

ASX Announcement

2 April 2014

Commencement of ESIA for Takara Geothermal Power Project

Geodynamics Limited (ASX: GDY) is pleased to advise work has commenced on the Environmental and Social Impact Assessment (ESIA) Study covering the Takara Geothermal Project. The ESIA will assess any potential environmental and social impacts of the Project's proposed exploration and production activities at Takara, located on the island of Efate in Vanuatu. SLR Consulting Australia, has been engaged by the Company to carry out the ESIA.

The commencement of the ESIA is a significant step forward for the Project which Geodynamics acquired following the completion of the merger with KUTh Energy Limited in January 2014

Following a public meeting with residents and land-owners from the Takara area held on Saturday 29 March to mark the start of the study Geodynamics CEO Geoff Ward commented "It was pleasing to see such a good attendance and interest by the Takara community at the meeting. I would like to thank those who attended for taking the time to come and share their opinions and questions with myself and my colleagues. The ESIA forms an important part of exploration planning demonstrating the Company's commitment to the application of best practices in exploration and maintain the highest standards of environmental and safety management

The commencement of the ESIA is a key step in the project, which we hope to be able to progress rapidly through this year with the view of providing an enhanced energy supply on Efate based on clean and renewable power. We believe that geothermal power represents an excellent opportunity to support economic growth in the Pacific Islands through increasing energy availability, decreasing cost, reducing diesel imports while reducing emissions. Through the Takara Project in Vanuatu and the Savo Island Geothermal Project in the Solomon Islands we have a portfolio of strong projects capable of generating growth for shareholders and benefits for host countries and communities. "

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About the Project

KUTh Energy Vanuatu, a wholly owned subsidiary of Geodynamics, holds a 30 year Production Licence with exclusive rights to develop geothermal energy from an identified prospective geothermal area located near Takara on the main island of Efate.

The Takara projects is expected to be developed in the following phases:

- Exploration drilling and confirmation of resource.
- Stage one development of a net 4 MW plant to meet baseload demand to be completed in 2017.
- Stage two development of second net 4MW plant to meet peak demand and future demand growth.

The ESIA will be carried out over the next three months, with baseline studies to be completed during April. The Company looks forward to the ongoing engagement with kastom owners throughout the ESIA. A preliminary community consultation will be held upon completion of the baseline studies, with the final report to be presented to the Vanuatu government, community and kastom owners at the end of July.

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 over a light blue horizontal line.

Geoff Ward
Managing Director and Chief Executive Officer

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About Geodynamics

Geodynamics Limited is a global leading geothermal exploration company in the emerging field of Enhanced Geothermal Systems (EGS) through the development of its Cooper Basin Habanero Project in South Australia. Geodynamics is also actively pursuing conventional volcanic-hosted geothermal projects in the Pacific Islands.

About Efate's electricity requirements

The existing power supply on the island of Efate is limited to the area around Port Vila, where electricity is supplied under a concession held by Union Electrique du Vanuatu Ltd (UNELCO), a subsidiary of GDF Suez. Peak demand in for Efate is ~12 MW. New transmission lines are being erected on the north-western side of the island along the sealed ring road and will in the near future bring lines to within approximately 10 kilometers of the Takara geothermal project area.