

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

\$13 million grant for Paralana Project

Petratherm is pleased to advise that the Paralana Project has been awarded a \$13 million grant by the Australian Renewable Energy Agency (ARENA).

The grant has been awarded under ARENA's Emerging Renewables Program (ERP) to assist in funding the next stage of works at Paralana. That work will involve the drilling and stimulation of the Paralana 3 well - a producer well into the hot rock reservoir created around the existing Paralana 2 well, as part of an applied research project into the site's commercial potential.

The ERP grant is provided on a matching funding basis and includes two key conditions;

- Beach Energy commits to fund its 21% equity share of the matching funding project costs, and;
- Petratherm secures an additional \$5 million in equity (market and/or JV partner(s)) within six months.

The Company is confident that it can satisfy the above conditions and commence the next stage of works at Paralana later this year.

In addition to the above, Petratherm and Beach Energy have renegotiated with ARENA our two existing grants as follows;

- The \$7 million Geothermal Drilling Program grant has been terminated, with remaining balance of \$2.8 million being relinquished, and;
- The \$62.8 million Renewable Energy Demonstration Program grant for a 30 MW project has been varied to \$24.5 million for a reduced 7 MW project.

The changes to the existing grants have been implemented to ensure no crossover between the grants/programs and to reflect the latest information on the projects' costs, in particular sub-surface costs.

The Paralana project JV has also agreed with ARENA to develop a comprehensive project knowledge sharing program with relevant Australian public research institutions (including the Geothermal Research Initiative).

The Company views the awarding of the ERP grant by ARENA as a strong signal of continued support for the Paralana project and the broader development of geothermal energy in Australia.

Yours faithfully



Terry Kallis
Managing Director

About the Emerging Renewables Program – The ERP is a \$126 million grant program that seeks to assist emerging renewable projects such as ocean, geothermal, hybrids and storage. The ERP is administered by the Australian Renewable Energy Agency (ARENA).

About the Joint Venture Participant:

Beach Energy Limited (ASX: BPT) is an oil and gas company headquartered in Adelaide that farmed-in to the Paralana Project in January 2007. Beach Energy holds a 21% interest in the project and can earn up to 36% subject to further funding at the development stage of the project.

MEDIA CONTACT:

Terry Kallis	Petratherm Limited	08 8274 5000 or 0419 810 153
Kieran Hall / Tim Hughes	Hughes Public Relations	08 8412 4100