



GEODYNAMICS LIMITED

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ASX Announcement

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Development consent received for exploration drilling on Savo Island

Geodynamics Limited (ASX:GDY) and its joint venture partner Kentor Energy Pty Ltd, a subsidiary of KGL Resources Ltd (ASX:KGL) are pleased to announce receipt of development consent relating to exploration activities for the Savo Island Geothermal Power Project in Solomon Islands from the Solomon Islands Department of Environment.

The granting of development consent follows review of the Savo Island Geothermal Project Environmental and Social Impact Assessment (ESIA) and Environmental Management Plan (EMP). The ESIA and EMP provide a comprehensive guide to the monitoring, mitigation and remediation measures that will be implemented by Geodynamics for exploration drilling activities.

Geodynamics' CEO Geoff Ward said "With the approval of the ESIA and EMP and granting of development consent for exploration drilling we have secured all the necessary regulatory approvals to commence geothermal drilling activities on Savo Island.

With regulatory approvals in place our focus is now on concluding negotiations with the Solomon Islands Electricity Authority and Solomon Islands Government on the key terms of the power purchase agreement necessary to underwrite the project.

We are excited at the prospect of starting exploration drilling later this year to further progress this project that has material benefits for the Solomon Islands."

The ESIA highlighted the potential positive impacts for the Solomon Islands from the proposed projects, by replacing imported diesel fuel with a sustainable locally produced electricity supply. This would make the Solomon Islands less dependent on imported fuel, while also increasing reliability of supply at reduced end user prices.

The report also found that the geothermal project would more broadly benefit the Solomon Islands economy by contributing to socio-economic development through direct

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and indirect employment and training opportunities, as well as increased business and industry opportunities in Honiara and through the greater demand for goods and services to support exploration activities. The development can be undertaken with low impact on the local environment at Savo Island, while providing employment training and small business development opportunities to the local community on Savo.

For further information, please check our website (www.geodynamics.com.au) or contact Mr Geoff Ward on + 61 7 3721 7500. Media and investor inquiries may also be directed to Friederike Graser, on +61 7 3721 7588.

A handwritten signature in black ink, appearing to read "Geoff Ward", written in a cursive style.

Geoff Ward
Managing Director and Chief Executive Officer

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About Geodynamics

Geodynamics is the leading Australian geothermal exploration and development company. Geodynamics possesses some of the best geothermal resources in the world and is rapidly developing technology to exploit the resource. Geothermal energy has the potential to be a critical element of Australia's future power generation and Geodynamics is at the forefront of development.

About the Savo Island Project

The Savo Island Geothermal Power Project is a proposed ~20 (MW) geothermal power plant located on Savo Island in the Solomon Islands. The Project is being developed by Joint Venture partners Kentor Energy Pty Ltd and Geodynamics who currently holds a 25 per cent interest, with the ability to earn up to a 70 per cent. Geodynamics is the Project Operator.

About Honiara's electricity requirements

Honiara has a peak electricity consumption of approximately 14 MW, with an average base load of 8.5 MW, with the Gold Ridge Mine being another major energy consumer on Guadalcanal having an electricity consumption in the order of 12 to 18 MW. Based on the current electricity demand from Honiara and industrial operations nearby, Geodynamics project, could be capable of supplying 100 per cent of all base load power to the region.