

ASX Release

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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

Paralana Flow Test Successfully Completed

Petratherm and its Paralana project JV partners, Beach Energy and TRUenergy, are pleased to advise that the flow test operation for the Paralana 2 Deep Geothermal Well was successfully completed on Monday 10th October 2011.

The flow test was designed to assess the extent of the naturally overpressured zone and to collect brine samples for geochemical analysis. An understanding of the brine chemistry is critical to managing future production flows and plant design. Specifically, to minimise and manage any scale build up or corrosion that may occur over time.

The naturally overpressured system will, if extensive, assist later circulation of fluids between wells, reducing the amount of pumping that will be required, and may influence the configuration of injector and producer wells during later planned expansion of the field.

The Paralana 2 well was flowed continuously over a seven day period and a total of 1.28 million litres of fluid was produced, with flow rates ranging between 1 and 6 litres/sec.

Final conclusions from the test will not be known for several weeks, when sufficient pressure build up data is available to assess the degree of aquifer recharge in the vicinity of the well. Similarly, geochemical fluid analysis performed by geothermal brine specialists GNS Science (New Zealand) will take several weeks to complete.

After flowing for 6 days, the bottom hole flowing fluid temperature at the perforated interval 3679-85 metres was recorded as 171 degrees Celsius, which is in line with expectations.

The joint venture partners have identified a natural geothermal system at Paralana. Future work will further enhance the development of this system. This may significantly lower development risks of establishing a commercial flow for power production.



Hot fluids (water and steam) from the Paralana 2 well flowing into a containment pond

Yours faithfully

Terry Kallis
Managing Director

Competent Persons Statement

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 Practising 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.

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 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
Kieran Hall / Tim Hughes

Petratherm Limited
Hughes Public Relations

08 8274 5000
08 8412 4100