
ASX ANNOUNCEMENT, 30 APRIL 2007

New Heat Flow Modelling Shows Great Promise

HIGHLIGHTS

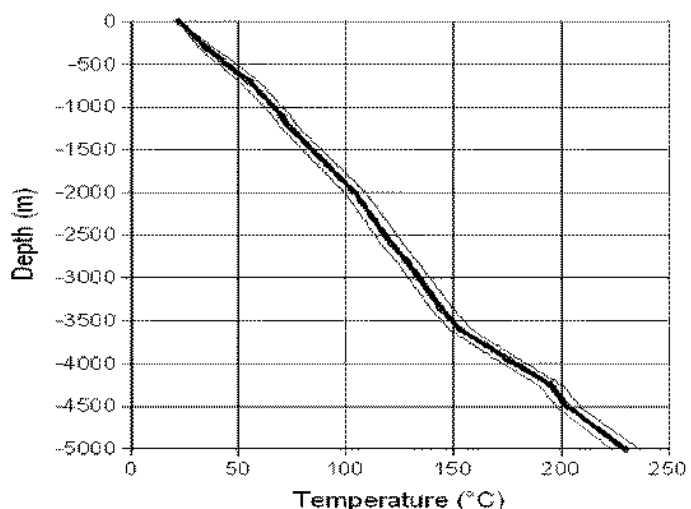
- The discovery of old well logs with the newly acquired GEL278 has allowed temperature modelling to be completed to 5000m, indicating very high heat flow
- Results show that the modelled heat reservoir can achieve 230°C at full depth, indicating viable temperatures for power generation likely at the Torrens Project Area, north of Port Augusta
- This result confirms the excellent exploration potential that exist within the Company's large land holding in South Australia, supported by infrastructure and markets
- Methodology used to derive these results have been independently checked and verified by leading geothermal consultancy

Torrens Energy Limited (Torrens) is pleased to announce the results of recent temperature modelling at the newly acquired Geothermal Exploration Licence (GEL) 278, which forms part of the Torrens Project Area, located 30km north of the Port Augusta power station in South Australia (ASX Announcement, 17 April 2007).

The surprise discovery of temperature logs recorded from a 754m petroleum well, completed in 1981 (Edeowie 1), showed a very high bottom hole temperature of 57°C. Using heat flow estimates (below) and existing open file geological data it has been possible to predict temperatures at the target depth of 5000m (below).

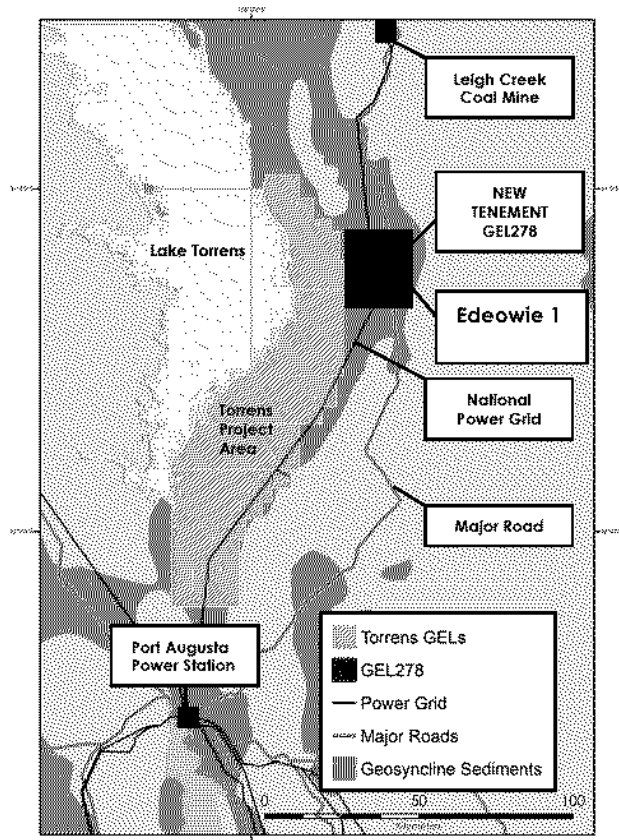
The predicted temperature at this depth is 230°C (±6°C), well within the range required for commercial power generation and outstanding compared to other hot rock projects around the world (right).

As the temperature was recorded during drilling, and therefore the well had not been equilibrated, the Company believes the recorded temperature result can be regarded as conservative.



Heat flow estimate for this location is **106mW/m²**, comparable to the Cooper Basin in the North of South Australia and well above the Company's stated target of 90mW/m². The Company's stated results have been independently checked and verified by Hot Dry Rocks Pty Ltd, Australia's leading geothermal consulting firm.

BACKGROUND



The GEL278 is located 150kms north of Port Augusta, in an area known for high heat flow and coincident with an overlying layer of insulating sedimentary cover, required for geothermal resources to be formed. The nearby coal-fired Port Augusta power station currently supplies around 500MW of electricity to energy hungry South Australia.

Accentuating the energy shortfalls faced by the State, the power station is supplied by the Leigh Creek coal field, which is expected to be exhausted of its reserves within the next 10 to 15 years.

Furthermore, the future energy shortfalls that will be created by the Olympic Dam mine expansion, located just 170kms away and connected by the power grid, underscores the strategic importance of the Torrens Project Area .

The outstanding results from the temperature modelling represents a major advancement for the Company in proving the exploration potential of its land holdings in South Australia, and defining geothermal resources for power generation in Australia.

Torrens will confirm the predicted temperatures indicated in petroleum well Edeowie 1 by shallow diamond core drilling (500m) as part of the Company's drill programme scheduled to commence in September 2007.

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