
QUARTERLY ACTIVITIES REPORT

DECEMBER 2012

ASX CODE: TEY

BOARD

Anthony Wooles:	Chairman
David Eiszele:	Director
Howard McLaughlin	Director
Winton Willesee	Director

MANAGEMENT

Rob Hodby: Company Secretary

CORPORATE OFFICE

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SOLICITORS

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CO-GEN OPPORTUNITIES

In December 2012 the Australian Geothermal Energy Association (AGEA), which represents the major explorers and developers of geothermal energy in Australia, made a submission to the SA Government's Select Committee for Port Augusta Power Stations outlining opportunities for the utilisation of geothermal energy, both at the site of the Port Augusta power stations and more broadly, across South Australia.

The submission noted "that the wider area surrounding the Port Augusta power stations is likely to support the development of an EGS project or indeed, multiple EGS projects". It further noted that this region had been the subject of more intense investigation by Torrens Energy for the purposes of developing standalone geothermal energy and "co-gen" systems utilising the existing power infrastructure.

This application by AGEA follows on from collaboration in 2010 between Torrens Energy and the Centre for Energy Technologies (CET) at the University of Adelaide to complete a preliminary study into the thermodynamic savings that could be attained by utilising geothermal heat in the conventional pre-heaters at the old power stations. Conceptionally, co-gen integrations by geothermal, solar energy or gas offer enormous opportunity for the advancement of alternative energy resources at Port Augusta and a seamless transition from conventional coal to a sustainable future.

The CET has a strong track record in the development of thermal technologies and technology integration.

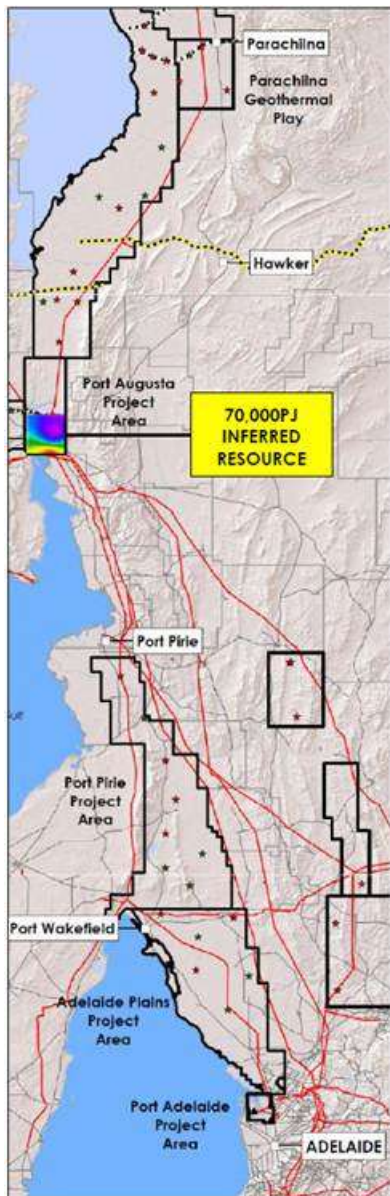
Torrens Energy remains ready to contribute and respond to SA State Government's Committee for Port Augusta Power and more broadly across South Australia.

In 2011 Torrens Energy released the results of its second geothermal resource estimate on GEL 285 at Port Augusta, South Australia. A code-compliant Inferred Resource of 70,000PJ stored heat was identified at the vicinity of the Port Augusta power stations and associated infrastructure north of Adelaide.



ASX ANNOUNCEMENT

31 December 2012



Port Augusta is ideally located at the head of Spencer Gulf, 400 km north of Adelaide, for connection to the National Power Grid. The Northern and Playford Power Stations at Port Augusta contribute 20 per cent of South Australia's supply of electricity, and service the Olympic Dam project.

NON-GEOTHERMAL EXPLORATION EVALUATION

A consulting report commissioned by Torrens Energy to evaluate the Company's non-geothermal assets was received in December 2012.

The report is now being reviewed by the Company to identify areas where exploration potential would be warranted.

This review is a continuation of the Company's investigations into new non-geothermal opportunities.

TENEMENT REVIEW

As part of the Company's ongoing monitoring of costs one of its exploration licences was dropped and reapplied for with the South Australian Department for Manufacturing Innovation Trade Resources and Energy.

The total tenement location and area is materially unchanged, however this change significantly reduces the holding costs and the minimum exploration expenditure required to maintain this tenement.

FINANCIAL POSITION

The cash at bank at 31 December 2012 was \$3.028m.

The Company is continuing investigating new opportunities to enhance shareholder value whilst maintaining the existing value.

For more information please contact:

Anthony Wooles

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Torrens Energy Limited
www.torrensenergy.com