

Petratherm Ltd

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9 April 2009

The Manager
Australian Stock Exchange Limited
Company Announcements

PETRATHERM LIMITED

In accordance with Listing Rule 3.10.3, the Company provides the following details of the Company's Share Purchase Plan (SPP) announced on 9 April 2009.

- | | |
|------------------------------|---|
| Class of Securities: | Ordinary Fully Paid |
| Consideration: | Variable depending on the take up of the offer, subject to a maximum of \$5,114,040.88, or 30% of the Company's Ordinary Fully Paid shares on issue in accordance with ASX Listing Rule 7.2, exception 15. |
| Principal Terms: | The shares issued will rank equally with existing Ordinary Fully Paid Ordinary shares on issue. |
| Purpose of the issue: | <p>Funds raised pursuant to the Plan will be applied to fund on-going exploration and development of the Company's projects.</p> <p>In particular, the Company's flagship project Paralana in South Australia. It also intends to advance its Madrid project in Spain.</p> <p>The attached brochure outlines the Company's project portfolio and details for specific projects.</p> |
| Shareholder Approval: | In accordance with ASX Listing Rule 7.2 exception 15, shareholder approval is not required for the issue. |
| Issue to Class: | The issue is to be made to all class of eligible security holders. The Company anticipates that the SPP documents will be dispatched on or about the 16 April 2009. |

Yours faithfully

**DONALD STEPHENS
PETRATHERM LTD
COMPANY SECRETARY**



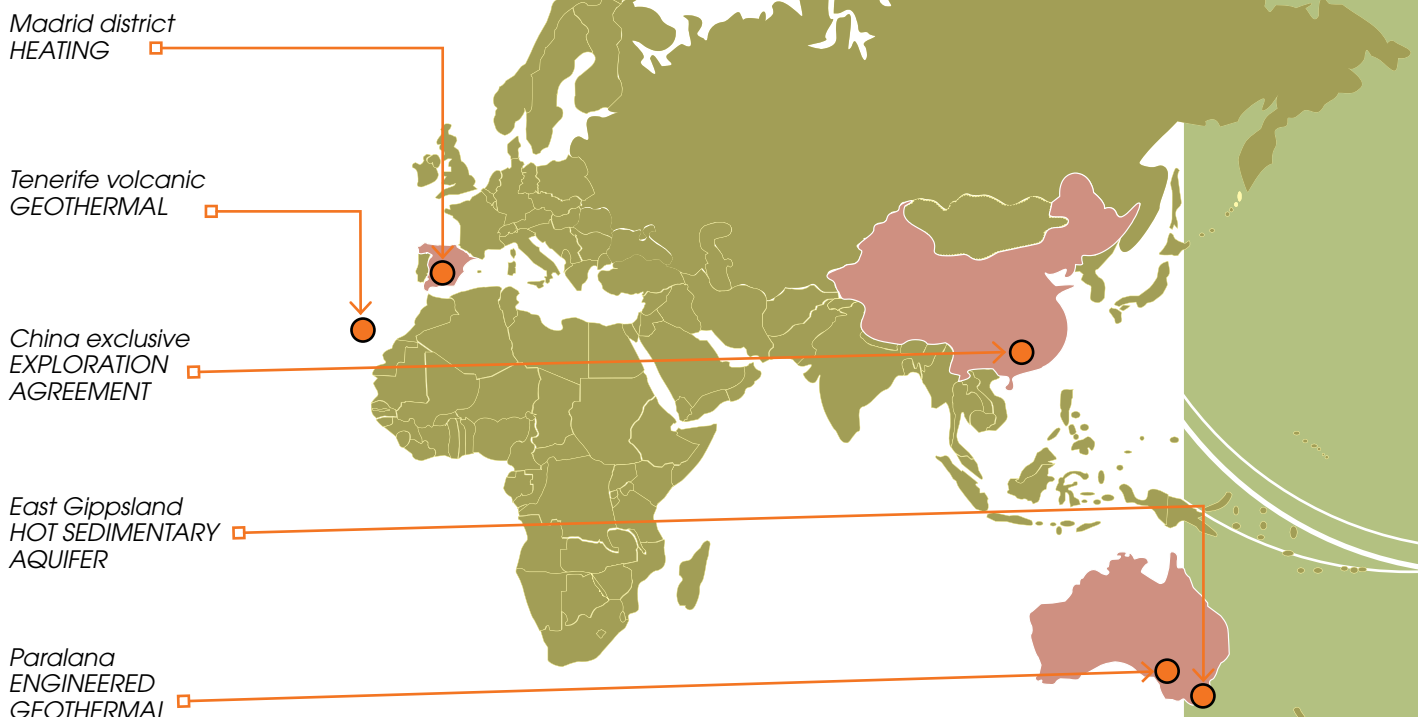
Petratherm is a leading global geothermal energy participant with a favorable risk profile. New technology, such as Engineered Geothermal Systems (EGS), is balanced with lower risk projects, both conventional geothermal (volcanic) and hot water district heating.

Petratherm considers itself a standout among its peers due to:

- The quality and diversity of projects;
- An excellent blend of management skills;
- The funding of its flagship project, through joint venture arrangements with TRUenergy and Beach Petroleum;
- The prospect of early commercialization of both Paralana EGS and the Madrid district heating projects;
- The early identification of strategic areas globally and
- Recognition by Government in the form of a \$5 million REDI grant.

Funds raised through this Share Purchase Plan will be used for the Company's Paralana Project and to unlock the growth potential of projects in Spain.

Petratherm Project Locations





Paralana Project - Building Australia's first large-scale base-load, zero-emission commercial EGS power plant.

The Paralana Project is entering an exciting phase of growth with a deep production well to 4 kilometres and sub-surface testing of the resource scheduled to begin in mid-June this year.

- Paralana is a high temperature EGS resource (modelled temperature of 200°C at 3.6km).
- An independent assessment of total inferred geothermal resource is calculated to be 230,000 ± 40,000 Peta Joules. *Just 1% of the total median inferred resource could run a 260 MW power plant over a 30 year period.*
- The project has the potential to be commercial at all stages of development with plans for initial small-scale, off-grid power supply to Beverley Uranium Mine and with later up-scaling, connection into the National Electricity Market at either Port Augusta or Olympic Dam.
- A staged joint venture partner investment commitment totals \$87 million.
- The partners have applied for a \$7 million Geothermal Drilling Program grant and will apply for further funding from the \$435 million Renewable Energy Development Program.



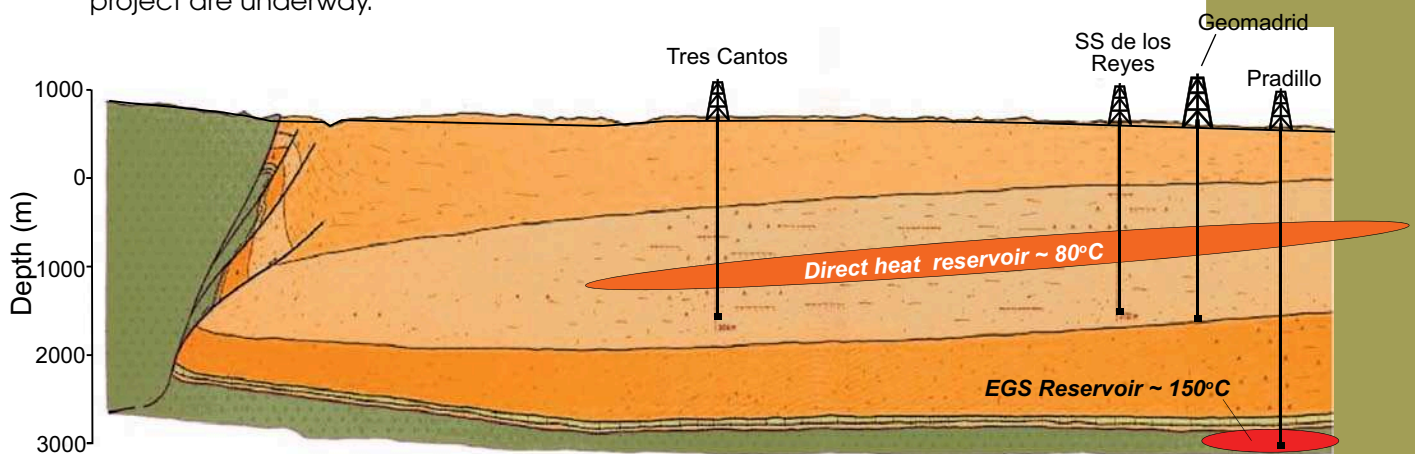
2000HP Weatherford "Lightning" Drilling Rig to be used at Paralana



Madrid Geothermal District Heating Project

Petratherm is working closely with local and regional governments to advance this project. The resource, well understood from previous drilling, will be developed using low risk technology that has operated successfully for over 30 years in Paris, France.

- An independent pre-feasibility study has found that even under conservative assumptions direct heating would be an economic project with attractive returns.
- A study into the demand for both heating and cooling has been completed.
- Two initial key customers identified are the Autonomous University of Madrid and the Madrid Regional Government.
- Advanced commercial talks with third parties interested in joint development of the Madrid district heating project are underway.



Geological cross-section of Madrid tenement, showing location of reservoir based on historical drilling.



Tenerife Conventional Geothermal Power Project

Tenerife is an active volcanic island prospective for low-cost, low-risk conventional geothermal energy resources. The Company intends to undertake an extended magnetotelluric survey to map the extent of the hydrothermal system.

- Power demand (up to 800MW) is currently being met by high-cost fossil fuel.
- Exploration to date indicates the presence of a mature liquid-dominated geothermal reservoir with temperatures of approximately 200°C.
- Geophysical study indicates top of conventional geothermal reservoir is at a depth of approximately 2 kilometres.
- The Company is speaking with potential joint venture partners to help fund a proposed deep drilling program.

Additional Projects

Spanish EGS projects - The Madrid and Barcelona tenements both hold the potential to generate several hundred MW of EGS-based geothermal power. These projects are ideal candidates for the EU's recently announced geothermal capital grants of up to €35 million.

Gippsland Basin - The Company has been awarded a 9,000km² Geothermal Exploration Permit in Victoria's East Gippsland area to develop a hot sedimentary aquifer geothermal project.

China - Petratherm is nearing completion of its Federal Government funded joint development program with Chinese government institutes to identify high-value geothermal projects in mainland China, the world's fastest energy demand hub. The Company has identified several prospective projects and is actively seeking a suitable joint venture partner(s) to fund development of these opportunities.



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