

ASX Release



PETRATHERM LIMITED
ABN 17 106 806 884

Paralana Joint Venture Project Update

Paralana 2 well successfully finished and rig released

Petratherm and its joint venture partners Beach Energy and TRUenergy Geothermal are pleased to advise that the Paralana 2 deep well was successfully cased and cemented to a depth of 3,725 metres.

This represents a major milestone achievement for the Paralana Joint Venture Project and in the development of the Company.

The Weatherford Drilling International Rig #828 was released on Saturday 12 December 2009 for its next assignment.

Paralana 2 well Key Success Factors and initial observations

The Paralana 2 drilling campaign achieved its planned safety and environmental targets with no reportable lost time injury incidents and no reportable environmental incidents, thus bettering industry benchmarks.

The target minimum depth of 3,600 metres was exceeded and the well was successfully cased and cemented to a depth of 3,725 metres.

During the drilling campaign, as expected, no traces of hydrocarbons were encountered nor any traces of CO₂ or H₂S.

14 December 2009

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

Planned next steps

Temperature measurements are planned to be taken in about four to five weeks, in mid to late January 2010. While those measurements should provide a more accurate assessment of the long-term well temperature, experience with other similar wells has shown that the well temperature continues to increase and can take a few months to achieve its full equilibrium temperature.

Following full analysis of the well logging information and the brine fluid geochemistry the detailed work program for 2010 will be determined. That work program is expected to include a mini-fracture stimulation program in the first quarter of calendar 2010, followed by a multi-zone fracture stimulation program during the second quarter. Drilling of the Paralana 3 deep producer well and circulation tests to demonstrate proof of concept will be determined once the results of the main fracture stimulation treatment in Paralana 2 are available.

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