

ASX Release

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PETRATHERM LIMITED
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Paralana Joint Venture Project Update

REDP negotiation period extended to 29 January 2010

Petratherm and its joint venture partners Beach Energy and TRUenergy Geothermal advise that the Federal Government has extended the negotiation period (for all successful applicants) of the Renewable Energy Demonstration Program Grant (REDP) to 29 January 2010.

Negotiations on the REDP Funding Deed are proceeding well and the Paralana Joint Venture partners expect to execute the Funding Deed within the revised timeframe.

REDP Funding Arrangements

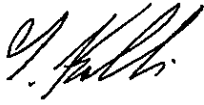
On 6 November 2009, Petratherm advised that the Federal Minister for Resources, Energy & Tourism, the Hon Martin Ferguson AM, MP, announced that MNGI Pty Ltd's (a wholly owned subsidiary of Petratherm that owns the licences that cover the Paralana project) application for a grant under REDP was approved.

The Paralana Geothermal Energy Project has been awarded a sum of \$62.762 million (exclusive of GST) REDP grant.

The \$62.762 million grant monies are to be applied to the development of a 30 MW geothermal demonstration project post the proof of concept stage currently underway at the Paralana project.

Petratherm's Paralana project's longer-term aim is to develop Australia's first large-scale (260+ MW) base load geothermal power station to deliver zero emission electricity to the National Electricity Market.

Yours faithfully



Terry Kallis
Managing Director

ABOUT THE JOINT VENTURE PARTNERS:

Beach Petroleum (ASX: BPT) is an oil and gas company headquartered in Adelaide that farmed-in to the Paralana Project in January 2007. Beach can earn up to 36% of the project for \$30 million plus its equity share of project costs. (www.beachpetroleum.com.au).

TRUenergy Geothermal is a wholly owned subsidiary of the CLP group, one of the largest publicly-listed power businesses in Asia Pacific (www.truenergy.com.au and www.clpgroup.com). TRUenergy Geothermal farmed-in to the Paralana project in August 2008. TRUenergy Geothermal can earn up to 30% of the project for \$57 million.

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