

## **ASX ANNOUNCEMENT 25 FEBRUARY 2009**

### **Bonus Options Rights Issue**

Geodynamics is pleased to advise that it intends proceeding with a non-renounceable pro-rata bonus issue of options to shareholders on a 1 for 4 basis (i.e. 1 option to be granted for every 4 shares held on the record date) at an exercise price of \$1.50 per share and an expiry date of 8 December 2009.

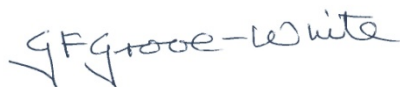
The pro-rata bonus issue timetable and documentation will be issued in early March with the issue and despatch of option statements occurring at the end of March 2009.

The Company is conscious of the fact that a total of 37.4 million shareholder options (both listed and unlisted) are expiring on 28 February 2009 and will largely not be exercised due to the prevailing share price being considerably lower than the exercise price of those options although the Company has appreciated the support it has received from those shareholders who have exercised their options. Of those options, 22.7 million had an exercise price of \$2.00 and 14.7 million had an exercise price of \$2.25 per share.

The new bonus issue of options is designed to align with the Company's future capital requirements.

All shareholders (except shareholders in jurisdictions with laws that make it unreasonable for the Company to make the bonus issue) are being invited to participate in this bonus issue with the rationale that the pro-rata grant is also a reward for the delays incurred to date in achieving proof of concept. As the Company intends applying for quotation of the options, those shareholders who wish to sell their options on market will be able to do so.

For further information please check our website ([www.geodynamics.com.au](http://www.geodynamics.com.au)) or contact Mr Gerry Grove-White or Mr Paul Frederiks on + 61 7 3721 7500.



Gerry Grove-White  
Managing Director

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005

Name of entity

**GEODYNAMICS LIMITED**

ABN

**55 095 006 090**

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- 1 +Class of +securities issued or to be issued

**Options** – Options to acquire fully paid ordinary shares

- 2 Number of +securities issued or to be issued (if known) or maximum number which may be issued

**Options** – 74,994,865 (**Maximum which may be issued**)

- 3 Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

**Options** – One Option exercisable at \$1.50 and expiring on 8 December 2009 for every four shares held on the record date.

+ See chapter 19 for defined terms.

## Appendix 3B

### New issue announcement

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- 4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

**Options** - The options will be quoted. All shares issued upon the exercise of the options will rank equally in all respects with the existing fully paid ordinary shares.

- 5 Issue price or consideration

**Options** – This is a bonus options rights issue – one option will be granted for every four shares held on the record date. Applications will be pursuant to a Prospectus to be issued in March 2009.

- 6 Purpose of the issue  
(If issued as consideration for the acquisition of assets, clearly identify those assets)

**Options** – The funds raised (should the options be exercised) will be used to strengthen the Company's financial position in anticipation of capital requirements for commercialisation of the Cooper Basin Hot Rock Project.

- 7 Dates of entering +securities into uncertificated holdings or despatch of certificates

31 March 2009

- 8 Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)

Number	+Class
299,979,463	Ordinary shares fully paid (GDY)
74,994,865	Options expiring 8/12/09 exercisable at \$1.50 per share

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+ See chapter 19 for defined terms.

9 Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)

Number	+Class
20,667	Options expiring 27/05/09 exercisable at 105 cents (GDYAS)
66,667	Options expiring 13/07/09 exercisable at 118 cents (GDYAU)
100,000	Options expiring 23/09/09 exercisable at 142 cents (GDYAY)
200,000	Options expiring 24/11/09 exercisable at 119 cents (GDYAW)
245,000	Options expiring 07/03/10 exercisable at 155 cents (GDYAZ)
510,000	Options expiring 14/07/10 exercisable at 160 cents (GDYAA)
370,000	Options expiring 23/11/10 exercisable at 160 cents (GDYAB)
33,000	Options expiring 4/11/10 exercisable at 168 cents (GDYAC)
182,500	Options expiring 23/8/10 exercisable at 98 cents (GDYAD)
85,000	Options expiring 18/9/10 exercisable at 105 cents (GDYAF)
115,000	Options expiring 10/4/11 exercisable at 109 cents (GDYAH)
80,000	Options expiring 23/3/11 exercisable at 119 cents (GYDAJ)
286,000	Options expiring 14/11/11 exercisable at 184 cents (GDYAK)
300,000	Options expiring 31/7/12 exercisable at 109 cents (GDYAN)
457,000	Options expiring 25/3/12 exercisable at 132 cents (GDYAL)
210,000	Options expiring 27/8/11 exercisable at 148 cents (GDYAL)
100,000	Options expiring 15/4/12 exercisable at 153 cents (GDYAL)
80,000	Options expiring 30/6/12 exercisable at 153 cents (GDYAL)
100,000	Options expiring 14/4/12 exercisable at 156 cents (GDYAL)
165,000	Options expiring 22/6/12 exercisable at 161 cents (GDYAL)
237,000	Options expiring 18/5/12 exercisable at 169 cents (GDYAL)
70,000	Options expiring 1/6/12 exercisable at 173 cents (GDYAL)
72,000	Options expiring 15/6/12 exercisable at 174 cents (GDYAL)
300,000	Options expiring 28/7/12 exercisable at 155 cents
314,400	Options expiring 1/7/12 exercisable at 153 cents
230,000	Options expiring 14/7/12 exercisable at 149 cents
300,000	Options expiring 14/7/12 exercisable at 130 cents
2,973,356	Options expiring 4/11/11 exercisable at 74 cents
3,376,820	Options expiring 25/11/11 exercisable at 76 cents
<b>11,579,410</b>	<b>TOTAL EMPLOYEE OPTIONS</b>
12,500,000	Options expiring 28/2/09 exercisable at 200 cents (GDYAM)
14,700,000	Options expiring 28/2/09 exercisable at 225 cents
<b>27,200,000</b>	<b>TOTAL SHAREHOLDER OPTIONS</b>

+ See chapter 19 for defined terms.

## Appendix 3B

### New issue announcement

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- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

**Shares** - Identical to existing quoted ordinary shares  
**Options** - There is no entitlement for the option holder to participate in dividends until the options have been exercised.

## Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A

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+ See chapter 19 for defined terms.

### Appendix 3B

#### New issue announcement

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25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Despatch date	N/A

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+ See chapter 19 for defined terms.

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*(If the additional securities do not form a new class, go to 43)*

*Tick to indicate you are providing the information or documents*

35 ☐ The names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 ☐ A distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37 ☐ A copy of any trust deed for the additional +securities

*(now go to 43)*

### Entities that have ticked box 34(b)

38 Number of securities for which  
+quotation is sought

N/A

39 Class of +securities for which quotation  
is sought

N/A

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- the date from which they do
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N/A

- 41 Reason for request for quotation now
- Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another security, clearly identify that other security)

N/A

- 42 Number and +class of all +securities quoted on ASX (*including* the securities in clause 38)

Number	+Class
N/A	

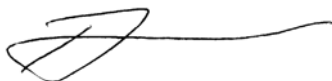
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## Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) of the Corporations Act or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
3. We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
4. We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:

Date: 25 February 2009

Company Secretary

Print name: Paul Michael Frederiks

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