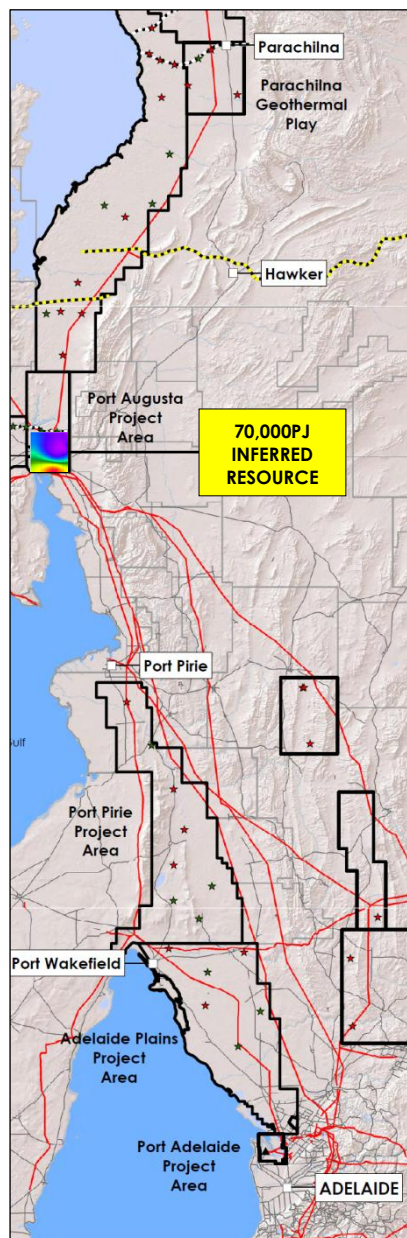


70,000PJ Inferred Resource Established, Port Augusta Project Area, South Australia

HIGHLIGHTS

- Geothermal Resource of 70,000PJ established at Port Augusta, SA
- Torrens Energy's second inferred resource takes global estimate to 850,000PJ
- Ideally situated next to power node and intersecting the national grid
- Substantial commercial advantage over off-grid geothermal developments



SUMMARY

Torrens Energy (Torrens Energy Limited, ASX: TEY) is pleased to announce that a geothermal resource estimate has been established at GEL 285, Port Augusta, South Australia.

A code compliant Inferred Resource of 70,000PJ has been identified in the vicinity of the Port Augusta power stations and associated infrastructure north of Adelaide.

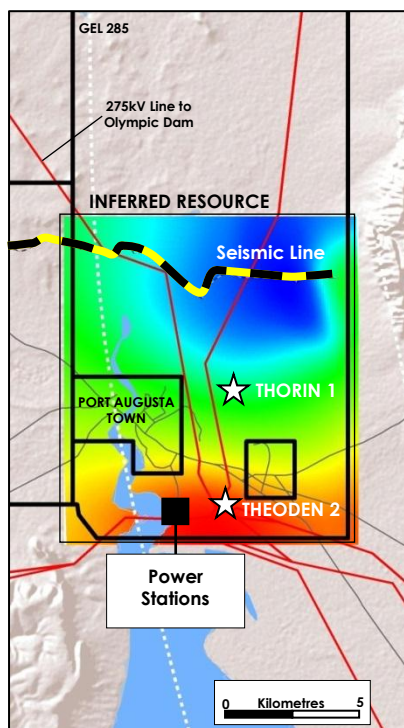
Heat flow drilling by the Company between March and June 2009 returned excellent results ranging from 101 to 94 mW/m² just a few hundred metres from the local electricity substation and adjacent to the Town.

A seismic survey completed in 2009 confirmed that key geological architecture of insulating sedimentary cover overlying a heat-producing basement, is present showing that a viable EGS geothermal play could be established at this ideal location.

Port Augusta is located at the head of Spencer Gulf approximately 400 kilometres north of Adelaide. The Northern and Playford Power Stations at Port Augusta contribute around 20 per cent of South Australia's supply of electricity.

The close proximity of the Port Augusta Project to the NEM (one heat-measuring hole located just 400 metres from the Davenport Substation) is significant given the potential for accessing the distribution node for the nearby power stations.

The Northern and Playford Power Stations at Port Augusta will be servicing BHP Billiton's Olympic Dam Expansion, a project that will place significant pressure on the current energy capacity at this location.



The Port Augusta Inferred Resource gridded image showing modeled temperatures at 4,500m depth – colour range is from approximately 170 to 190°C (blue to red).

Competent Persons Statement

The information in this report that pertains to a Geothermal Resource estimate has been prepared by Dr Graeme Beardsmore, an employee of Hot Dry Rocks Pty Ltd.

Dr Beardsmore was assisted by other employees within Hot Dry Rocks Pty Ltd and was provided with key geological information by Torrens Energy used in the estimation of this Resource estimate, but takes sole responsibility and is accountable for the Resource estimate components of this release as a Competent Person as defined by the Australian Code for Reporting of Exploration Results, Geothermal Resources and Geothermal Reserves (2008 Edition).

Dr Beardsmore is a member of the Australian Society of Exploration Geophysicists and abides by the Code of Ethics of that organization.

Hot Dry Rocks Pty Ltd has no financial interest in Torrens Energy Ltd. Dr Beardsmore consents to the public release of this report in its entirety.

P AUGUSTA INFERRED GEOTHERMAL RESOURCE ESTIMATE

The Australian Code for Reporting of Exploration Results, Geothermal Resources and Geothermal Reserves, 2008 Edition ('The Code') defines an 'Inferred Geothermal Resource' as:

"That part of a Geothermal Resource for which thermal energy in place can be estimated only with a low level of confidence...This category of Geothermal Resource is inferred from geological, geochemical and geophysical evidence and is assumed but not verified as to its extent or capacity to deliver geothermal energy. There must be a sound basis for assuming that a Geothermal Play exists, estimating the temperature and having some indication of its extent."

Torrens Energy contracted independent geothermal consultants Hot Dry Rocks Pty Ltd (HDR) to complete an estimate of 'stored heat' using the information detailed in the next section. Results are summarised as follows and key variables listed below:

Reservoir Unit	Stored* Heat PJ	Volume Km ³	Estimated Mean T°C	Inferred* Resource PJ
Torrensian	216	1.1	154	220
Willouran	1,438	6.6	158	1,400
Basement	68,183	252	174	68,000
TOTAL	69,837	260		70,000PJ

* The 'stored heat method' is an industry standard technique for estimating the total heat energy contained within a target volume. In this context the reservoir volume (above) is constrained by the 150°C isotherm and a maximum depth of 5000m for Port Augusta. The Inferred Resource is the estimated stored heat rounded to two significant figures.

Key Variables	Value
Average Surface Temperature	21± 0.5°C
Base of Reservoir	5,000m
Specific Heat Capacity at 25°C	750JKg ⁻¹ K ⁻¹
Heat Generation - Basement	5µW/m ³
Cut off Temperature**	150°C
Rejection Temperature**	70°C

** Reference to the 'cut-off temperature' and 'rejection temperature' listed (above) is made in consideration of an estimate of the realistic lowest economically extractable temperature and the amount of thermal energy that might be extracted from the resource fluids, respectively, given the organic Rankine cycle binary power plant that could be used to convert thermal energy to electrical energy.



An example of insulating Adelaidean aged meta-sediment showing horizontal bedding (above). Drilling operations at Theoden 2 (below).



GEL 285

The Port Augusta Inferred Geothermal Resource is contained within the southern portion of GEL 285, which surrounds Port Augusta Township and associated power infrastructure. The GEL is part of the Company's larger Torrens Project, extending northwards for over 8,000 square kilometres along the eastern flank of Lake Torrens to Parachilna (cover page).

KEY DATASETS

The Geothermal Resource estimate is based on two principal datasets; high-resolution temperature logs taken from shallow heat flow wells drilled in 2009, and a single 2D reflection seismic line. This information, detailed below, was provided to HDR and used to estimate the 'stored heat' for the Area.

Heat Flow Drilling Completed

The Company completed 2 shallow diamond holes, Theoden 2 and Thorin 1 in 2009 as part of a regional heat-flow measuring program. Heat flow models were developed based on precision temperature logs and at least 200m of cored interval to measure thermal conductivity. Results of the modelled heat flow are as follows:

Drill Hole	Depth m	Heat Flow*** mW/m ²
Theoden 2	372	101 ± 4
Thorin 1	363	94 ± 2

*** Theoden 2 result announced to the ASX on 14 April 2009. Thorin 1 result announced on 30 July 2009 as 93mW/m². Value adjusted to 94 mW/m² by HDR as part of the data review of this Resource estimate.

Seismic Survey Completed

Torrens Energy completed seismic acquisition in May 2009 approximately 8 kilometres north of the town of Port Augusta (above). Approximately 25 kilometres of 2D reflection seismic was collected using the Terrex Bird-Wagen MARK IV off-road carrier with HEMI 60 vibrator, following existing tracks and roads east of the Stuart Highway.

Key geological features were identified – a thick flat-lying insulating sedimentary sequence (green) overlying interpreted heat-producing basement (red, below), demonstrating that a viable EGS geothermal play could exist at this key location - Significantly the flat-lying sediments terminate to the west and east, demonstrating again the unique thermal prospectivity of the Company's landholding (below).

ASX CODE: TEY

BOARD

Dr Dennis Gee: Chairman

John Canaris: Managing Director

David Eiszele: Director

Howard McLaughlin: Director

MANAGEMENT

Jerome Randabel: Exp. Manager

Rob Hodby: Company Secretary

CORPORATE OFFICE

Suite 1 338 Hay Street

Subiaco WA 6008

Phone: +61 (0) 8 6380 1003

Facsimile: +61 (0) 8 6380 1026

EXPLORATION OFFICE

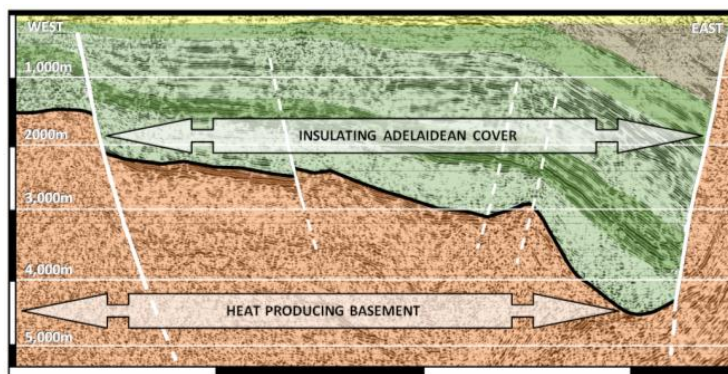
12 Eton Road

Keswick SA 5035

Phone: +61 (0) 8 8297 3300

W: www.torrensenergy.com

E: admin@torrensenergy.com



Geology

The geologically prospective Torrens Hinge Zone (THZ) and its coincidence with the National Electricity Grid, remains the primary target for Torrens Energy. Seismic and heat flow drilling at Port Augusta since 2009 has now determined the nature and depth of insulating cover over the heat producing basement feature known as the South Australian Heat Flow Anomaly (SAHFA).

The interpreted Gawler Craton basement overlain by insulating Adelaidean sedimentary rocks is a similar geological setting to the company's flagship project at Parachilna. Regional aeromagnetic data shows the trend of the geological basement, believed to be radiogenic Gawler Range Volcanics and Hiltaba Granite.

The extensive Hiltaba Suite is dominated by anomalously high 'heat producing' granites producing values ranging from 6 to 11 μ W/m³. The magnetic trend can be seen extending from known outcrops of Hiltaba Granite northward into GEL 285, indicating the likely heat source for the anomalously high heat flows encountered.

Managing Director John Canaris commented: "The establishment of a Code compliant Inferred Geothermal Resource at Port Augusta is an exciting development for the Company, and represents the natural progression of the Project from exploration, through to discovery".

"The next step will be to validate the heat production of the resource by an intermediate hole, and to estimate what proportion of the geothermal resource identified can be converted to electricity".

For more information please contact:

John Canaris
Managing Director
Torrens Energy Limited



The information in this report relating to geothermal exploration results has been compiled by John Canaris. Mr Canaris is a full time employee of the Company, and 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). John Canaris has consented in writing the public release of this report in the form and context in which it appears.