

Petratherm Ltd

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petratherm

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ASX Announcement

Share Placement

Petratherm Limited (ASX: PTR) (the Company) today announced that 5.25 million ordinary shares are to be placed by Taylor Collison Ltd and Lands Kirwan Tong Stockbrokers Pty Ltd. The placement is to be made at 28 cents per share and is conditional upon Minotaur Exploration Ltd (Minotaur) exercising \$500,000 of its options in Petratherm. Minotaur has advised that it intends to exercise the options subject to the escrow conditions presently in place.

After completion of the placement and Minotaur exercising its options for ordinary shares, the number of ordinary shares on issue in the Company will be 42.75 million. The Company will apply to the ASX for listing of the placement shares following which 17.5 million shares and 5 million options will be in escrow until 27 July 2006. Further information required by Listing Rule 3.10.3 for the private placement accompanies this announcement.

The funds raised will be used to develop the Paralana geothermal site where the Company has encountered what is believed to be the highest temperature gradient recorded to date in deep hot rock geothermal exploration. The first phase of this work will be to deepen the Paralana hole in order to study the temperature gradient and structural conditions at greater depth. This is currently expected to commence in March 2006.



LISTING RULE 3.10.3 INFORMATION

In accordance with Listing Rule 3.10.3, Petratherm provides the following details of the placement shares:

Class of Securities	FULLY PAID ORDINARY SHARES
Number to be issued	5.25 million
Principal term of securities	The shares will carry standard rights applicable to ordinary shares in the Company and will, from the date of issue, rank equally with fully paid ordinary shares currently on issue.
Issue Price	\$0.28 per share
Purpose of Issue	To raise working capital for exploration and development of Petratherm's hot rock geothermal projects.
Shareholder Approval	The Company will not seek shareholder approval prior to the issue of 5.25 million of the placement shares, as approval of this number of shares is not required by the Listing Rules. The Company intends to subsequently seek approval of this number of shares at a general meeting pursuant to Listing Rule 7.4 (subsequent approval of issue of securities).
Issue to Class	The issue is not made to a class of security holders.

For further information please contact:

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Chairman
Petratherm Ltd.

