



GEODYNAMICS

LIMITED

ABN 55 095 006 090

Share Purchase Plan

An offer to shareholders of Geodynamics Limited to purchase additional fully paid ordinary shares in Geodynamics under the terms and conditions of this Share Purchase Plan.

Indicative Timetable

Record Date	30 April 2003
Announcement of Share Purchase Plan	1 May 2003
Share Purchase Plan Offer Closes	22 May 2003
Allotment and Issue of Shares	23 May 2003
Quotation of Shares on ASX	28 May 2003

Letter from the Chairman

1 May 2003

Dear Shareholder,

On behalf of the Board, I am pleased to advise shareholders of the introduction of a Share Purchase Plan. The Plan entitles all shareholders to purchase up to \$5,000 worth of shares in the Company at an issue price of 50 cents per share and free of all brokerage, commission and stamp duty. Please note that this is at a discount to the weighted average market price of 56.3 cents for the 20 trading days between 1 April 2003 and 30 April 2003 inclusive.

The high price of crude oil and continuing pressures for Governments worldwide to endorse Kyoto protocols to limit greenhouse gas emissions are focussing more attention on the attractiveness of zero emission Hot Dry Rock (HDR) geothermal energy resources under development by Geodynamics.

The efforts to commercialise HDR geothermal energy overseas are accelerating. I recently visited the French HDR project at Soultz which is achieving excellent results. Geodynamics has a significant advantage compared with overseas projects due to the higher temperatures at accessible depths in our Cooper Basin project.

The scope and size of the Cooper Basin HDR project is such that we regard it as one of national importance. It represents an outstanding opportunity, without parallel, to change the energy balance in Australia away from fossil fuels.

The Company is making good progress with its HDR geothermal resource in the Cooper Basin. Since our quarterly report at the end of January 2003, we have:

- ✓ Progressed on schedule with the drilling of Habanero 1, the first deep well in our HDR field program. At the time of writing, the well is at 4,151 metres depth.
- ✓ Completed a two day technical workshop on the next phase of our program, hydraulic stimulation with experts from Europe, Japan, USA, Woodside, SANTOS, CSIRO and PIRSA.
- ✓ Continued discussions with potential cornerstone investors from the power industry.

The Company has also today lodged an Offer Information Statement (OIS) raising of \$1,900,000 with provision to accept an additional \$500,000 which will be directed at larger investors. Of this, \$2,265,000 has already been secured in commitments from various investment fund managers.

The purpose of raising the extra funds is to enable the Company to deepen the Habanero 1 and 2 wells from 4,400m to 4,900m, our preferred option, as outlined in the August 2002 prospectus.

By securing the funds now, the Company also meets its post-IPO fundraising obligations to Metasource as summarised in the August 2002 prospectus, thereby also ensuring that we retain 100 percent equity in our Cooper Basin geothermal tenements. This offer does not replace our ongoing efforts to raise extra funds from a cornerstone investor but is made in addition to this.

This is an excellent opportunity for shareholders to purchase discounted shares at a time when global interest in renewable energy is high and our field program is poised to deliver results. I commend the offer to you.

Yours sincerely,



Martin Albrecht AC
Chairman

1 May 2003

Geodynamics Limited Share Purchase Plan

This is an offer to you as a shareholder of Geodynamics Limited (Company) to purchase additional fully paid ordinary shares in Geodynamics (Shares) under the terms and conditions of the Geodynamics Limited Share Purchase Plan (SPP).

Eligible shareholders have the opportunity to subscribe for additional Shares at a discount to market value and without incurring brokerage or stamp duty.

1. Participation

You are eligible to participate in the SPP if you were a holder of Shares at the close of business on 30 April 2003 (Record Date), with a registered address in either Australia or New Zealand (Eligible Shareholder) provided that this SPP does not constitute an offer in any jurisdiction in which or to any person to whom it would be unlawful to make such an offer.

Participation in the SPP is entirely at your option. Offers made under the SPP are not renounceable. This means that shareholders cannot transfer their right to purchase shares under this offer to another person.

2. Pricing of Shares under the SPP

The SPP Shares are priced at 50 cents per Share.

The weighted average market price of the Shares for the 20 trading days between 1 April 2003 and 30 April 2003 inclusive was 56.3 cents.

Shareholders should be aware that the market price of Shares may rise or fall between the date of this Offer and the date when Shares are allotted and issued to you. Any such change in the Share price will not affect the purchase price for Shares under this SPP. You should obtain your own independent investment advice in relation to the offer and consider price movements of shares before accepting the offer.

3. Shares Offered

Eligible Shareholders may apply for a specified number of Shares under one of the following alternative offers:

Offer	Number of Shares offered	Total amount payable (50 cents per Share)
A	2,000	\$1,000
B	4,000	\$2,000
C	6,000	\$3,000
D	8,000	\$4,000
E	10,000	\$5,000

You may apply for the total number of Shares specified under any one of the Offers A, B, C, D or E.

4. Applying for Shares under the SPP

If you would like to apply for Shares under the SPP, please complete the enclosed Application Form and return it, together with your cheque made payable to "Geodynamics Limited - Allotment Account", to either of the following addresses:

Post To:	Or	Hand Deliver To:
Computershare Investor Services Pty Ltd Reply Paid 5710 Central Plaza QLD 4001		Computershare Investor Services Pty Ltd Level 27, Central Plaza One 345 Queen Street Brisbane QLD 4000

Applications should only be made in one of the designated amounts set out in the Application Form. If the amount of the cheque tendered with the Application Form is not one of the designated amounts, Geodynamics reserves the right to return the Application Form and cheque and not allot any Shares to you or to accept it in respect of a lesser number of Shares and refund the balance of your application moneys without interest.

Applications must be received by 5:00pm on Thursday 22 May 2003 (Closing Date). Applications received after that time will not be accepted.

The return of the Application Form with the application monies will constitute the Eligible Shareholder's offer to subscribe for shares on the terms and conditions of this SPP. Once an application has been made, it cannot be revoked. No notice of acceptance of the application will be provided.

5. Issue of Shares

The Company will not be obliged to allot shares and the applicant will not be entitled to receive or be issued shares until the Board resolves to allot the shares.

The Board will not issue more than 9,000,000 shares under this SPP. If applications are received for more than this number of shares, then applications will be scaled back so that not more than 9,000,000 shares are issued. The allocation and any scale back of shares will be determined by the Board at its discretion.

Shares under the SPP will be allotted and issued on or about 23 May 2003. After all Shares have been allotted, Geodynamics will promptly make application to Australian Stock Exchange Limited for the shares to be listed for quotation. Holding statements/allotment notices should be received shortly after the allotment date.

6. Indicative Timetable

Record Date	30 April 2003
Announcement of Share Purchase Plan	1 May 2003
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These dates are indicative only. The Company may vary the dates and times of this offer without notice. Accordingly, shareholders are encouraged to submit their Application Form as early as possible.

7. Additional Terms of this SPP

The requirements of the Australian Securities and Investments Commission's Class Order CO 02/831 are incorporated into this SPP.

Under that Class Order, the yearly limit that can be raised from an Eligible Participant in a share purchase plan is \$5,000. Accordingly, no shareholder (including through joint holdings, multiple share accounts or any holding in which the shareholder may have a beneficial interest) will be issued with shares under this or any other share purchase plan with an application value totalling more than \$5,000 in any consecutive 12 month period.

All Shares issued under the SPP will rank equally with existing Shares.

The SPP is administered by the Board which may determine in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP whether generally or in relation to any participant, or application, or Shares and the determination of the Board will be conclusive and binding on all participants and other persons to whom the determination relates.

The Board reserves the right to withdraw this SPP and any offer under it at any time prior to the allotment of shares and to waive strict compliance with any provision of these terms and conditions, to amend or vary these terms and conditions and to suspend or terminate the SPP at any time. If the SPP is withdrawn, all application monies will be refunded without interest.


8. Why should you subscribe for Shares pursuant to this SPP?

Shares offered under this SPP are offered at a discount to their market value as at the date of this offer. There is no brokerage, commissions or other participation costs payable by you in respect of any acquisition of Shares under this SPP

9. Queries

If you have any queries concerning the SPP, please contact Bertus de Graaf by telephone on 07 3721 7500.

Yours sincerely,



Dr. Bertus de Graaf
Managing Director
Geodynamics Limited



GEODYNAMICS
LIMITED

Share Purchase Plan Application Form

ABN 55 095 006 090

Record Date: 30 April 2003
 Expected Allotment Date: 23 May 2003
 Price Per Share: 50 cents

Before completing this Application Form, you should read the terms and conditions of the Share Purchase Plan contained in the letter dated 1 May 2003 and the instructions overleaf.

By accepting the Offer, you agree to be bound by the terms and conditions of the Offer and the Constitution of Geodynamics Limited

I/we being the above mentioned, being registered as ordinary shareholder(s) in Geodynamics Limited as at the record date of 30 April 2003, do hereby apply for the number of ordinary shares in Geodynamics Limited as indicated below at an issue price of 50 cents per share issued in accordance with the terms and conditions of the Geodynamics Limited Share Purchase Plan.

I/we confirm that the total cost of shares purchased by us (including through joint holding(s), multiple share accounts or any holding in which I/we have a beneficial interest/s) does not exceed \$5,000.

I/We apply for (tick one box)

<input type="checkbox"/>	A	2,000 Shares at 50 cents per Share for a total subscription amount of \$1,000
<input type="checkbox"/>	B	4,000 Shares at 50 cents per Share for a total subscription amount of \$2,000
<input type="checkbox"/>	C	6,000 Shares at 50 cents per Share for a total subscription amount of \$3,000
<input type="checkbox"/>	D	8,000 Shares at 50 cents per Share for a total subscription amount of \$4,000
<input type="checkbox"/>	E	10,000 Shares at 50 cents per Share for a total subscription amount of \$5,000

in GEODYNAMICS LIMITED or such lesser number of Shares which may be allocated to me/us by the Directors.

I/We lodge in full application monies of: \$, For the above Shares

Please complete the following cheque payment details:

Drawer	Bank	Branch or BSB	Amount
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Cheques should be made payable to "Geodynamics Limited – Allotment Account" and crossed "Not Negotiable".

Telephone number where we may contact you during business hours: (_____)

Contact Name: _____

**Return this completed form along with your cheque using the enclosed reply paid envelope to:
 Computershare Investor Services Pty Ltd, Reply Paid 5710, Central Plaza QLD 4001.**

Offer closes 5.00 pm Brisbane time 22 May 2003



GEODYNAMICS
LIMITED

DECLARATION AND STATEMENTS:

By lodging this Form:

I/We declare that all details and statements made by me/us are complete and accurate;

I/We agree to be bound by the terms and conditions set out in the Share Purchase Plan and by the Constitution of Geodynamics Limited;

I/We authorise Geodynamics Limited to complete and execute any documentation necessary to effect the issue of Shares to me/us; and

I/We acknowledge that returning the Application Form with the application monies will constitute my/our offer to subscribe for Shares in Geodynamics Limited and that no notice of acceptance of the application will be provided.

INSTRUCTIONS TO APPLICANTS

1. Tick the box corresponding to the number of Shares you wish to apply for.
2. Enter the total amount of application monies payable.
3. Enter the name and telephone number of the person who should be contacted if there are any questions with respect to this application.
4. Payment must be made to "**Geodynamics Limited - Allotment Account**" by cheque drawn or payable on a bank within Australia, crossed "Not Negotiable" and be in Australian dollars. Receipt of payment will not be acknowledged.

The application form does not need to be signed. Return of this application form with the required application monies will constitute your offer to subscribe for shares.

Please note that if an application form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted. Any decision of the Directors as to whether to accept an application form, and how to construe, amend or complete it, shall be final. An application form will not however, be treated as having offered to subscribe for more shares than is indicated by the amount of the accompanying cheque.

Please send the completed application form (accompanied by a cheque) at any time prior to the Closing Date:

Post To:

Computershare Investor Services Pty Ltd
Reply Paid 5710
Central Plaza QLD 4001

Or

Hand Delivery To:

Computershare Investor Services Pty Ltd
Level 27, Central Plaza One
345 Queen Street
Brisbane QLD 4000

(reply paid envelope enclosed)

Please telephone the Share Registry on 1300 552 270 or facsimile 07 3229 9860 if you have any questions with respect to this application form.

Applications are for Shares in Geodynamics Limited. The Offer under the SPP closes on Thursday 22 May 2003.