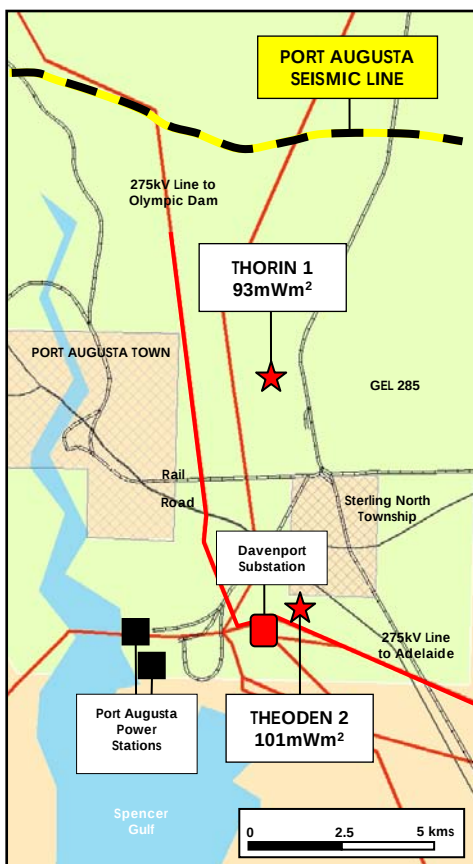

Port Augusta Seismic Confirms Geothermal Potential of Key Power Hub

HIGHLIGHTS

- Port Augusta seismic survey completed for ~20 kilometres, to + 5000m depth
- Insulating cover and heat producing basement interpreted at favourable depths
- Excellent electricity connection point for Far North Transmission Network
- Seismic supported by \$3m REDI matched government funding



SUMMARY

Torrens Energy is pleased to announce the results of its recently completed 2D seismic survey immediately north of Port Augusta in South Australia (left).

The survey has been a great success, with key geological formations identified – a thick sequence of flat-lying insulating sedimentary cover overlying interpreted heat producing basement, demonstrating that a viable EGS geothermal play could exist at 3,500-4,500m depth.

The seismic survey comes hot on the heels of outstanding drill results returned immediately to the south and proximal to the town of Port Augusta, including diamond drill hole Theoden 2 which is located just 400 metres from the Davenport Substation – the distribution node for the nearby Port Augusta Power Stations and an ideal connection point to access the National Grid.

Seismic expenditures are eligible for matched funding by a Federal Government Renewable Energy Development Initiative (REDI) grant, awarded in 2007 for \$3m. The grant covers the development of the Company's innovative temperature field modelling methodology (3D-TFM).

PORT AUGUSTA SEISMIC SURVEY



Terrex's 'bird-wagen' MARK IV off-road carrier with HEMI 60 vibrator on Parachilna – Leigh Creek 132KV line.

The seismic line traverses the geologic feature known as the Torrens Hinge Zone (THZ) approximately 8 kilometres north of the town of Port Augusta. Approximately 22 kilometres of 2D seismic was collected using Terrex's 'bird-wagen' MARK IV off-road carrier with HEMI 60 vibrator. Work was completed following existing access tracks and roads to the east of the Stuart Highway.

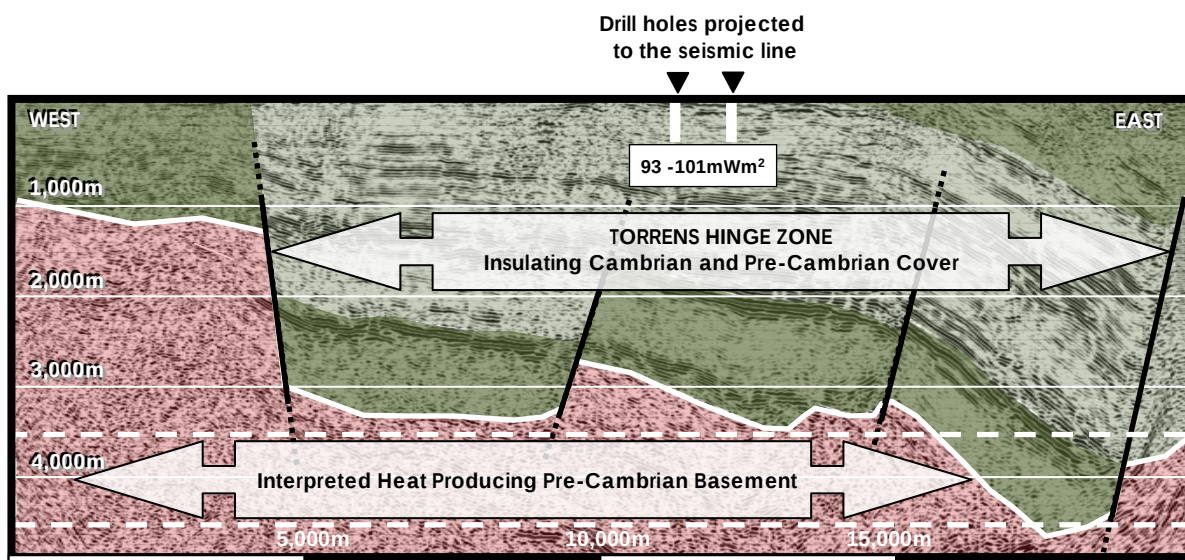
INTERPRETATION OF RESULTS

The geologically prospective THZ, and its coincidence with the National Electricity Grid, remains the primary target for Torrens Energy. The seismic work completed has met the Company's primary objective which is to:

- Determine the nature and depth of insulating sedimentary cover over heat producing basement in the THZ, and;
- Increase the understanding of the nature of the South Australian Heat Flow Anomaly (SAHFA), which has direct relevance to the licence areas of Torrens Energy.

The interpretation of the seismic (depths derived from estimated velocities), whilst still being refined, has thus far confirmed primary target 'basement' rocks (red) at optimal depths of between 3,500 and 4,000 over much of the Port Augusta GEL 285.

The survey also coincides with a thick sequence of flat-lying sedimentary cover rocks (green), demonstrating the uniqueness of the Company's landholding with this insulating sequence terminating to both the west and east.



ASX CODE: TEY

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John Canaris: Exec. Director

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GRID CONNECTION - PORT AUGUSTA

The seismic line is located approximately 8 kilometres north of the Davenport Substation, and the site of the aforementioned heat-flow drilling adjacent to the Port Augusta Power Stations (see ASX Announcement 14 April 2009). The Substation connects Northern and Playford coal-fired power stations to the Far North Transmission Network as well as the remainder of the South Australian portion of the National Grid, including Adelaide (cover map).

An independent study confirmed that network access for geothermal power production can be made via the Substation, to the National Grid for a comparatively small cost - approximately \$10m for the first 50MWe of geothermal power production, and an additional \$22m for up to 200MWe production. (ASX Announcement 14 April 2009).

In addition it was concluded that projected demand growth is strong on the Far North Transmission Network, and includes the proposed Olympic Dam expansion. In anticipation of this activity recent upgrades to the Substation will result in transmission capacity to accommodate about 100MWe of new generation in the near future.

SUMMARY

Executive Director John Canaris commented: "Our interpretation of the seismic data shows that the principal geological elements required for a geothermal play, namely heat producing basement and insulating cover, are present at Port Augusta".

"This fact, coupled with the outstanding heat flow values demonstrates that Port Augusta has the technical attributes required for viable geothermal temperatures at economic depths".

"With connection to a 'RET ready market' via the National Grid assured, the Port Augusta Project also addresses the key commercial aspects required for successful geothermal development".

Further drilling is scheduled for the Project in 2009.

For more information please contact:

John Canaris
Executive Director
Torrens Energy Limited



The information in this report that relates to geothermal exploration results has been compiled by Chris Matthews. Mr Chris Matthews, 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). Chris Matthews has consented in writing the public release of this report in the form and context in which it appears.