

ASX Announcement

8 October 2013

Completion of 1 MWe Habanero Pilot Plant demonstration

Key Points

- 1 MWe Habanero Pilot Plant Trial was successfully completed and the plant shut-down on Monday 7 October. Plant operated for 160 days following commissioning on 30 April 2013.
- Prior to closure of trial, plant was operating at 19 kg/s and 215°C production well-head temperature.
- Trial results exceeded modelled expected values achieving best recorded closed loop flows and highest well-head temperatures ever achieved at Habanero with availability exceeding 75% up-time since commissioning.
- No safety or environmental incidents recorded during commissioning and operation of the demonstration trial.

Geodynamics Limited (ASX: GDY) is pleased to announce that it has successfully completed the planned testing program and demonstration trial at the 1 MWe Habanero Pilot Plant located ~10 km south of Innamincka in South Australia. The 1 MWe Habanero Pilot Plant was commissioned on 30 April 2013 and has subsequently operated for 160 days, completing step rate performance testing, tracer injection testing, reliability testing, a nitrogen casing insulation trial and various operational and corrosion control trials. Production logging surveys of the Habanero 4 production well and Habanero 1 injection well were undertaken over the weekend to collect the final data from this demonstration trial phase.

During the trial the following key achievements were made:

- Recorded the highest open flow results yet achieved with a stabilised flow rate of 39 kg/s recorded in open flow testing at Habanero 4; the test results indicate the potential for Habanero 4 to flow between 40 – 50 kg/s at full drawdown in open flow mode.

- Maximum sustained closed loop flow rates of 19 kg/s were achieved during reliability trial runs; this is significantly above the expected maximum performance of the Habanero 4 - Habanero 1 closed loop indicated by previous performance of Habanero 1 as an injection well and system modelling.
- A new maximum well-head temperature was achieved at Habanero 4 of 215°C; at the time of completing the trial the well-head temperature at Habanero 4 was still slowly rising after 160 days of production.
- The plant demonstrated better than expected reliability and system stability; an extended continuous production run in excess of 50 days was achieved.
- Trial demonstrated excellent safety and environmental performance with zero incidents recorded during commissioning and trial phase.

The 1 MWe Habanero Pilot Plant will now be shut-down and suspended while the results of the trial are analysed. The plant will be maintained in a state such that it can be used for further trials or as part of an ongoing initial commercial development.

Geodynamics activities will now focus on developing a firm proposal for the next stage development of an initial commercial plant. This work will cover establishing a range of development options for the supply of electric power or industrial heat to identified local customers. These proposals will be used to engage with identified customers to secure off-take agreements and to progress discussions with funding partners to secure financing of the next development stage. Geodynamics remains in close contact with ARENA (the Australian Renewable Energy Agency) our key funding partner through this demonstration trial with regards to the potential next steps to achieve a successful commercial demonstration plant at Habanero.

Geodynamics Chief Executive Officer, Geoff Ward said, "We are very pleased to have safely and successfully completed the test program and demonstration trial at the 1 MWe Habanero Pilot Plant. This trial is a world leading example of EGS technology and I would like to thank all the team for their contribution to this excellent outcome. In particular I would like to acknowledge the support of ARENA for their assistance in achieving this significant milestone. We are very encouraged by the results we have achieved, the reliability demonstrated by the closed loop enhanced geothermal system and the interest that this trial has drawn from potential customers. We look forward to using the successful results of this trial to put forward proposals to interested local customers to secure the further development of the Habanero project."

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 Meredith Bird, Corporate Affairs Manager on +61 7 3721 7581.



Geoff Ward
Managing Director and Chief Executive Officer

ASX Announcement



— ends —

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.