



## **PETRATHERM BOLSTERED BY \$13 MILLION GRANT FOR PARALANA GEOTHERMAL PROJECT**

Petratherm is set to ramp up activities to develop geothermal energy in Australia after being awarded a new \$13 million grant from the Federal Government.

Announced today by the Australian Renewable Energy Agency (ARENA) as part of its Emerging Renewables Program (ERP), the grant will underpin the next stage of works at the Paralana geothermal energy project in South Australia's Far North, which Petratherm is currently developing with joint venture partner Beach Energy.

The next stage of works includes drilling of the project's second deep well – Paralana 3 – a producer well into the hot rock reservoir created around the existing Paralana 2 deep well. Together the wells will provide a circulation loop through the hot rock to enable commercial production of geothermal power to begin.

Petratherm Managing Director Terry Kallis says the funding announcement is a shot in the arm for the company and provides a major boost to the Paralana project as it draws closer to commercialisation.

"We are absolutely delighted with the grant and also buoyed by the Federal Government's endorsement of the Paralana project which has enormous potential as part of Australia's clean energy future," said Mr Kallis.

"We have budgeted \$26 million for the next stage of works at Paralana, so this \$13 million grant will effectively finance half the project costs.

"It's a massive boost for the entire project and an important vote of confidence by the Government in Petratherm's capabilities and the geothermal energy sector in general."

The ERP grant has been provided to Petratherm on a matching funding basis and following agreement to adjust two existing grants.

In receiving the ERP grant, Petratherm has agreed to relinquish \$2.8 million remaining from its \$7 million Geothermal Drilling Program (GDP) grant, while its \$62.8 million Renewable Energy Demonstration Program (REDP) grant for a 30MW project has been varied to \$24.5 million for a 7MW project.

**20 June 2013**

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The changes to the existing grants have been implemented to ensure no crossover with the new ERP grant and to reflect the latest information on project costs.

Mr Kallis is pleased with the outcome and is looking forward to commencing the next stage of works at Paralana later this year.

“The next stage of works will involve the drilling of a second deep well and the completion of a deep geothermal reservoir at approximately 3.8km depth that connects the two wells with the ultimate aim of demonstrating commercial flows,” he said.

“If successful, we’ll be able to trigger our REDP grant monies which will fund one-third of our initial 3.5MW pilot plant.

“Significantly, once our pilot plant is operational we’ll be able to start generating regular revenue from the project which we’re obviously very excited about too.”

*Additional information about this announcement is available in an Australian Securities Exchange release issued by Petratherm today (see [www.asx.com.au](http://www.asx.com.au)).*

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