



18 March 2010

Dear Shareholder

INVITATION TO PARTICIPATE IN PETRATHERM LIMITED SHARE PURCHASE PLAN

The Directors of Petratherm Limited (**Company**) are pleased to offer shareholders the opportunity to participate in its Share Purchase Plan. The plan entitles eligible shareholders of the Company to purchase up to A\$15,000 worth of fully paid ordinary shares in the capital of the Company, free from all brokerage and commissions. The amount an eligible shareholder can subscribe for will be restricted to a cumulative total of A\$15,000 (including the worth of any shares subscribed for in Petratherm's April 2009 Share Purchase Plan). Please refer to the terms and conditions for further details.

Shareholders can purchase up to 62,500 shares at a price of 24 cents per share (A\$15,000), subject to the provisions of the 'Share Purchase Plan Terms and Conditions'.

Shareholders may apply for a choice of six variable numbers of shares, with a minimum of A\$1,000 (4,166 shares), the next option of A\$3,000 (12,500 shares) followed by A\$5,000 (20,833 shares), A\$7,500 (31,250 shares), A\$10,000 (41,666 shares) with a maximum subscription of A\$15,000 (62,500 shares).

The Share Purchase Plan will open on 18 March 2010 and **close at 5.00 pm (Adelaide time) on Friday, 9 April 2010**. The Directors reserve the right to vary this date. Shareholders with a registered address in Australia or New Zealand as at 7.00 pm (Adelaide time) on the 9 March 2010 are eligible to participate in the offer.

Accompanying this letter are three documents:

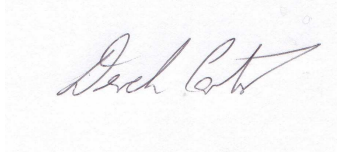
1. a brochure detailing projects that the Company, in coming months, will be exploring and developing in its own right, in particular the Company's flagship Paralana project in South Australia and, in conjunction with the Italian company Enel Green Power SpA, the Company's Spanish projects, notably the Canary Islands;
2. 'Share Purchase Plan Terms and Conditions' which explains how the new shares will be issued should you participate in this offer; and
3. a personalised Application Form which you need to complete in accordance with the instructions provided and return to the Company's Share Registry office, Computershare Investor Services Pty Limited, with payment, in the reply paid envelope, so that it is received no later than 5.00 pm (Adelaide time) on 9 April 2010. If payment is made by BPAY, you do not need to return the Application Form but your payment must be received by 5.00 pm (Adelaide time), on 9 April 2010.

The use of the funds raised is explained in clause 14 of the accompanying 'Share Purchase Plan Terms and Conditions'.

I refer you to our recently updated website at www.petratherm.com.au to access all publicly announced information on the Company, including the promotional DVD explaining the Company and in particular the HEWI model. Hard copies of this DVD are available to be picked up from the Company's office at Level 1, 129 Greenhill Road, Unley, South Australia if required.

I hope that you will give favourable consideration to this offer as a convenient means of increasing your holding in the Company as we move towards the proof concept at our Paralana project and progress our prospective international projects.

Yours faithfully

A handwritten signature in black ink, appearing to read "Derek Carter", is centered within a light gray rectangular box.

Derek Carter
Chairman

Encls.



Petratherm Ltd
ACN 106 806 884



Please return completed form to:
Computershare Investor Services Pty Limited
GPO Box 2987 Adelaide
South Australia 5001 Australia
Enquiries (within Australia) 1300 556 161
(outside Australia) 61 3 9415 4000
web.queries@computershare.com.au
www.computershare.com

Entitlement Number:
Record Date: 9 March 2010
Offer Closes: 5.00pm (Adelaide time) 9/4/10
Price per Share: A\$0.24

SHARE PURCHASE PLAN APPLICATION FORM

This personalised form can only be used in relation to the securityholding represented by the SRN or HIN printed above. This is an important document and requires your immediate attention. If you are in doubt about how to deal with this document, please consult your financial or other professional adviser.

Pursuant to the terms and conditions of the Petratherm Limited Share Purchase Plan (SPP) contained in the letter to Petratherm Limited securityholders dated 18 March 2010, Petratherm Limited is offering eligible securityholders the opportunity to purchase shares up to a maximum value of A\$15,000.00 per eligible securityholder, subject to a minimum application of A\$1,000.00.

If you do not wish to purchase additional shares under this offer there is no need to take action.

By making your payment, you agree to be bound by the Constitution of Petratherm Limited and agree that the submission of this payment constitutes an irrevocable offer by you to Petratherm Limited to subscribe for Petratherm Limited Shares on the terms of the SPP. In addition, by submitting this Application Form you certify that the aggregate of the application price paid by you for:

- the Shares the subject of this Application; and
- any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of this Application Form (including the April 2009 SPP), does not exceed A\$15,000.00.

METHOD OF ACCEPTANCE

You can apply for shares and make your payment utilising one of the payment options detailed overleaf.

Petratherm Limited may make determinations in any manner it thinks fit, in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant or application. Any determinations by Petratherm Limited will be conclusive and binding on all eligible securityholders and other persons to whom that determination relates. Petratherm Limited reserves the right to waive strict compliance with the terms and conditions of the SPP, to amend or vary those terms and conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all eligible securityholders even where Petratherm Limited does not notify you of that event.

A Credit Card Payment Details

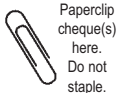
Note: Only Mastercard and Visa are accepted.

Mastercard Visa Card Number

Card Holder Expiry Date CCV Number

Signature

110727 - V2



Paperclip cheque(s) here. Do not staple.



Please see overleaf for Payment Options

A\$ PTR Shares Acquired 2009 SPP

A\$

Maximum A\$ amount available for purchase in 2010 SPP

A\$

B I/We wish to purchase:

4,166 shares A\$1,000 or 12,500 shares A\$3,000 or 20,833 shares A\$5,000 or 31,250 shares A\$7,500 or 41,666 shares A\$10,000 or 62,500 shares A\$15,000

* These share amounts may be subject to scale-back in accordance with the terms of the SPP.

C Payment Details – Please note that funds are unable to be directly debited from your bank account

C Drawer Cheque number BSB number Account number Cheque amount A\$

Make your cheque or bank draft payable to Petratherm Limited Share Purchase Plan

D Contact Details

Please provide your contact details in case we need to speak to you about this slip

Name of contact person

Contact person's daytime telephone number

()

How to complete the Application Form

Please note that photocopies of this form will not be accepted. These instructions are cross-referenced to each section of the Application Form.

A Payment Details - Credit Card

Visa and Mastercard are the only cards that can be used to support this application. Complete the "Payment by Credit Card" section of the Application Form by indicating the type of card with a tick in the appropriate box. Be sure to show the name and numbers exactly as shown on the card.

The payment is not guaranteed to be processed until the end of the offer period and neither the Company nor CIS will be liable for any issues arising from insufficient funds being available (ie. in the event the payment is declined at the point of process, the Company reserves the right to reject the application but will endeavour to discuss the matter with the applicant).

The CCV Number is found on the signature strip of the reverse of the credit card. Only the last three numbers are required.

B Shares applied for and Acceptance Monies

You can choose to subscribe for as many shares as you wish (based on the choices outlined overleaf subject to maximum subscription of A\$15,000.00 (62,500 shares)).

C Payment Details - Cheques

You can apply for shares by utilising the payment options detailed below.

There is no requirement to return this form if paying by BPAY®.

By making your payment using either electronic means or by cheque, bank draft or money order, you confirm that your cheque, money order or bank draft is made in Australian currency and drawn on an Australian branch of a financial institution. Such payment must be made payable to Petratherm Limited Share Purchase Plan and crossed "Not Negotiable". Payments not properly drawn may be rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Acceptance form being rejected. Paperclip (do not staple) your cheque(s) to the form where indicated. Cash will not be accepted. Receipt of payment will not be forwarded.

D Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

The directors reserve the right to make amendments to this form where appropriate.

Lodgement of Acceptance

If you are applying for shares and your payment is being made using BPAY, you do not need to return this form. Your payment must be received by no later than 5.00pm (Adelaide time) on 9 April 2010. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

Ensure you have read and accurately followed your banking institution's BPAY FAQ or other instructions prior to making multiple payments for multiple holdings under this offer. Neither CIS nor Petratherm Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments

If you are paying by credit card, cheque, bank draft or money order, your Application Form must be received at the Adelaide office of Computershare Investor Services Pty Limited (CIS) by no later than 5.00pm (Adelaide time) on 9 April 2010. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for securityholders in Australia. New Zealand holders will need to affix the appropriate postage. Return your Acceptance Form with (if applicable) cheque, bank draft or money order to the address listed below. Neither CIS nor the Company accepts any responsibility if you lodge this Application Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by CIS, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by CIS, or you would like to correct information that is inaccurate, incorrect or out of date, please contact CIS. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting CIS. You can contact CIS using the details provided on the front of this form or E-mail privacy@computershare.com.au

If you have any enquiries concerning this form or your entitlement, please contact CIS on 1300 556 161.

This form may not be used to notify your change of address. For information, please contact CIS on 1300 556 161 or www.computershare.com (Certificated/Issuer Sponsored Holders only).

CHES holders must contact their Controlling Participant to notify a change of address.

Share Price

The Share application issue represents an approximate discount of 19.19% to the 5 day average closing price of the Company's shares prior to 9 March 2010. Please note that the price of Shares may rise or fall between the date of this offer and the date when the Shares are issued to you and hence any discount you obtain may be more than or less than this.

© Registered to BPAY Pty Ltd ABN 69 079 137 518

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Payment Options:



Billers Code:

Ref No:

Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au



By Mail

Petratherm Limited
Computershare Investor
Services Pty Limited
GPO Box 2987
Adelaide, South Australia 5001
AUSTRALIA



Accepting by Credit Card:

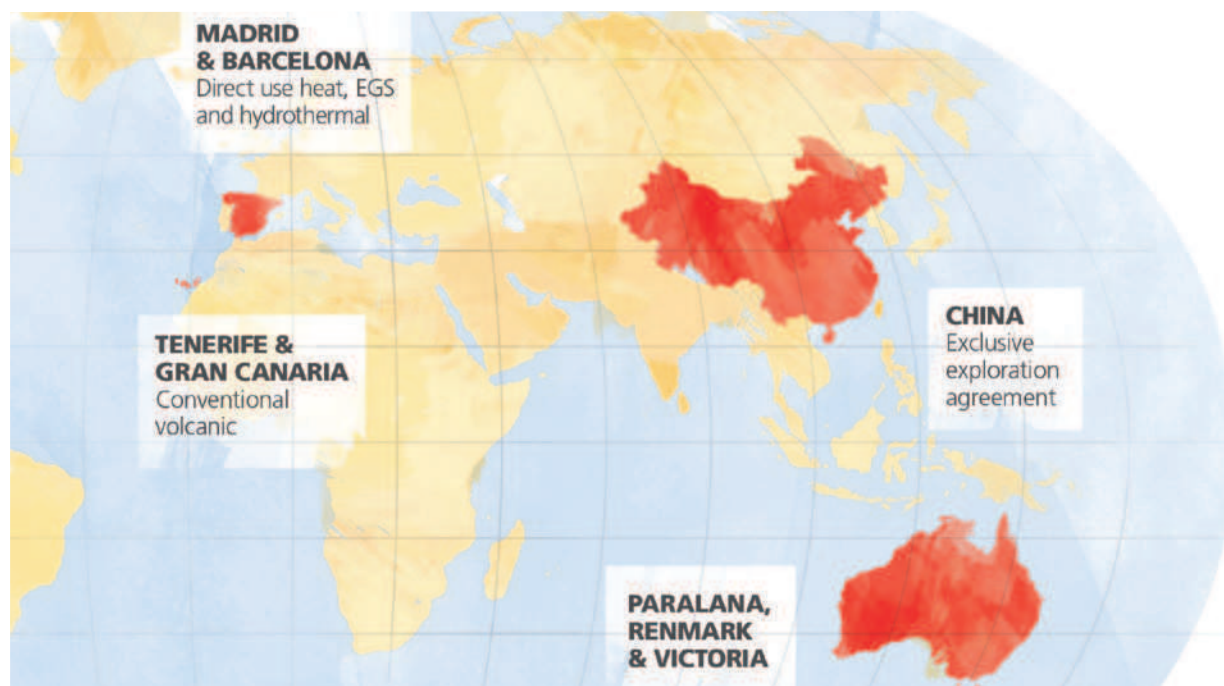
Visa and Mastercard are the only cards that can be used to support this application. Complete the "Payment by Credit Card" section of the Application Form by indicating the type of card with a tick in the appropriate box. Be sure to show the name and numbers exactly as shown on the card.

CLEAN ENERGY FOR FUTURE GENERATIONS

Petratherm is a leading global geothermal energy company with a favourable risk profile. The company balances new technology such as Engineered Geothermal Systems (EGS) with lower risk projects involving conventional geothermal (volcanic) and hot water district heating.

Petratherm considers itself a standout amongst its peers due to:

- The quality and diversity of its projects
- An excellent blend of management skills
- The successful drilling and casing of an injection well to 3.7 kilometres at the Paralana geothermal energy project
- The funding of its flagship project Paralana, through joint venture contributions from Beach Energy and TRUenergy
- Recognition by Government in the form of a \$7 million Geothermal Drilling Program (GDP) grant and a \$62.8 million Renewable Energy Demonstration grant for the Paralana project
- The recent Memorandum of Understanding with Enel, Europe's second largest listed utility that is highly experienced in geothermal energy, to jointly develop our Spanish projects and extend exploration to Portugal
- The prospect of early commercialization of the Paralana EGS, Tenerife volcanic and the Madrid district heating projects
- The early identification of strategic areas globally, such as China



Funds raised through this Share Purchase Plan will be used for the Company's Paralana Project and to develop, in conjunction with Enel, our Spanish projects, notably in the Canary Islands.



Volcanic peak, Mount Teide, Tenerife

Spain

Petratherm has recently signed a Memorandum of Understanding (MoU) with Enel Green Power to jointly develop all electricity projects on mainland Spain, the Canary Islands and Portugal. Enel Green Power is part of the Enel Group which is Europe's second largest listed utility company.

Enel is highly experienced with geothermal energy and has more than 700 MW of power generation capacity operating and 250 MW under development. Enel also owns the Spanish electricity utility Endesa which is the incumbent utility in the Canary Islands and has franchise areas in Madrid and Barcelona.

The MoU with Enel covers;

- Exploration costs to be shared on a 50/50 basis
- Joint management committee to oversee exploration program
- Enel to contribute to 50% of past and ongoing exploration costs for Tenerife
- Enel to fully fund the first deep production (2kms to 3kms) well in return for its equity stake
- Expansion of project exploration into Portugal

The forward exploration program for Tenerife, following the recently completed magneto-telluric study, includes a slim line well (up to 1km) planned for the second half of calendar 2010.



*Peter Reid, Exploration Manager
Petratherm*

Petratherm has four key project areas across mainland Spain and the Canary Islands.

- **Madrid** District Geothermal Heating project where the Company has a large 20km by 20km tenement area and has signed a cooperative agreement with the Spanish Federal and Madrid Regional governments
- **Barcelona** where the Company is assessing the potential for both district heating and electricity production development
- **Tenerife and Gran Canaria** islands, the two largest islands of the Canary Islands archipelago where the Company is targeting conventional high temperature volcanic-based geothermal electricity production



Paralana

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

The Paralana Project is entering an exciting phase following:

- The completion of the Paralana deep injector well that was successfully drilled, cased and cemented to 3,725 metres in mid December 2009
- Temperatures of 190°C at 4,000 metres are significantly higher than our minimum temperature of 170°C that we have targeted for the economic development of the Paralana resource

The next stages of the HEWI proof of concept work during calendar 2010 will include fracture stimulation, the drilling of Paralana 3 deep producer well and circulation testing to confirm target flow rates.

- An independent resource assessment of a total inferred geothermal resource is calculated to be 230,000 ± 40,000 Petajoules. *Just 1% of the total inferred resource could run a 260 MW power plant for over a 30 year period*
- The project has the unique potential to be commercial at all stages of development with plans for initial small-scale, off grid power supply to the Beverley Mine and with later up-scaling, connection into the National Electricity Market at either Olympic Dam or Port Augusta

- A staged joint venture partner investment commitment totals \$87 million plus their equity
- Government grant funding support awarded during 2009 includes \$7 million (GDP) towards proof of concept – with \$2.8 million remaining for the drilling of Paralana 3 well - and \$62.8 million toward a 30 MW commercial demonstration project

L-R Hon Martin Ferguson, Federal Minister for Resources and Energy, Terry Kallis, Managing Director of Petratherm, and the Hon Mike Rann, Premier of SA



BE PART OF PETRATHERM'S BLUE SKY FUTURE

Northern Flinders Ranges

Heliotherm

Heliotherm Limited, a 100% owned subsidiary company of Petratherm Limited, has entered into an exclusive agreement with the University of Adelaide to develop the Heliotherm integrated technology project and has been offered a \$0.8 million grant under the Premier's Science and Research Fund (PSRF).

The innovative project aims to reduce the cost of solar thermal technology by up to 40% through the integration of solar thermal, geothermal and combustion technologies.

Over the coming months, Petratherm Limited (through Heliotherm Limited) and the University of Adelaide plan to secure additional Commonwealth and State Government grant funding, including up to \$5 million available under the Australian Solar Institute Program and from Renewables SA.

L-R Hon Mike Rann, Premier of SA, Derek Carter, Chairman of Petratherm, Hon Martin Ferguson, Federal Minister for Resources and Energy



The information in this report relating to geothermal exploration results and geothermal resources is based on information compiled by P.W. Reid, a full time Petratherm employee. Mr Reid has sufficient experience in the style of geothermal play under consideration to qualify as a Competent Person under the Australian Code for Reporting of Exploration Results, Geothermal Resources and Geothermal Reserves (2008 edition). Mr Reid consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Petratherm Ltd
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**PETRATHERM LIMITED
ACN 106 806 884**

SHARE PURCHASE PLAN

TERMS AND CONDITIONS

TERMS AND CONDITIONS

These terms and conditions are the terms and conditions of the Petratherm Limited (**Company**) share purchase plan (**Plan**) and are binding on any shareholder who offers to acquire fully paid ordinary shares in the Company (**Shares**) under the Plan.

1. THE OFFER

The Offer is an invitation to offer to subscribe for Shares in the Company at \$0.24 per Share for a choice of subscription amount of \$1,000 (4,166 Shares), \$3,000 (12,500 Shares), \$5,000 (20,833 Shares), \$7,500 (31,250 Shares), \$10,000 (41,666 Shares) or \$15,000 (62,500 Shares). You may apply for any one of these as specified in the Application Form. You are under no obligation to make an offer to acquire Shares. The Offer to each eligible shareholder is made on the same terms and conditions. The Offer is non-renounceable (meaning that you may not transfer your right to acquire a Share under the Offer to anyone else).

2. OPENING AND CLOSING DATE OF THE OFFER

The Offer opens at 9.00 am (Adelaide time) on 18 March 2010. The Offer closes at 5.00 pm (Adelaide time) on 9 April 2010. The Directors of the Company reserve the right to change the closing date of the Offer.

No late applications will be accepted.

3. ELIGIBILITY

You are eligible to apply for Shares if:

- (a) your registered address in the Company's register of members is in Australia or New Zealand; and
- (b) you were registered or taken to be registered as a holder of fully paid ordinary shares in the Company as at 7.00 pm (Adelaide time) on 9 March 2010.

The Directors of the Company have determined that it is not practical for holders of shares with registered addresses in jurisdictions other than Australia and New Zealand to participate in the Plan.

To the extent that you hold shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any acceptance is in compliance with all applicable foreign laws.

Single holders: If you are the only registered holder of a holding of Shares, but you receive more than one offer under the Plan (for example due to multiple registered holdings), you may only apply for one maximum parcel of Shares.

Joint holders: If you are recorded with one or more other person as the joint holder of a holding of Shares, that joint holding is considered to be a single registered holding for the purpose of the Plan, and the joint holders are entitled to participate in the Plan in respect of that single holding only. If the same joint holders receive more than one offer under the Plan due to multiple identical holdings, the joint holders may only apply for one maximum parcel of Shares.

Custodians, trustees and nominees: If you are a custodian, trustee or nominee within the definition of ‘custodian’ in ASIC Class Order [CO 09/425] (**Custodian**) and hold Shares on behalf of one or more persons (each a **Participating Beneficiary**), you may apply for up to a maximum of \$15,000 worth of Shares for each Participating Beneficiary, subject to providing a notice in writing to the Company (**Custodian Certificate**) certifying the following:

- that you hold Shares on behalf of Participating Beneficiaries who have instructed you to apply for Shares on their behalf under the Plan;
- the number of Participating Beneficiaries;
- the name and address of each Participating Beneficiary;
- the number of Shares that you hold on behalf of each Participating Beneficiary;
- the number or dollar amount of Shares which each Participating Beneficiary has instructed you to apply for on their behalf;
- that there are no Participating Beneficiaries in respect of which the total of the application price exceeds \$15,000 worth of Shares, calculated by reference to Shares applied for by you as Custodian on their behalf under:
 - the Plan; and
 - any other Shares issued to you as Custodian in the 12 months before your application under an arrangement similar to the Plan,

in each case, as a result of an instruction given by them to you as Custodian to apply for Shares on their behalf.

For the purposes of ASIC Class Order [CO 09/425] you are a ‘custodian’ if you are a registered holder that:

- holds an Australian financial services licence that:
 - covers the provision of a ‘custodial or depository service’ (as defined in section 766E of the *Corporations Act 2001* (Cth)); or
 - includes a condition requiring the holder to comply with ASIC Class Order [CO 02/294]; or
- is exempt under:
 - paragraph 7.6.01(1)(k) of the *Corporations Regulations 2001* (Cth); or
 - ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184],

from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service.

If you hold Shares as a trustee or nominee for another person, but are not a Custodian as defined above, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.

If you require a Custodian Certificate or would like further information on how to apply, you should contact Computershare Investor Services Pty Limited.

4. ISSUE PRICE AND RELATIONSHIP TO MARKET PRICE

The issue price for each Share under the Offer is \$0.24 which represents a discount to the closing price of the Company's Shares on Australian Securities Exchange (**ASX**) as at 9 March 2010 (the day before announcement of the Plan) of \$0.07 or 22.58%. The issue price has been calculated in accordance with ASX Listing Rule 7.2 Exception 15.

5. RIGHTS ATTACHING TO SHARES

The rights and obligations of the Shares are contained in the constitution of the Company (which is available for inspection at the registered office of the Company during the period of the Offer). All Shares issued under the Plan will rank equally with existing Shares from the date of issue, and therefore will carry the same voting rights, dividend rights and other entitlements as existing Shares.

The Company will apply for the Shares to be quoted on ASX. If the Shares are not to be quoted on ASX, the Shares will not be issued and application funds will be refunded without interest.

6. APPLICATION FOR SHARES

If you are an eligible shareholder you may, as described above, apply to purchase:

- 4,166 Shares for \$1,000;
- 12,500 Shares for \$3,000;
- 20,833 Shares for \$5,000;
- 31,250 Shares for \$7,500;
- 41,666 Shares for \$10,000; or
- 62,500 Shares for \$15,000.

In accordance with ASIC Class Order [CO 09/425] eligible shareholders may only acquire a maximum of \$15,000 worth of Shares under a share purchase plan in any 12 month period. Eligible shareholders were invited to apply for up to \$5,000 worth of Shares under the Company's April 2009 share purchase plan (**April 2009 Plan**). This means that eligible shareholders must not acquire more than \$15,000 worth of Shares in aggregate, after combining their participation in the April 2009 Plan (if any) with an application made under this Plan. If you are eligible to participate in this Plan and you:

- did participate in the April 2009 Plan, you may only apply for up to \$15,000 less the worth of Shares which you acquired under the April 2009 Plan; or
- did not participate in the April 2009 Plan, you may apply for up to \$15,000 worth of Shares in this Plan.

For example, if you acquired \$5,000 worth of Shares under the April 2009 Plan, you may only apply for a maximum of \$10,000 worth of Shares under this Plan.

The Company reserves the right in its absolute discretion to reject any application for Shares to the extent that it considers that the application (whether alone or in conjunction with other applications) does not comply with these terms and conditions or for any other reason. If an application is refused, the application monies received will be refunded without interest.

The Company may, in its absolute discretion, undertake a scaleback to the extent and in the manner it sees fit. Any scaleback will be announced on the allotment date. If there is a scaleback, a shareholder may not receive any or all of the Shares for which it applied.

If the Company undertakes a scaleback, the difference between the allocation amount (being the number of Shares actually allotted multiplied by the issue price) and the application amount paid to the Company by the applicant will be refunded (without interest) by cheque and mailed to the applicant's registered address after the date the Plan is despatched.

7. PARTICIPATION COSTS

You must pay the issue price per Share and any fees or charges incurred by you in completing the Application Form, for example bank fees or fees of your professional advisers. No brokerage, commission or other participation costs are payable by you in respect of the acquisition of Shares under the Plan.

8. ALLOTMENT OF SHARES

The Shares will be allotted as soon as possible after the closing date. The Company will send or cause to be sent to you a holding statement in due course.

9. PAYMENT FOR THE SHARES

All amounts in this Offer are expressed in Australian dollars.

Do not forward cash.

BPAY®: You may pay for the Shares via BPAY® by using the personalised reference number shown on your enclosed Application Form which is required to identify your holding. If you make your payment using BPAY® you do not need to return your Application Form. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares the subject of your payment. New Zealand holders will not be able to make a payment using BPAY®.

Cheque: You may pay by cheque, bank draft or money order in which event you must return your Application Form together with a cheque, bank draft or money order in Australian dollars for the correct amount drawn on an Australian bank and made payable to 'Petratherm Limited Share Purchase Plan'.

Credit Card: Alternatively, payment can be made by credit card by following the instructions on the enclosed Application Form and returning your Application Form.

Receipts for payment will not be issued.

If you pay an incorrect amount the Company reserves the right to vary your application, return some or all of your payment, or both, as it deems appropriate in its sole discretion. The Company may round the payment down to the lower appropriate amount and return the unused funds. Any applications for less than \$1,000 will be returned. The Company may otherwise determine that your application is invalid or defective. No interest will be paid on any refunds made for any reason.

10. OFFERS UNDER THE PLAN

The Company may make more than one invitation to acquire Shares under the Plan in any 12 month period. Shareholders will not be able to acquire Shares to a value exceeding \$15,000 pursuant to the Plan in any 12 month period. The Company may amend the terms of the Plan to provide for different terms to apply to different invitations. The Company may suspend or terminate the Plan at any time. Any such amendment, suspension or termination will be binding on all eligible shareholders even where the Company does not notify you of that event.

11. APPLICATION OF PLAN

The Company may act or omit to act in relation to the Plan (including applying the terms of the Plan) in its absolute discretion. The Company may settle any difficulty or question of fact or interpretation in relation to the Plan in any manner it thinks fit, whether generally or in relation to any participant,

application or Share. The Company's decision will be conclusive and binding on all eligible shareholders and other persons to whom the decision relates. The Company reserves the right to waive strict compliance with the terms of the Plan. The Company's rights and powers under clause 10 and this clause 11 may be exercised by the Board of Directors of the Company or any delegate of the Board.

12. RISK

Subscription under the Plan is a speculative investment and the market price of Shares may change between the date of the Offer, the date you apply for Shares and the date of issue of Shares to you. Accordingly, the value of Shares applied for may rise or fall.

This Offer is not a prospectus and does not require the types of disclosures required under the *Corporations Act 2001* (Cth). You must rely on your own knowledge of the Company, previous disclosures made by the Company to ASX and, if necessary, consult your professional advisers when deciding whether or not to accept the Offer and participate in the Plan.

13. PRIVACY

By receiving completed Application Forms, the Company collects personal information about shareholders. The Company will use this information for the purposes of processing the Application Form and updating the records of the Company. Unless required by the law, the Company will not disclose the personal information of a shareholder to a third party or use the personal information for another purpose without the consent of the shareholder. Except as stated by the law, shareholders are able to access, upon request, their personal information or if you wish to obtain a copy of the Company's privacy policy, please contact us.

14. USE OF FUNDS

Funds raised pursuant to the Plan will be applied to fund on-going exploration and development of the Company's projects, in particular the Company's flagship Paralana project in South Australia and, in conjunction with the Italian company Enel Green Power SpA, the Company's Spanish projects, notably the Canary Islands.

The attached brochure outlines the Company's project portfolio and details for specific projects.

15. ASIC CLASS ORDER [CO 09/425] COMPLIANCE

This offer of Shares under the Plan is made subject to and in accordance with the requirements of ASIC Class Order [CO 09/425]. That Class Order grants relief from the requirement to prepare a prospectus for the offer of Shares under the Plan.

16. DECLARATION AND ACKNOWLEDGEMENT

By making payment via BPAY®, forwarding a cheque, bank draft or money order and the completed Application Form or forwarding the completed Application Form where paying by credit card, you:

- (a) irrevocably and unconditionally agree to these terms and conditions and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the Plan;
- (b) agree to accept any lesser number of Shares than the number of Shares applied for;
- (c) certify that the aggregate of the application price for:
 - (i) the Shares the subject of the application; and
 - (ii) any other shares applied for by you or which you have instructed a Custodian to acquire on your behalf, under the Plan, the April 2009 Plan and any similar arrangement operated by the Company in the 12 months prior to the application,

(including through joint and beneficial holdings) does not exceed \$15,000;

- (d) agree to be bound by the Company's constitution in respect of Shares issued under the Plan;
- (e) accept that you will not be able to withdraw or revoke your application once it has been sent to the Company or payment has been made by you via BPAY®;
- (f) authorise the Company (and its officers or agents) to correct any error or omission in your Application Form and to complete the Application Form by the insertion of any missing details;
- (g) acknowledge that the Company may at any time determine that your Application Form is valid, in accordance with these terms and conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
- (h) accept the risk associated with any refund that may be sent to you by cheque to your address shown on the Company's register of members;
- (i) acknowledge that you are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque for payment which is dishonoured;
- (j) acknowledge that neither the Company nor Computershare Investor Services Pty Limited has provided you with investment advice or financial product advice, and that neither has any obligation to provide this advice, concerning your decision to apply for and buy Shares;
- (k) acknowledge that the Company is not liable for any exercise of its discretion referred to in these terms and conditions; and
- (l) certify that your acceptance of an offer under the Plan will not result in any person breaching the 20% limit imposed by section 606 of the *Corporations Act 2001* (Cth).

17. GOVERNING LAW

The Offer is governed by the law in force in South Australia. By accepting the Offer, you submit to the non-exclusive jurisdiction of the Courts of South Australia.

18. IMPORTANT DATES

The important dates in relation to this Offer are summarised below. These dates are indicative only and subject to change at the discretion of the Directors of the Company.

Record date for eligibility to participate in the Plan	9 March 2010
Offer opening date	18 March 2010
Offer closing date (subject to Directors' discretion to vary)	9 April 2010
Allotment date	20 April 2010
Dispatch of holding statements	23 April 2010