

Outstanding Result from Nilpena Seismic Survey, Key Geothermal Elements Confirmed

HIGHLIGHTS

- Nilpena seismic survey completed for ~30 kilometres to +5,000m depth
- Insulating cover and heat producing basement interpreted at optimal depths
- Result expands the prospectivity and de-risks the Parachilna Geothermal Play
- Excellent electricity connection point for Far North Transmission Network

SUMMARY

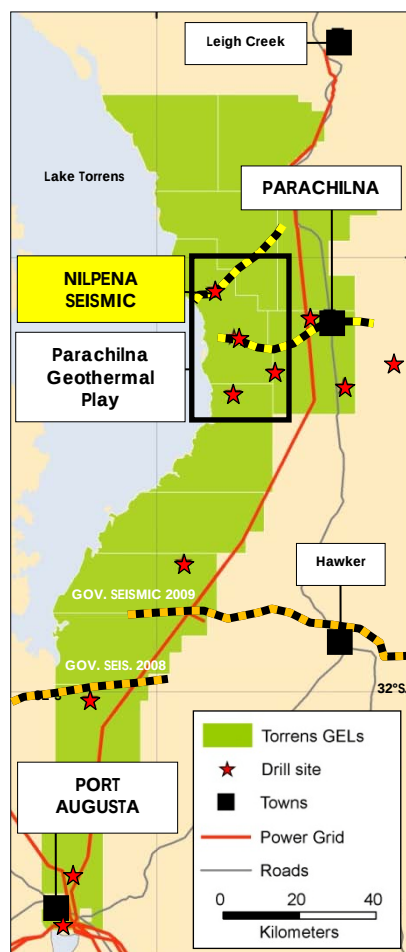
Torrens Energy is pleased to announce the results of its recently completed 2D Nilpena Seismic Survey immediately north of recent drilling activity at the Parachilna Geothermal Play, South Australia (left).

The survey has been an outstanding success, with key geological formations identified; a thick sequence of flat-lying insulating sediments is present overlying interpreted heat producing basement at optimal depths, significantly de-risking the Parachilna Geothermal Play north of Port Augusta in South Australia.

This coupled with the outstanding heat flow values returned from drilling in 2007 [Nazgul 1] points to the Parachilna Geothermal Play as having all technical attributes required for geothermal temperatures of +200°C at less than 4,000m.

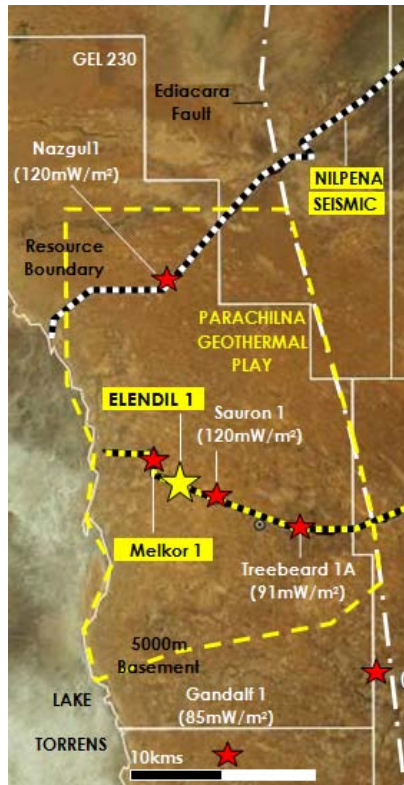
This result follows the completion of intermediary drill hole Melkor 1 (10 kilometres south), designed to improve the geological understanding and refine the siting of the Company's first deep geothermal well, Elendil 1, scheduled to commence later this year (results pending).

Under the terms of a Geothermal Alliance Agreement with development partner AGL Energy Limited, AGL has a first right [Option] to earn a 50% participating interest in the Project by sole funding the completion of "Confirmation Well" Elendil 1 to a target depth of approximately 4,500m.



Parachilna Geothermal Play
location diagram, South Australia.

NILPENA SEISMIC SURVEY



Parachilna Geothermal Play location diagram showing the Nilpena Seismic Survey in the north.

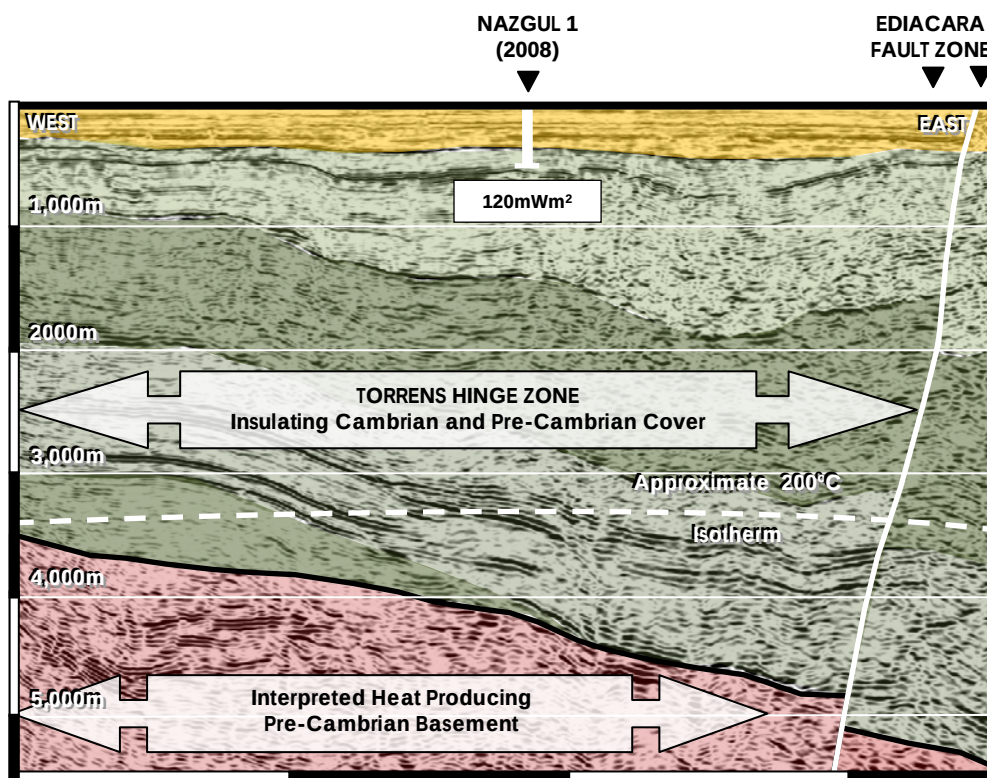
Torrens Energy completed data acquisition for its third separate 2D seismic survey at Parachilna in November 2009. The 30 kilometre seismic line lies 40 kilometres north of the Parachilna Township, following existing access tracks and roads extending from the Flinders Ranges to the shores of Lake Torrens (left). The work was designed to reduce technical risk associated with locating the Company's first deep well, Elendil 1 planned for 2010.

The 09TE-03 Nilpena survey was conducted by Terrex Seismic and the data processed by Velseis Pty Ltd in January 2010.

The line is centred on outstanding results returned from the Nazgul 1 heat flow drill hole (left, ASX Announcement 20 August 2008). Torrens Energy completed Nazgul 1 to 600m in December 2007, recording 120mW/m² which remains the highest heat flow result recorded by the Company.

Interpretation of Results

The interpretation of the seismic line has confirmed target basement rocks at optimal depths of between 3,500 and 5,000m (below, red) overlain by thick Tertiary sediments and sub-horizontal insulating Cambrian and Pre-Cambrian sedimentary rocks (below, green). The information gained from this seismic line effectively de-risks highly prospective geothermal ground book-ended to the south by the Parachilna line.



Nilpena seismic showing insulating sediments (green) overlying interpreted heat-producing basement (red).

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SUMMARY

The interpretation of the Nilpena Seismic Survey shows target basement 'hot-rocks' at optimal depths between 3,500 and 5,000m. A thick sequence of Tertiary sediments is also clearly identified, with depth ranging from 400 to 500m raising the overall insulating profile of the sequence.

This unit is underlain by a very thick sequence sub-horizontal insulating Cambrian and Pre-Cambrian sedimentary rocks, stratigraphically matching the known insulating sequence encountered in the Parachilna 09TE-01 seismic line further south.

This effectively brings together all of the principal geological elements required for a viable EGS geothermal play, and de-risks the well-defined Parachilna Geothermal Play at least 10 kilometres north of current drilling activity.

Executive Director John Canaris commented:

"We could not have hoped for a better result from this seismic work, which not only ties the prospectivity of the Play to the north, but also perfectly complements the detailed geological interpretation derived from drilling and seismic on the Parachilna Line in the south".

"These technical successes combined with the commercial benefits of being under the wires give the Parachilna Geothermal Play all the hallmarks of a world class EGS geothermal play."

"Now that we have closed off the northern end of the Play our efforts can be re-focussed on advancing the Geothermal Alliance Agreement with development partner AGL and their participation on Elendil 1 to a target depth of approximately 4,500m."



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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.