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\$100,000 PACE Grant Awarded for Paralana Project to Trial a New Method of Resource Mapping

The South Australian Government's Department of Primary Industries and Resources (PIRSA) announced today that Petratherm with its joint venture partner Beach Petroleum (ASX: BPT) have been awarded a \$100,000 grant as part of the government's 'Plan for Accelerated Exploration' (PACE) Program. The grant, for the Paralana Geothermal Energy Project, will be used towards an evaluation of shear wave splitting as an exploration tool in characterizing Engineered Geothermal Reservoirs.

The state of the art seismic technology utilizes data captured by sensitive geophones positioned around the Paralana Site to monitor natural seismicity (micro-earthquakes) in the area. Shear wave splitting is the phenomenon whereby the propagated shear waves from a seismic event splits into two, a fast component wave and a slow component wave as it moves through a fractured medium.

By recording where this phenomenon occurs at the depth targeted for heat extraction, possible zones of natural fracturing can be identified. Such fracture zones have the potential - to improve the connectivity between production wells and to yield improved fluid flow through geothermal reservoirs in the production stage of the project. Results from this program will complement the information obtained from the recently completed seismic reflection and magneto-telluric surveys and will assist in final targeting of the Paralana 2 Deep Well (up to 4km) scheduled for the second half of 2008.

The results from the program will also assist in establishing an assessment of the background or natural seismicity of the Paralana region.

Yours faithfully,

Terry Kallis
Managing Director

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