

Final Results Returned Increasing Parachilna Prospect, Torrens Project Area, South Australia

HIGHLIGHTS

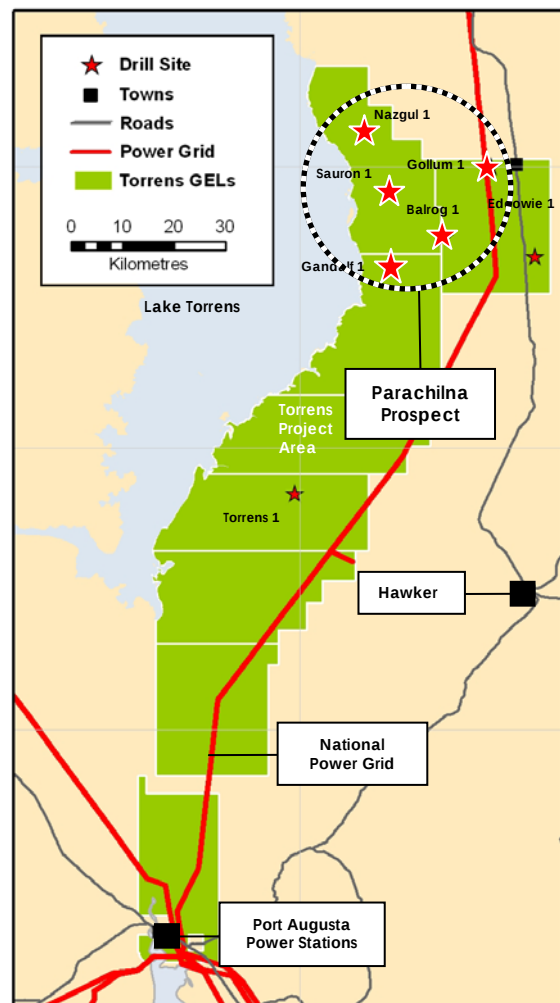
- Final heat flow measurements received
- Further high modelled temperatures returned, Parachilna Prospect Increased
- Interpreted as a large Geothermal Prospect on the Electricity Grid
- Austharm Map revised to include new data from Parachilna Prospect
- Prospectivity landscape altered through systematic exploration

Torrens Energy Limited ("Torrens Energy") is pleased to announce that final heat flow results have been returned from exploration drilling at the Torrens Project Area, South Australia.

Final heat flows recorded from diamond drill holes Balrog #1 and Gandalf #1 were 95 and 85mW/m² respectively, with modelled temperatures up to 234°C at 5000m.

Results to date (table below) define the Parachilna Prospect (right) as having the highest reported heat flow values from geothermal drilling on the electricity grid in Australia.

In addition, drilling has defined anomalous modelled temperatures over a continuous area of at least 800km² (open) highlighting the potential for large new "geothermal field" to be established north of Port Augusta.



SUMMARY OF DRILLING

Since drilling commenced in October 2007, five diamond holes have been completed for approximately 2500m, and two existing holes re-entered and measured. Exploration activity effectively covers approximately 2000km² of highly prospective geothermal geology (Torrens Energy GELs 230, 231 and 278) at the wholly owned Torrens Project Area, South Australia. Activity is supported by a matching \$3M Federal Government grant (totalling \$6M expenditure) under the Federal Government REDI programme (ASX Announcement 27 August 2007).



Continuous temperature logging was conducted at 1m intervals from surface to bottom of hole, using a thermistor probe mounted on a motorised cable winch. Resistance was measured downhole and then converted to temperature using a standard calibration. Each hole contains at least 200m of continuous core section, with conductivity samples taken every 7m on average. Unless otherwise stated temperature recordings have been taken from holes that have been allowed to equilibrate (5–8 weeks) after drilling.

HIGH HEAT-FLOW RECORDED

Final heat flow values from the two remaining wells (Balrog #1 and Gandalf #1, below) complete the data collected from the first round of exploration drilling. Temperature modelling shows that temperatures of over 200°C are achievable at approximately 4000m depth across a large area, which is well within the range required for “hot rock” base-load power generation.

Final results to date are summarised as follows:

Hole Name	Northing*	Easting*	Hole Depth	Heat flow	T @ 5000m***
Nazgul 1	6,558,636	228,175	600m	106 mW/m2	260°C ± 6°C
Sauron 1	6,546,894	231,051	375m	106 mW/m2	258°C ± 6°C
Balrog 1	6,537,810	240,075	507m	95 mW/m2	234°C ± 5°C
Gollum 1	6,551,120	247,129	501m	90 mW/m2	222°C ± 5°C
Gandalf 1	6,533,218	231,885	585m	85 mW/m2	206°C ± 5°C
Torrens 1**	6,488,846	221,583	760m	82 mW/m2	180°C ± 10°C
Edeowie 1	6,534,753	255,505	759m	70 mW/m2	160°C ± 5°C

*Coordinates are in the GDA 94 Datum, using the UTM (Zone 54) projection. **Torrens 1 was measured shortly after drilling and is therefore not equilibrated. ***Estimated temperatures at 5000m depth are modelled from near-surface heat flow data collected from drilling, and measured or assigned thermal conductivities, with geological profiles taken from existing mapping and modelling, potential field modelling and current drilling data.

INTERPRETATION OF RESULTS

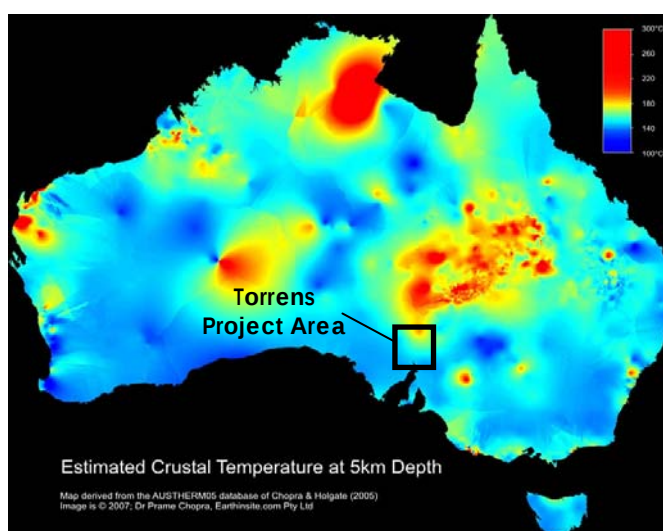
Results returned show that average heat flow values are very high, and often well above the Company's stated target for the area - 90mW/m². Values recorded are comparable to those in the Cooper Basin, which has traditionally been the focus of geothermal exploration activity in Australia and modelled temperatures are above those currently being exploited for geothermal power generation in Europe.

Interpretation of drilling results has defined a large and spatially continuous area of previously unmapped high heat flow, open to the north, and indicative of geothermal "source rocks" at depth - the "Parachilna Prospect". The final two heat flow results reported above further increase the size of the heat flow anomaly at the Parachilna Prospect (see map above). Best results sit above averages for the Cooper Basin, and among the highest being evaluated in Australia.

The Company believes that through continued exploration and deep drilling a substantial geothermal resource can be defined at the Parachilna Prospect, which would represent the only geothermal resource established on the electricity grid in Australia.

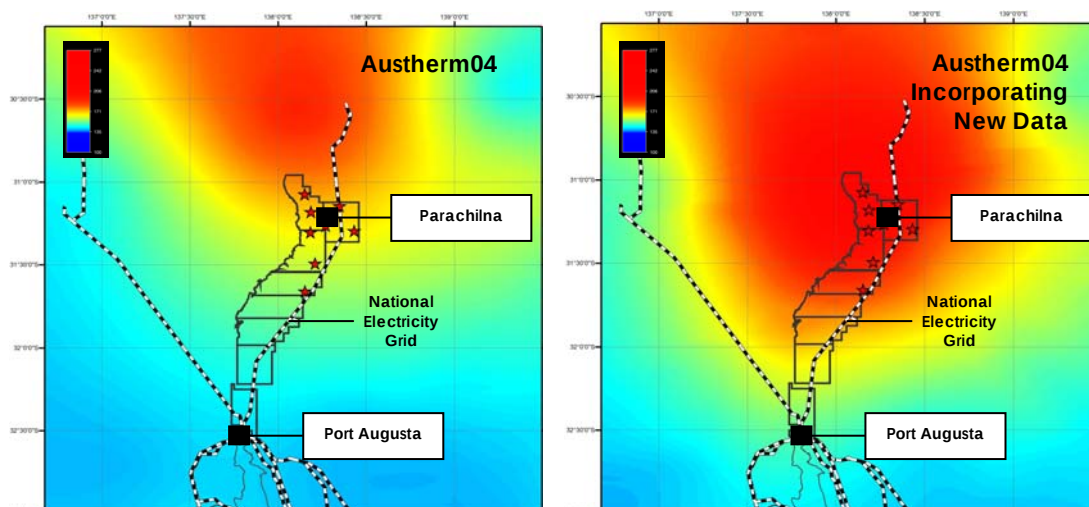
AUSTHERM MAP UPDATED

The Austherm Map was created from temperature measurements taken from petroleum and mineral boreholes, and represents estimated "hot rock" temperatures at 5000m depth across Australia (Chopra & Holgate, 2005). It is in many ways a measure of the current understanding of Australia's geothermal resources, but is biased toward areas for which historic data is available. Nevertheless, the Austherm04 Map (below) has been adopted as an indication of Australian geothermal prospectivity, despite its shortcomings.



Modelled temperatures from exploration drilling (reported here) have been incorporated into the Austherm map (see below), by Dr Prame Chopra of Eathinsite.com Pty Ltd, one of the original authors, to create a new gridded Austherm image for the Torrens Project Area (insert above).

The newly gridded image (below right) shows anomalous values, previously confined to the north (below left), extending much further south. It is also worth noting also that the southerly extent of the new Austherm anomaly is bound only by the current coverage of the Company's exploration drilling.



Torrens Energy's drilling fundamentally changes the prospectivity landscape for "hot rock" geothermal in South Australia, placing high predicted temperatures further south than previously considered, and within reach of the National Power Grid.

Torrens CEO Chris Matthews noted their broader significance: "These results show that through systematic and effective broad scale exploration, new areas can be opened up. If you accept that the principal barrier facing the industry is the cost of the supporting power infrastructure and transmission, then the geothermal exploration being undertaken by Torrens Energy on the power grid is the most important work being done in Australia".

"Our GELs stretch right down to the power hub at Port Augusta, and further still to the Adelaide Plains themselves. We are exploring new energy frontiers in the heart of established infrastructure", he added.

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The information in this report relating to exploration results is reported in accordance with the Australian Geothermal Energy Group, Geothermal Code Committee "Draft Code for Geothermal Resources and Reserves Reporting", Version 2.0 (February 2008). The information is based on information compiled by Chris Matthews, who is a Competent Person as defined by the Draft Code. Chris Matthews is a full time employee of the Company and has more than 5 years experience in the reporting of resource exploration and geothermal. Chris Matthews has consented to the inclusion in this report of the numbers based on the information in the form and context in which it appears.