spain has increased significantly over the last six months with the recent inaugural Madrid Geothermal Energy Conference held in October 2008, the formation and expansion of the Geothermal Chapter of APPA and increased media attention on the potential for geothermal energy.

Yours faithfully



Terry Kallis
Managing Director

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