

ASX Release

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PETRATHERM LIMITED
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Paralana Project Update

Fracture stimulation work program to commence this week to create network of micro-fractures and underground reservoir.

Petratherm is pleased to announce that its next major stage of work at its flagship Paralana project is ready to commence this week. The work will be undertaken in two stages;

Stage 1 - Perforation and injectivity test – perforation of the steel casing at the bottom of the Paralana 2 well and injection of a small volume of water to confirm fracture initiation and propagation (refer figure overleaf).

Stage 2 - Fracture stimulation - inject larger volume of water at higher rates. The volumes and rates to be dependent on the micro-seismic response measured by the installed micro-seismic array.

The aim is to create a fracture network and to connect to and enhance the existing natural fracture network.

These important stages of work are aimed at creating the fracture network and to determine the potential for, and extent of, an underground reservoir (heat exchanger) to enable fluid flows through the hot rock.

Information from Stage 1, which is planned to be completed this week, will be incorporated into the design of Stage 2. Subject to equipment availability and completion of regulatory approvals, Stage 2, is planned to be undertaken in the fourth quarter of 2010.

The work will assist in determining the location of the Paralana 3 well, further de-risking of the Paralana geothermal energy project.

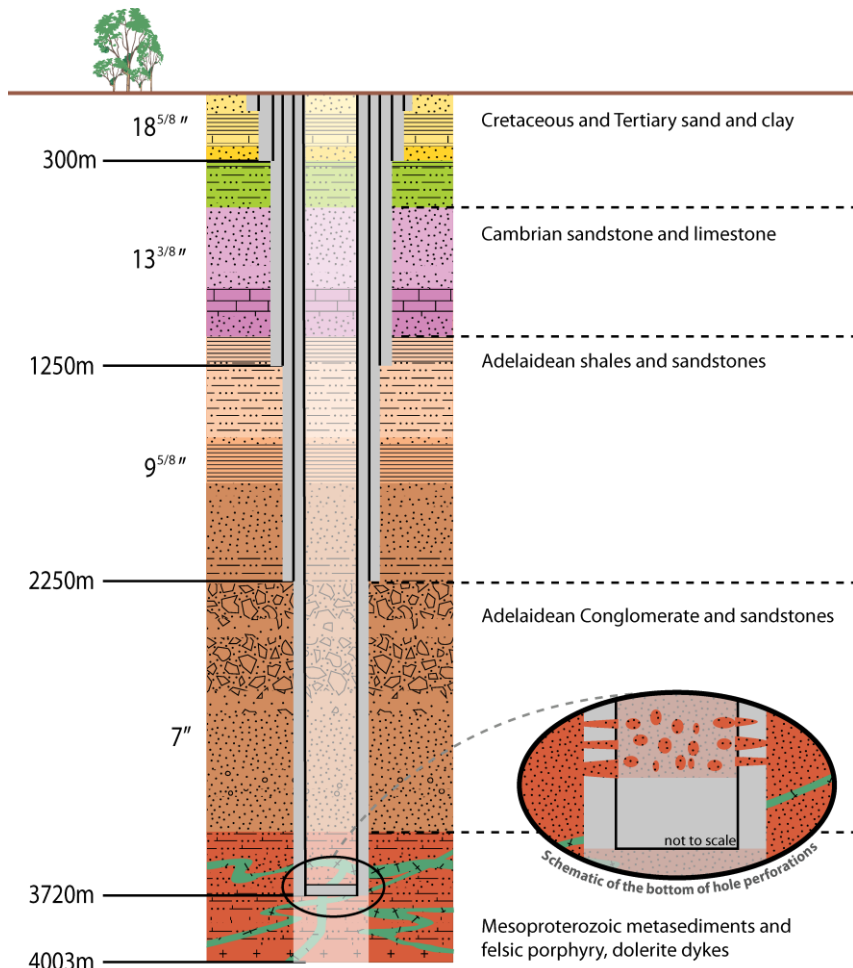


Figure - Paralana well 2 – fracture stimulation zone

Yours faithfully

Terry Kallis
 Managing Director
 Petratherm Limited

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.

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