

ASX Release

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Paralana Project Update

Petratherm and its JV partners Beach Energy and TRUenergy Geothermal advise that work at the Paralana geothermal project site has been delayed by at least four days due to heavy rainfall that has occurred in the region over the past few days.

The rains have delayed the deployment of the necessary equipment to the site. Current expectations are that mobilization of equipment would commence later this week.

As advised previously the forward plan for the Paralana 2 well is to clean the well – replacing the heavy brine solution used during the cementing process with water – immediately prior to the perforation and injection process.

The planned two stage fracture stimulation program is as follows;

Stage 1 – early December - Perforation and injectivity test
perforation of the steel casing at the bottom of the Paralana 2 well and injection of a small volume of water to confirm fracture initiation and propagation (Refer figure overleaf).

Stage 2 – Feb/Mar 2011 - Fracture stimulation - inject larger volume of water at higher rates. The volumes and rates to be dependent on the micro-seismic response measured by the installed micro-seismic array (schedule to be determined subject to equipment availability).

The aim is to create a fracture network and to connect to and enhance the existing natural fracture network that contained over-pressured brines found during drilling of Paralana 2.

The work will assist in determining the location of the Paralana 3 well and it seeks to further de-risk the Paralana geothermal energy project.

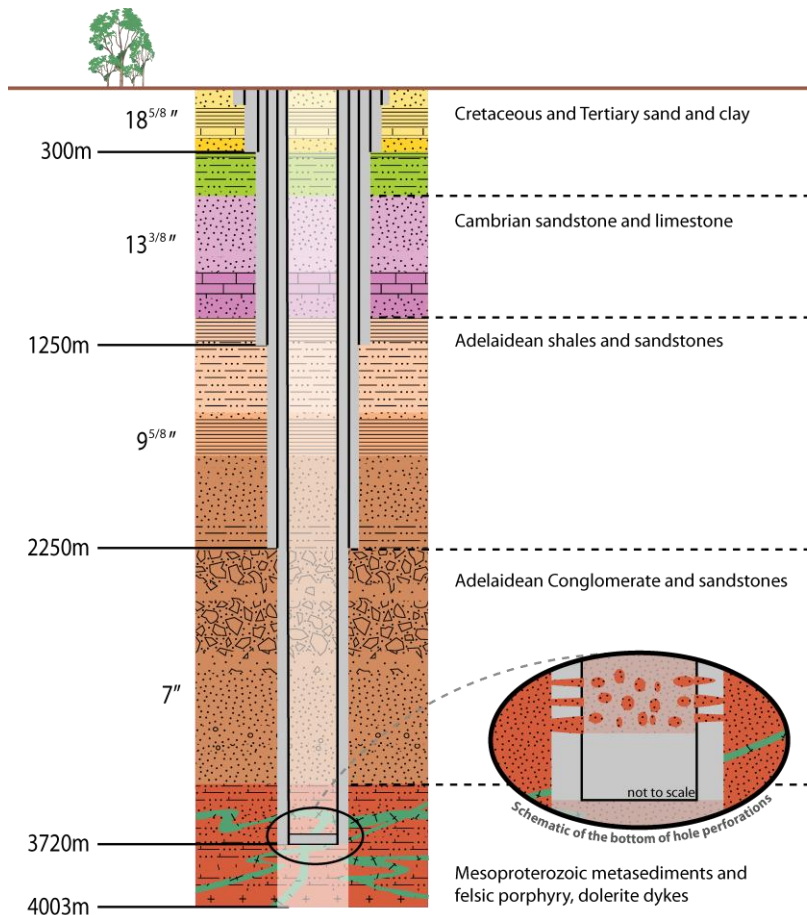


Figure - Paralana well 2 – fracture stimulation zone and target interval

Terry Kallis
Managing Director, Petratherm Limited

Competent Persons Statement

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 of the material herein in the form and context in which it appears.

ABOUT THE JOINT VENTURE PARTNERS:

Beach Energy (ASX: BPT) is an oil and gas company headquartered in Adelaide that farmed-in to the Paralana Project in January 2007.

TRUenergy Geothermal is a wholly owned subsidiary of the CLP group, one of the largest publicly-listed power businesses in Asia Pacific. TRUenergy Geothermal farmed-in to the Paralana project in August 2008.

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