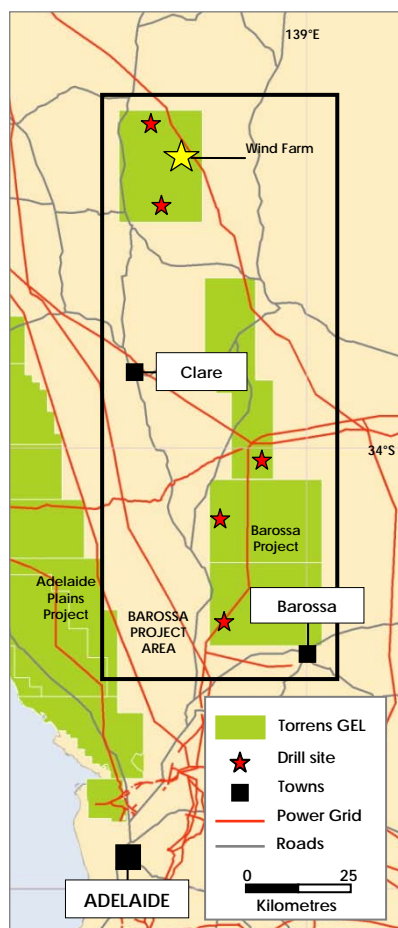

Exploration Drilling Commenced, Barossa Project Area, South Australia

HIGHLIGHTS

- Exploration Drilling has commenced, Barossa Project Area, South Australia
- Five drill holes planned to cover approximately 2,000km²
- Geothermal alliance partner AGL Energy to fund exploration
- Ideally located north of Adelaide on national electricity grid (NEM)



Barossa Project Area located on the NEM north of Adelaide, SA.

SUMMARY

Torrens Energy is pleased to report the mobilisation of crews and equipment to its Barossa Project Area, South Australia, approximately 70 kilometres north of Adelaide.

Exploration heat flow drilling has commenced at the Project, marking the start of the Company's fourth geothermal drilling campaign on its wholly owned land holdings in South Australia.

Torrens Energy's competitive advantage continues to lie in its unique combination of innovative exploration methodology and prospective on-grid geological settings. The Barossa project will be drill tested with a series of 'shallow' heat flow holes (~300m depth) enabling broad scale exploration of the prospective tenement areas.

Torrens Energy entered into a binding Geothermal Alliance Agreement (GAA) with AGL Energy Limited (AGL) in 2008, which provides for the joint development and commercialisation of base-load geothermal projects close to the National Electricity Market (NEM) in Australia.

AGL will fund the program under the terms of the GAA, in return for the right to earn a 75 per cent participating interest in any geothermal resource discovered at this Project, through to the completion of a confirmation well to the target reservoir.

ASX CODE: TEY

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PLANNED EXPLORATION DRILLING 2010

The Barossa Project will be drill tested with a total of five exploration holes to approximately 300m depth. Drilling will be spaced at approximately 15 kilometres, with exploration covering some 2,000 square kilometres of highly prospective geothermal terrain.

The Adelaidean aged sediments targeted consist of [insulating] siltstones and shales overlying the prospective [heat producing] Barossa Complex basement.

Thermal conductivity measurements by the Company on core samples indicate these sediments have good insulating properties, and published heat flow values north and south of the Project are all high with heat flow estimates undertaken by Torrens Energy ranging around 90mW/m² – well above Australian background values.

Temperature data from the exploration drilling will be incorporated into an innovative three-dimensional temperature field model (3D-TFM). The 3D-TFM methodology effectively “maps” temperature variation on a prospect scale across the licence areas, at a fraction of the cost of conventional deeper exploration drilling.

AGL GEOTHERMAL ALLIANCE AGREEMENT

AGL is Australia’s largest integrated renewable energy company and largest private owner, operator and developer of renewable generation. Torrens Energy entered into a binding GAA with AGL in 2008, which included AGL acquiring a 9.99% cornerstone position in Torrens Energy.

The GAA provides for the joint development and commercialisation of base-load geothermal projects close to the NEM. Under the “earn-in” arrangement Torrens Energy may invite AGL to fund exploration activities including the systematic application of its 3D-TFM exploration methodology.

AGL will then have the right to earn a 75 per cent participating interest in any geothermal resource discovered at the Barossa Project, by subsequently sole funding the completion of a confirmation well to the target reservoir.

For more information please contact:

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The information in this report that relates to exploration results has been compiled by John Canaris. Mr Canaris is a full time employee of the Company, 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 Canaris has consented to the public release of this report and its form and context.