

PETRATHERM LTD

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15 September 2011

Dear Shareholder

FURTHER EXTENSION TO PETRATHERM LTD SHARE PURCHASE PLAN

The Directors of Petratherm Ltd (**Company**) are pleased to announce a further extension of time to the offer to shareholders for the opportunity to participate in its Share Purchase Plan (**SPP**) to 14 October 2011.

The SPP has been further extended due to the pending flow test of the Paralana 2 well which is now expected to be completed late September/early October 2011. Early findings from the flow test are expected to be released soon after the completion of the operation.

The SPP entitles eligible shareholders of the Company to purchase up to \$15,000 worth of fully paid ordinary shares in the capital of the Company, free from all brokerage and commissions.

As recently announced on 25 August 2011, the SPP was extended to close on 30 September 2011. In accordance with the terms and conditions of the SPP the Directors have chosen to extend the offer to a closing date of 5.00 pm (Adelaide time) on 14 October 2011.

Funds raised from the SPP will be applied to the preparatory work for the drilling of the Paralana 3 well at the Company's flagship Paralana project in South Australia and for ongoing working capital. Specifically, funds will be applied to design the well, secure long lead time plant items and to secure a drilling rig slot.

I hope the further extension of the offer period for the SPP will assist you in giving favourable consideration to increasing your holding in and support for, the Company as we move towards the next stage of Paralana's development.

Yours faithfully

Derek Carter
Chairman