

ASX Release

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PETRATHERM LIMITED
ABN 17 106 806 884

Anticipated Impairment of Paralana Project Asset

The Company wishes to advise, that as a direct consequence of the lapsing of government grants announced on 21 July 2014, the carrying value of the Paralana Project asset has been reviewed (in accordance with AASB 6 – Exploration for and Evaluation of Mineral Resources) and a material non-cash impairment is anticipated to be recorded in the Company's financial statements as at 30 June 2014.

AASB 6 - Exploration for and Evaluation of Mineral Resources, requires that exploration assets be assessed for impairment when facts and circumstances suggest that the carrying amount of the exploration asset may exceed its recoverable amount.

In considering the requirements under AASB 6, and subject to a final audit opinion being provided on the financial statements as at 30 June 2014. The Company has recognised, that without the government grant funding, it will be unable to fund the project in the foreseeable future. The Company therefore anticipates a non-cash impairment to the Paralana Project asset of approximately \$17 million.

Yours faithfully

Terry Kallis
Executive Director

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Competent Persons Statement

The information in this report that relates to Exploration Results, Geothermal Resources or Geothermal Reserves is based on information compiled by Peter Reid, who appears on the Register of Practising Geothermal Professionals maintained by the Australian Geothermal Energy Group Incorporated at the time of the publication of this report. Peter Reid is a full time employee of the Company. Peter Reid has sufficient experience which is relevant to the style and type of geothermal play under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the Second Edition (2010) of the Australian Code for Reporting Exploration Results, Geothermal Resources and Geothermal Reserves. Peter Reid has consented in writing to the inclusion in the report of the matters based on his information in the form and context in which it appears.