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Petratherm Unveils Clean Energy Precinct

- *Petratherm's Clean Energy Precinct plans to deliver 600 MW of power to the large growth market in electricity driven by mining developments in the north-west of South Australia*
- *The Precinct is to initially comprise Gas and Wind and later, Solar power generation facilities, and subsequently to incorporate Geothermal power connections*
- *The Precinct, strategically located provides;*
 - *Exclusive access to over 1,800 sq kms of land for power generation*
 - *Access to the Paralana geothermal exploration licences (GELs) that cover 1,900 sq kms*
 - *Closest point to the "on-grid" market where there is a "convergence" of gas, wind, solar and geothermal*
- *Petratherm's Clean Energy Precinct is a project that is separate from, but complementary to, the Paralana project and is designed to be a key enabler of monetizing the large geothermal resource covered by the Paralana GELs*

Petratherm is delighted to advise that it has commenced the planning of a major Clean Energy Precinct just north of its Paralana geothermal energy JV project.

The Precinct project is to comprise a mix of gas, wind and solar power generation, and later geothermal power connection, and will be tailored to meet the needs of mining customers in the north-western part of South Australia. The Precinct project will aim to provide a competitive solution in terms of price, reliability and availability for both the power and carbon related aspects of those customers' requirements.

It is planned to develop 600 MW of power generation to meet the demand expected to be created over the next 5 to 6 years from large mining developments in the region. One option for connection to the "on-grid" market is via Olympic Dam and Petratherm intends to initiate commercial discussions with BHP Billiton to explore this. Other alternatives will also be considered.

The project is estimated at having a capital cost of around \$1.5 billion and is expected to be a major contributor to the reduction of the national and state CO₂ emissions through its unique market offering.

Strategically located and a key enabler of the Paralana Project

The Precinct project location has been selected because it is the nearest point to the “on grid” market where there is a “convergence” of all four future strategic resources - gas, wind, solar and geothermal. This enables a unique offering to the market where the different energy sources can be combined in a variety of ways to deliver attractive hybrid products that lower costs - and improve energy security/reliability - of electricity supply while reducing CO₂ emissions.

The Precinct project is strategically located on Moolawatana Station, just 50 kilometres north of the Paralana project site, with exclusive rights for power generation over 1800 sq kms of land.

“Moolawatana”, which is a derivative of an Adnyamathanha aboriginal phrase that translates to “Windy Place”, has abundant solar and wind resources and is traversed by the Moomba to Adelaide gas pipeline (refer Figures 1 and 2).

The Precinct project, while separate to the Paralana project, is designed to be a key enabler of large scale geothermal power getting to market. The Paralana project, after satisfying the demand in the local off-grid market, would aim to satisfy the needs of the growing mining market, with the Precinct project providing an ideal avenue to market. This would facilitate the large – independently estimated at around 1300 MW of power production capability for 30 years - Paralana geothermal resource (refer Table 1) being monetized at the earliest possible time.

Staged development of the Precinct Project timed to market needs

The Precinct project is expected to be developed in a staged process with the first 300 MW of power generation coming from a combination of gas and wind to ensure the product delivered to the market/customers has high availability (base-load), competitive price and a significant carbon benefit.

The proven technologies of gas (low emission) and wind (current lowest cost renewable with the exception of hydro) are an ideal combination to meet the initial power and carbon needs of the market.

The second 300 MW stage of the Precinct project - while driven by market/customer needs - is expected to include the introduction of large scale geothermal and solar, as both of these technologies come down their respective cost curves.

In addition, Petratherm’s Heliotherm R&D project – being undertaken with the University of Adelaide – also provides the future opportunity to fully integrate the various energy sources - solar, gas and geothermal – potentially to reduce the capital cost of solar thermal by as much as 40% and provide base-load operation.

Precinct project differentiates Petratherm in the Renewables and Energy market

Petratherm believes that the Clean Energy Precinct project can provide an excellent opportunity for the Company and mining customers in the north-west SA – by providing a unique offering to the market that allows an immediate low cost and competitive solution to the market, while retaining the future potential of large scale base load power being delivered by geothermal and solar energy.

The Precinct project has attracted interest from large renewable and energy companies, both domestic and international. Over the coming months Petratherm will assess the potential roles (technology and/or JV partners) to be played by those parties.

Discussions have also commenced with the representatives of the local Aboriginal community, the Adnyamathanha people, to outline the nature and scope of the Precinct project.

Plans are under way to install a number of meteorological masts across the Precinct with anemometers and pyrometers to accurately measure the wind and solar resources, respectively.

It is the Company's intention to provide regular updates on its new and exciting Clean Energy Precinct.

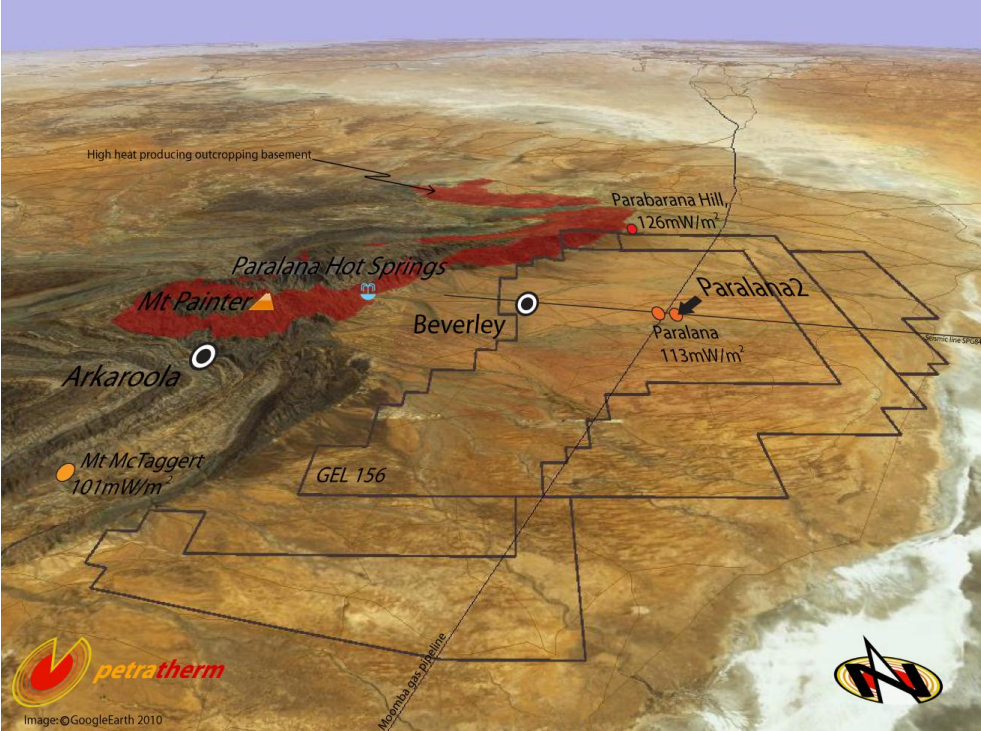


Figure 1 – Google earth image of Paralana GELs, location of Moomba to Adelaide pipeline

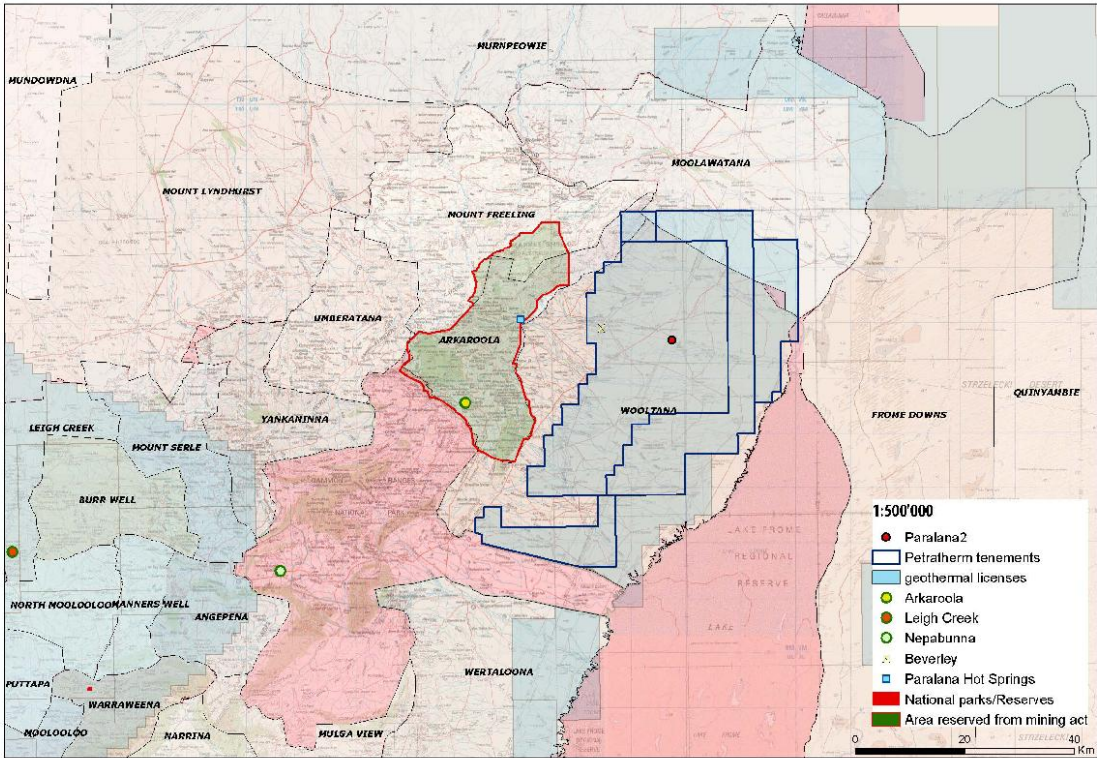


Figure 2 - Showing the Paralana geothermal exploration licences (GELs) and the location of Moolawatana Station (north of the Paralana GELs) that covers over 1,800 sq. kms

(Estimated Recoverable Thermal Energy expressed in Petajoules (PJ_{th}))

Depth Interval (metres)	Inferred (PJ _{th})	Indicated (PJ _{th})	Measured (PJ _{th})	Total (PJ _{th})
<3,500	2,400	1,100		3,500
3,500 - 4,000	4,900	4,400	41	9,300
4,000 - 4,500	5,900	5,700		12,000
4,500 - 5,000	6,900	6,700		14,000
Total (PJ_{th})	20,000	18,000	41	38,000

*Paralana Joint Venture: Petratherm 79%, Beach Energy 21%. If remaining staged equity investments are met, Beach Energy may earn up to 36% interest and TRUenergy a 30% interest, leaving Petratherm with 34% interest.

Table I - Paralana Geothermal Resources – extract from Independent Report

[Based on the estimated 9300 PJ_{th} that could be recovered from the 3500m - 4000m depth interval is sufficient to generate 1300 MW of power generation for 30 years. This is equivalent to Coal fired power generators burning approximately 650 million tonnes of black coal which will emit approximately 1.9 billion tonnes of CO₂ into the atmosphere to generate the same amount of electricity]

Reference to recent PTR ASX Releases over the past several weeks may assist the reader's knowledge and importance of the Clean Energy Precinct. Those ASX releases were released during November 2011 and include;

- **AGM presentation (includes an audio broadcast available on the Boardroom Radio link)**
- **Independent Resource Estimates**
- **Presentation(s) to Australian Geothermal Energy Conference**
- **Carbon Pricing Presentation**

Competent Persons Statement

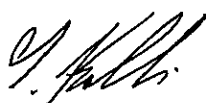
The information in the report to which this statement refers that relates to Exploration Results, Geothermal Resources or Geothermal Reserves is based on information compiled by Dr Graeme Beardsmore, who appears on the Register of Practising Geothermal Professionals maintained by the Australian Geothermal Energy Group Incorporated at the time of the publication of this statement. Dr Beardsmore is employed by Hot Dry Rocks Pty Ltd, an independent consulting group that provides services to Petratherm. Dr Beardsmore 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'. Dr Beardsmore has consented in writing to the inclusion in this statement of the matters based on his information in the form and context in which they appear.

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Yours faithfully



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