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PETRATHERM LIMITED
ABN 17 106 806 884

Chairman's Address and Managing Director's Presentation
2009 Annual General Meeting

Chairman's Address

Petratherm Chairman Derek Carter today thanked shareholders for their attendance at the company's Annual General Meeting and provided an overview of the year.

Introductory Remarks

It is satisfying to report that the company has emerged from a challenging financial year in a strong position. When market conditions deteriorated during the global financial crisis our approach was to prudently reduce expenditure. This has enabled us to emerge as a robust company with a quality portfolio of Australian and international projects.

The company's financial position has been strengthened by our signing of TRUenergy as a joint venture partner for the Paralana geothermal energy project, along with the joint venture being awarded two substantial grants by the Federal Government. The company has also raised significant funds in a Share Purchase Plan offer and a Share Placement.

It has been an important year for Petratherm with the company reaching some major milestones. One of the highlights was the drilling of the first injector well at our flagship Paralana project. The well reached a target depth of 4012m earlier this month.

Strong Government support with the Paralana Project awarded two Commonwealth grants

The Australian geothermal energy industry received strong support in 2008/09 with the Federal Government announcing recipients of its Geothermal Drilling Program (GDP) and Renewable Energy Demonstration Program (REDP). The Paralana Joint Venture was awarded $7 million under the GDP and another $62.8 million under the REDP. The funds will be used to build a 30MW commercial demonstration project at Paralana to initially provide power to the Beverley Mine, 11 kilometres from the site.

Paralana JV strengthened with TRUenergy's $57M Farm-In
The Paralana joint venture now includes TRUenergy Geothermal (internationally owned by China Light & Power) who is farmed into the project under an agreement for up to $57 million for 30% for the project, complementing the existing JV with Beach Petroleum (up to $30 million for 36%). The project now has a formidable group of joint venture partners combining expertise from the energy industry and oil and gas industry together with Petratherm's geological capabilities.

Share purchase plan offer and placement raises $7.40 million
A significant amount of funds was raised post the reporting period with a share purchase plan offer to shareholders successfully raising $4.32 million at 26 cents (with a 40 per cent uptake by shareholders). A further $3.08 million was raised at 32 cents per share before cost from a Share Placement to clients of Taylor Collison Ltd.

Paralana Deep Drilling commenced June 30, 2009
Our flagship Paralana joint venture has received significant attention this year with Federal Resources and Energy Minister Martin Ferguson officially launching the Paralana project on site in August, some 600 kilometres north of Adelaide in South Australia.

The drilling of the first injector well at the Paralana site began on June 30 and we reached a target depth of 4012 metres earlier this month. Logging is under way and the hole is planned to be cased in preparation for fracturing next year.

Spanish Projects show encouraging expected returns with potential for early revenue
In Spain, Petratherm received important support when the Spanish and Madrid regional governments signed a cooperative agreement to progress the 8 MW Geo-Madrid District Heating Project. This project has the potential to become a robust income generator with a feasibility study showing encouraging results. It has been listed among six renewable energy projects of interest within the Madrid Regional Government's Renewable Energy Cluster Project.

In the Canary Islands, the company has completed a magneto-telluric (MT) study on the island of Tenerife and the results are being finalised. The study's aim is to provide a drill target for an existing geothermal reservoir. The island, known for its volcanism, is considered a promising site for exploiting conventional geothermal technology. Discussions are well underway to secure a joint venture partner.

Petratherm now has four geothermal investigation permits in Barcelona, after the remaining three applications covering the Canoves, Montbui and Vic areas were approved and issued to Petratherm Espana. The permit areas are about 30kms north-northeast of Barcelona, close to major electricity transmission infrastructure. The geology and market conditions make both geothermal district heating and engineered geothermal system applications attractive in this region.

Petratherm's team skills & capabilities have been expanded to meet the growing needs of the Company
During the year, the company expanded its skills base with the appointment of accountant Paul Smith and Belinda Willis to oversee public and investor relations. KPMG and leading consultants International Safety and Risk Management also provided valuable advice.

2010 promising for Petratherm
2010 will be another momentous year for Petratherm with the development of our Paralana project and our work in Spain among the ventures that promise to make it an exciting period.

At Paralana, we intend completing temperature measurements before evaluating the site for a mini fracture in the first quarter and a multi-zone fracture in the second quarter. Drilling of the Paralana 3 deep producer well is scheduled for the third quarter followed by proof of concept late in the year and commissioning of the 3.75 MW power plant in 2011.

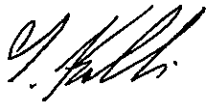
In Spain, the company will complete the Tenerife MT survey and progress joint venture negotiations with plans to identify a deep well target site early in the year. We will continue coordinating with the Spanish and Madrid regional governments to progress the Madrid project and work toward progressing the Barcelona and Madrid engineered geothermal system projects.

As you can see, there are many opportunities ahead and my thanks go to the Petratherm Board and staff for their efforts over this past year. The company has made huge advances during this 12 month period. In particular, I would like to thank Terry Kallis, our Managing Director, for his substantial contribution in developing the company.

Refer Managing Director's presentation attached.

For those shareholders who are not able to attend, a webcast of the AGM will be available on the Petratherm website via the Boardroomradio link.

Yours faithfully



Terry Kallis
Managing Director

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Petratherm

2009 Annual General Meeting of Shareholders

Chairman's Address Derek Carter

Company and Projects Update

Presented by Managing Director Terry Kallis and

Exploration Manager Peter Reid

26 November, 2009

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All amounts in Australian dollars (AUD) unless stated otherwise.

Presentation Overview

- Introduction – Paralana DVD
- Chairman's Address
- Company and Projects Update
  - Paralana JV project
  - East Gippsland
  - Spain – Madrid, Barcelona and Canary Islands
  - China
- Outlook for 2010 and beyond

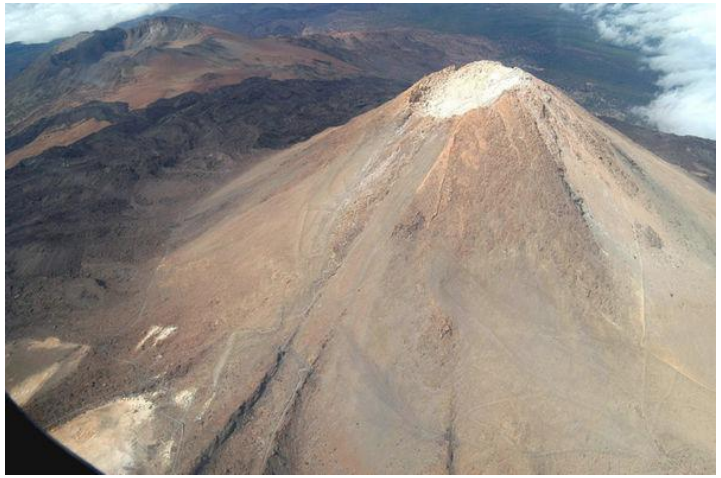
- Background information slides

Chairman's address

- Emerged from a challenging financial year in a strong position
- Drilling commenced with Ministerial Launch and has now reached target depth of 4012 metres – casing is under way
- TRUenergy signs as a joint venture partner
- Paralana JV is awarded a $7 million geothermal drilling grant

Chairman's address

- Paralana awarded $62.8 million Renewable Energy Demonstration Program Grant
- $7.3 million raised in placement and Share Purchase Plan
- Cooperative Agreement with Spanish Governments on the Geo-Madrid project
- Exploration/assessments continue in Spain, China and Victoria



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Our company

Our company

- Leading Australian geothermal exploration and development company
- Projects spanning Australia, Spain and China
- Flagship project – Paralana

Other growth projects:

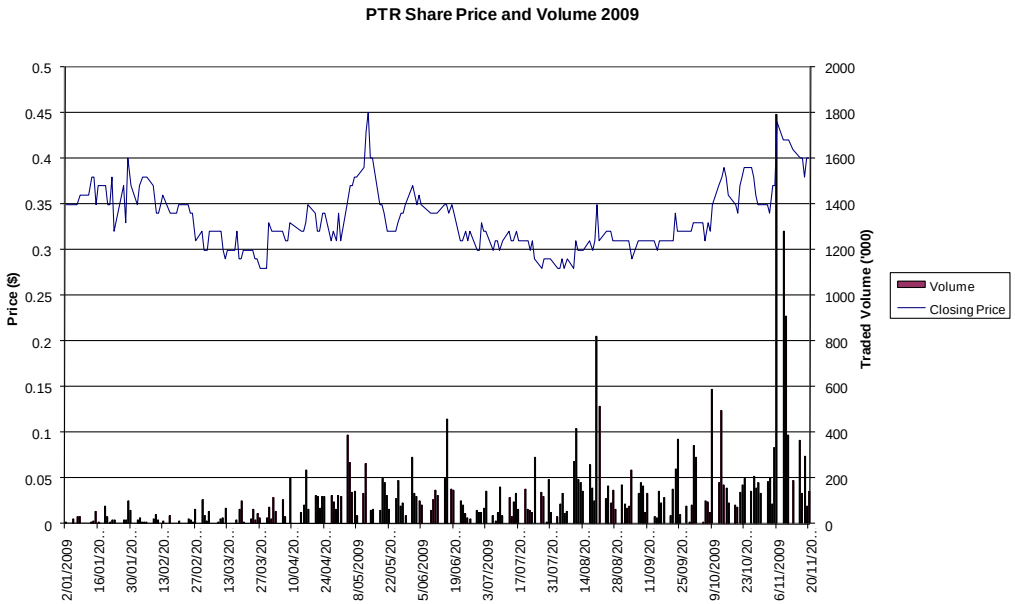
- Madrid
- Barcelona
- Canary Islands, Tenerife
- Victoria's East Gippsland Basin
- China exploration agreement

Corporate and financial

- Shares on Issue: 94.45 million
- Share Price: $0.425 (25 Nov)
- Market Cap: $40.2 m (25 Nov)
- Cash Position: $8.7 m (23 Nov)
- Shareholders: 3,424 shareholders
  - Minotaur Exploration 22 %
  - Australian Ethical Investments 4.8 %
- Awarded Geothermal Drilling Program for $7 million and recently a Renewable Energy Demonstration Program for $63 million
- JV Funding: up to $87 million plus equity share of project costs

Shares price over 2009 year

Steady and improving despite uncertain market. Trading volume increased significantly



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Board of Directors

Derek Carter
Chairman

Simon O'Loughlin
Director

Richard Hillis
Director

Richard Bonython
Director

Terry Kallis
Managing Director

Don Stephens
Secretary

An experienced board with a strong combination of commercial and technical skills

- Financial management
- Legal
- Marketing
- Project Management
- Corporate Governance
- Exploration and development
- Geology and Geophysics
- Resources and Energy
- Government and Stakeholder relations

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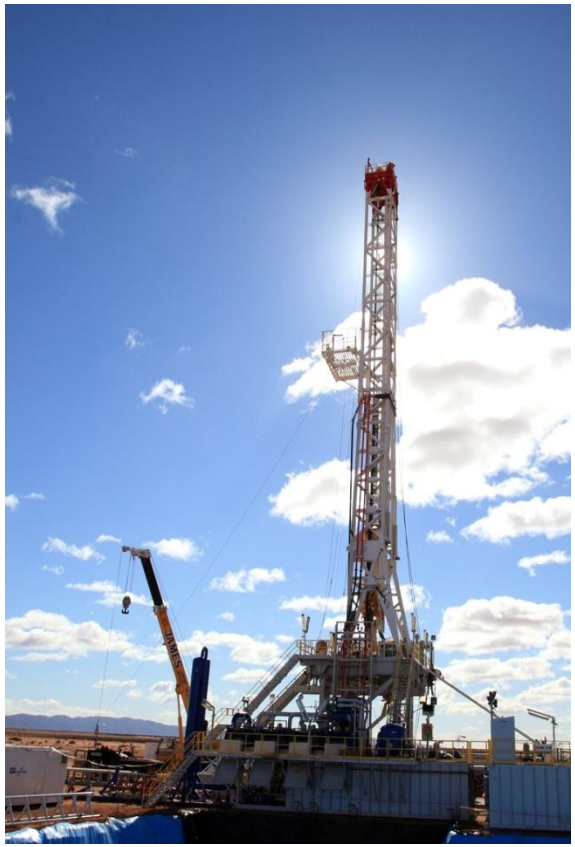
Our business model

"To explore for and develop emission free geothermal energy projects that are commercially sustainable"

- To develop a portfolio of quality geothermal energy projects
- Explore both conventional and engineered geothermal systems – for power and heat
- Find a favorable combination of geology and market conditions - "*shallow hot rocks close to market"*
- Introduce joint venture partners with the right skills, risk appetite and funding ability



BEACH PETROLEUM

TRU energy

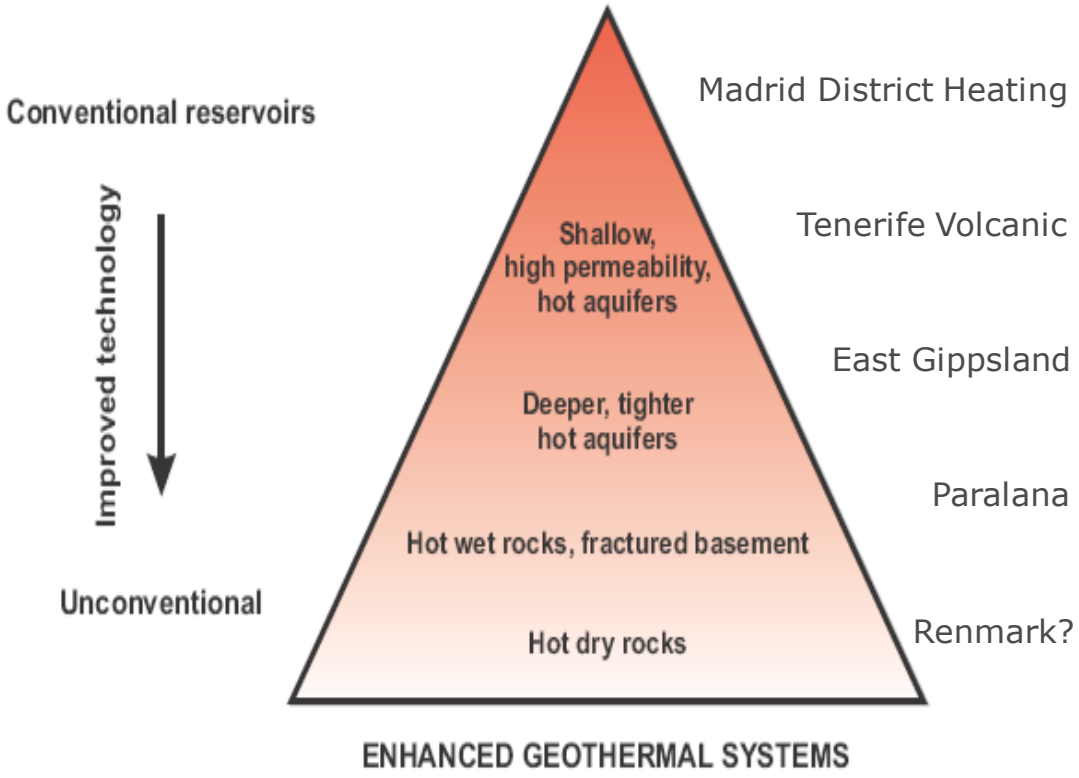
Geothermal energy technologies and cost drivers

Cost Drivers

- Temperature
- Drilling Depth
- Flow Rate
- Network Connection
- Generation Plant

- **High upfront costs – drilling, fracture stimulation, connection, plant**

- **Project economics are geology and location specific**



Renewable energy policy and geothermal

Strong Federal and State Government support

- $50 million geothermal drilling program - maximum $7m per project
- $300 million Renewable Energy Demonstration Program
- Review of electricity and gas networks by the Australian Energy Market Commission (AEMC)
- Emissions Trading Scheme (CPRS)
- Renewable Energy Target (RET) of 45,000 GWh by 2020
- An increase in the after tax REC penalty price from $40/MWh ($57/MWh) to $65/MWh ($93/MWh) and extending to 2030 improves revenue

Strong industry networks

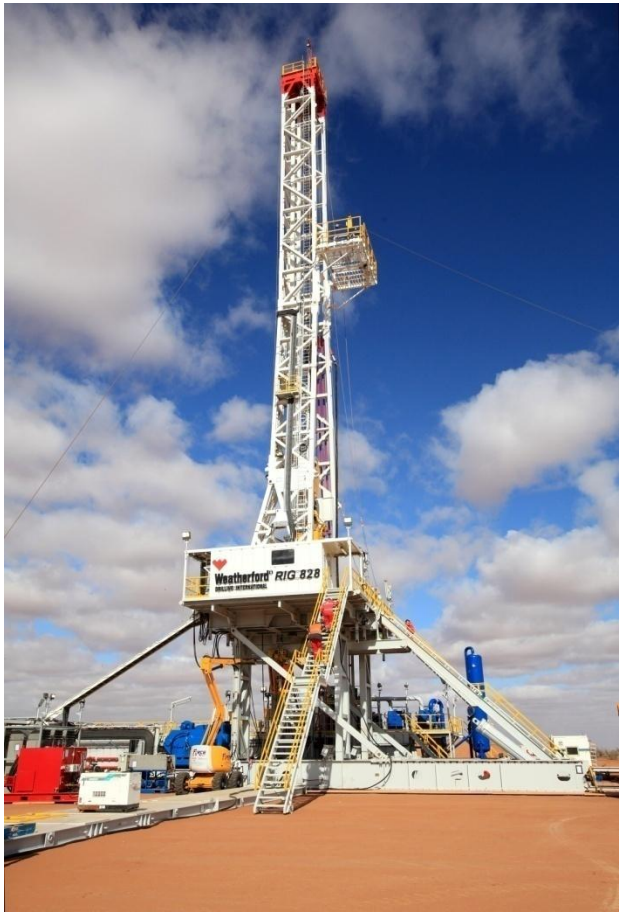
- Geothermal energy industry development framework
- Australian Geothermal Energy Association (AGEA)
- Australian Geothermal Energy Group (AGEG)

AGEA
Australian Geothermal Energy Association

AGEG
Australian Geothermal Energy Group

Our Australian projects

- Paralana project
  - Drilling campaign of Paralana 2 well drilling finished at our site 600km north of Adelaide
  - Temperature measurements 4 weeks after casing completed
- East Gippsland in Victoria
  - Awarded a 9,000km^2 geothermal exploration permit to develop a Hot Sedimentary Aquifer
- Renmark in South Australia
  - Two geothermal exploration licenses (GELs), located 26 km northwest of Renmark in the Riverland region
  - Close to two major transmission lines capable of carrying in excess of 220 MW of power



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Paralana geothermal energy JV project - snapshot

Our Paralana project 600km north of Adelaide in South Australia

- Anecdotal evidence from the Paralana hot springs in the nearby Flinders ranges
- High heat flow - 128 mW/m²
- Measured temperature of 109°C at 1807m
- Mature basin, stable formations, no hydrocarbons
- Inferred geothermal resource of 230,000 PJ – independent assessment by competent person - HDRPL
- Customer for initial 3.75MW plant at nearby Beverley Mine
- Potential commercial viability at all stages - scale up plan to 30MW and beyond

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Paralana 2 well drilling – key success factors

- The well was terminated at a depth of 4,012m, took longer and cost more than originally planned – logging under way and to be cased.

- Key success factors developed to guide Paralana project and incorporated in JV decision-making, GDP grant contract and REDP grant application.

- Key success factors for the Paralana 2 well are:
  - Equal/better industry safety & environment benchmarks ✓
  - Target a minimum drill depth of 3600m ✓ and maximum drill depth of 4000m ✓
  - Achieve a minimum temperature of 170°C at 4000m – *expect to meet/exceed (measured in 4 weeks after casing)*
  - Formation evaluation and selection of zones for stimulation – permeability/in situ stress field - *observed inflows to well commencing at 3690m (to be assessed)*

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Paralana joint venture arrangements

- Beach Petroleum Farm-in (Jan 2007) for up to $30M for 36%
  - $5M first well and stimulation
  - $5M second well and stimulation – earns 21 %
  - After HEWI – Option to earn a further 15% for $20M
  - Plus equity share of project costs at every stage

- TRUenergy Farm-in (Aug 2008) for up to $57M for 30%
  - $3M first well and stimulation
  - $3M second well and stimulation – earns 10%
  - After HEWI – Option to earn a further 5% for $7M
  - After 7.5 MW pilot plant – Option to earn a further 15% for $44M
  - Plus equity share of project costs at every stage

Under the Paralana Joint Venture post HEWI

For a $200m , 30 MW demonstration project with JV options taken up –
Petratherm would require minimal investment - retains 34% of project and resource

Joint Venture Contributions post HEWI* (*assumes all options exercised and cost targets met)

30 MW Project costs to 2014 with REDP grant - almost free carry

Without REDP grant	Forecast Capital Cost ($m)	Beach Contribution ($m)	TRU Contribution ($m)	PTR Contribution ($m)
7.5 MW (1 well plus plant plus transmission)	$45m	$29.0m	$10.8m	$5.3m
30 MW (9 wells plus additional plant)	$155m	$55.8m	$90.5m	$8.7m
Total without REDP	**$200m**	**$84.8m**	**$101.3m**	**$14.0m** (7.0%)
With REDP grant				
7.5 MW (1 well plus plant plus transmission)	$45m	$25.4m	$9.3m	$0.4m
30 MW (9 wells plus additional plant)	$155m	$37.1m	$65.9m	$0.0m
Total with REDP	**$200m**	**$62.5m**	**$75.2m**	**$0.4m** (0.2%)

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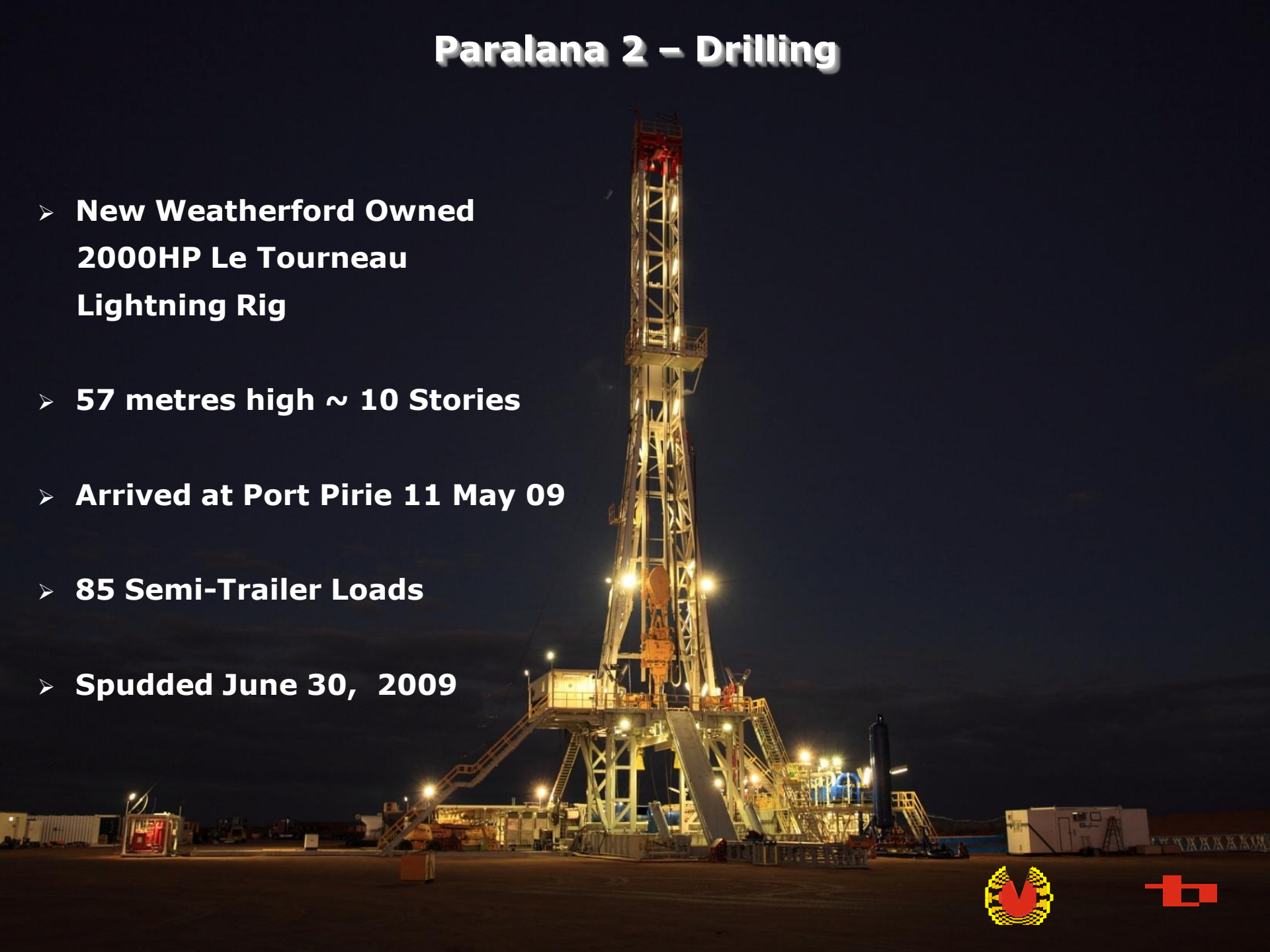
Paralana 2 – Drilling



- New Weatherford Owned 2000HP Le Tourneau Lightning Rig
- 57 metres high ~ 10 Stories
- Arrived at Port Pirie 11 May 09
- 85 Semi-Trailer Loads
- Spudded June 30, 2009

Paralana 2 - Operations

- Petratherm/Beach – extensive stakeholder and community consultation – Adnyamathanha Community, Beverley Uranium Mine , Epic gas pipeline, Arkaroola Village
- Beach Petroleum – Manager of Drilling Operations
- HSE - no lost time injuries
- Only minor shake down issues
- Hand-picked experienced drill crew provided

Scenario Planning versus Murphy's Law

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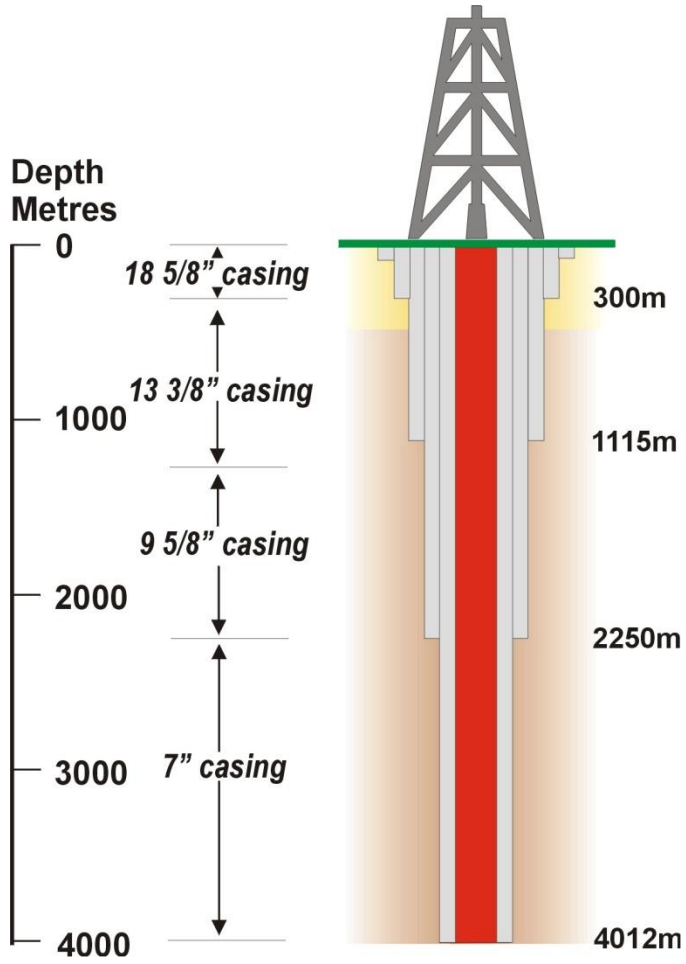
Paralana 2 – Drilling

- Hard Rock Formations – slow ROP 1-3 m/hr
- Tested several BHA arrangements to optimize ROP
- ***Conservatively drilled to maximize likelihood of success***

Paralana 2 - Drilling Completed to 4012 M – 9 Nov 2009



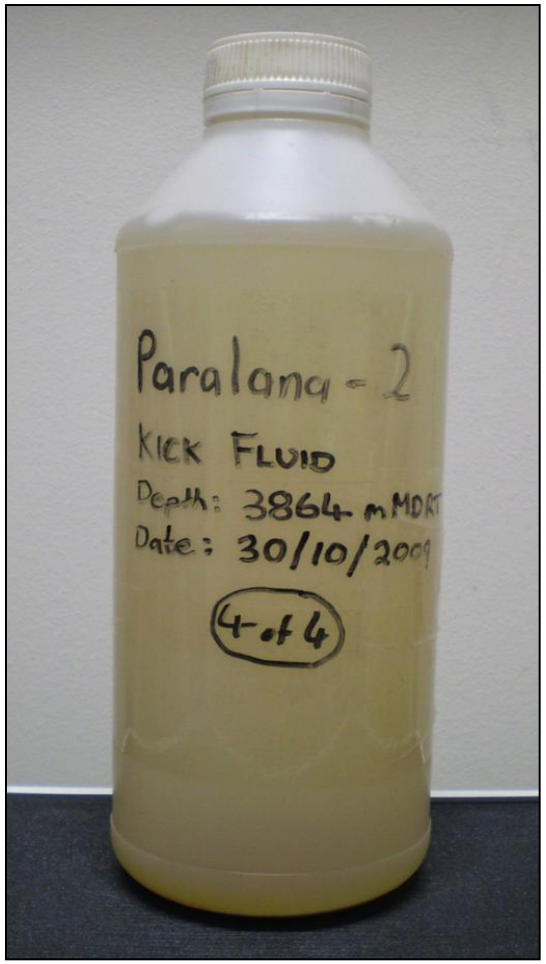
- First well designed following low-risk, standard operating methods
- Steady but slow drilling due to hard formations
- Conservatively drilled to ensure success
- Wireline and LWD logging to be completed this week
- Well is to be cased and cemented
- Temperature measurements to be undertaken in 4 weeks after casing
- Inflow zones encountered from 3690m

Paralana 2 – geothermal brines

- Inflow zones from 3690m
- Brine samples taken
- Wireline and LWD Program

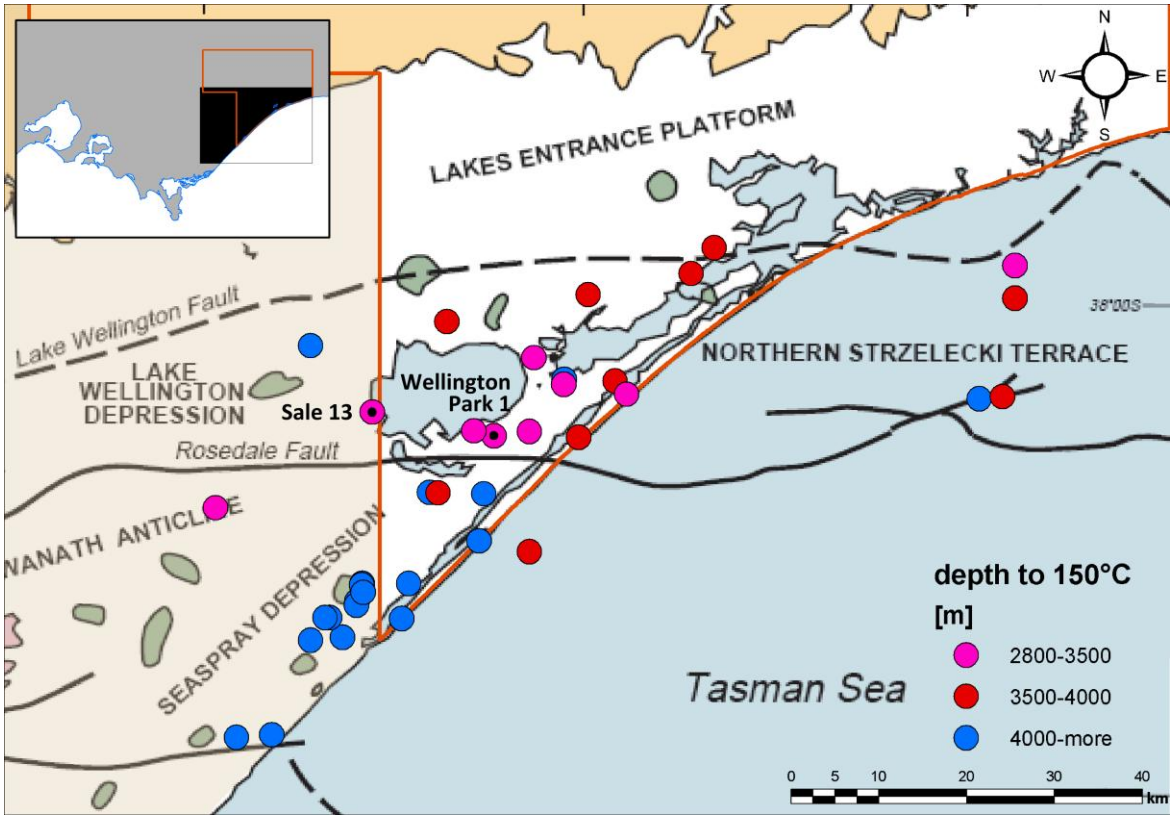
Reservoir Characterisation!

- Temperature
- Permeability
- Insitu stress field
- Geology
- Rock Properties



Australia - East Gippsland, Victoria

- Petratherm has a 9,000km^2 geothermal exploration permit for the East Gippsland Basin in Victoria
- Hot Sedimentary Aquifer Project
- Favorable transmission connection options to the National Electricity Market
- Expect fluid in excess of 150˚C at economically viable drill depths (3.5–4.0 kms)



Our East Gippsland project east of Melbourne in Victoria

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Spain

Madrid

- Madrid District Geothermal Heating Project
- Signed cooperative agreement with Spanish Federal and Madrid Regional governments

Barcelona

- Have four geothermal investigation permits – both engineered geothermal and district heating potential

Canary Islands/Tenerife

- Magnetotelluric survey of volcanic island
- Advanced joint venture discussions

Madrid – home to our promising district geothermal heating project

Spain – Madrid district heating project

"Highlighted as one of six renewable energy projects of interest within the Madrid Regional Government's Renewable Energy Cluster"

- Large tenement 20km by 20km in the north of Madrid
- Three shallow 2000m wells drilled
- One deep 3.4km well drilled with 156˚C
- Study indicates producing 8MW with annual production in excess of 45,000MWh (thermal)
- Cooperative agreement between Spanish Federal and Madrid Regional Government

Madrid tenement area – 25 km north of the city

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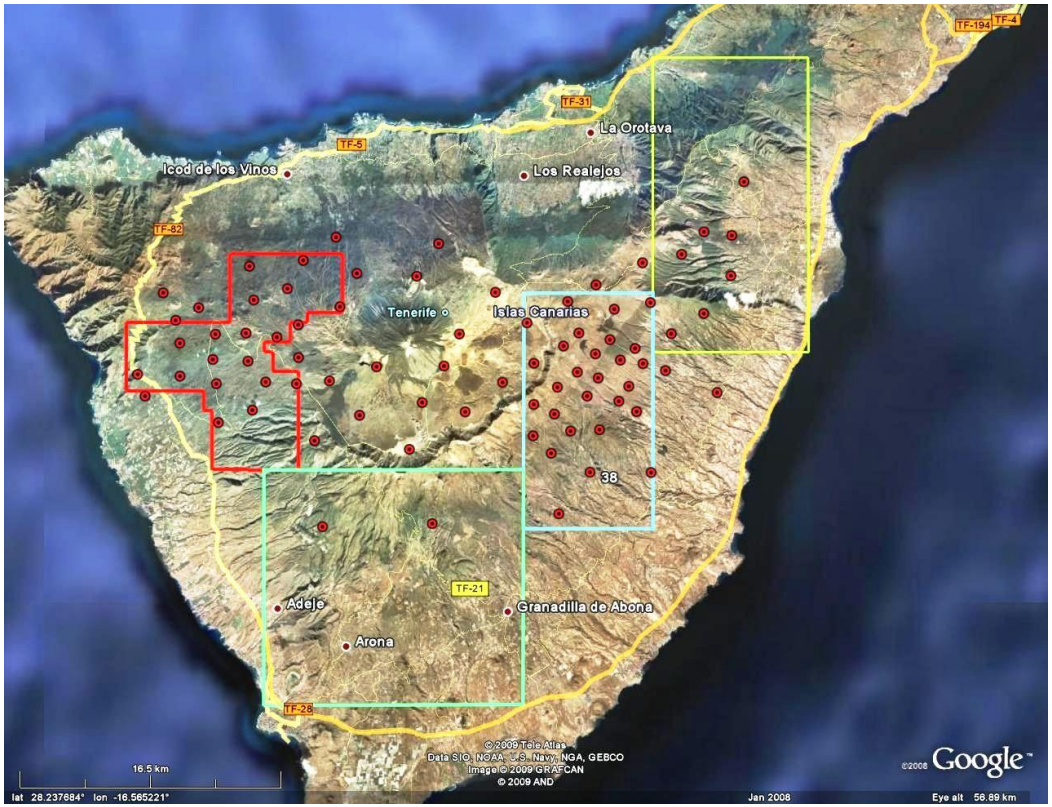
Spain - Barcelona

Barcelona – Petratherm has four investigation permits 30kms north-north east of the city

- Petratherm has four geothermal investigation permits covering areas within the Valles and Ebro Basins near the city of Barcelona
- Close to major electricity transmission infrastructure
- The geology and market characteristics make the area attractive for geothermal district heating and engineered geothermal systems

Spain - Tenerife

- Active volcanic island with a population of one million
- Studies suggest magma chamber 3km to 4km below surface
- Targeting 50MW to 100MW development
- Energy prices are over €90/MWh or AUD $150/MWh - three times prices in Australia
- Commenced extensive magneto-telluric survey work to pinpoint best well site
- Advanced joint venture discussions to develop Tenerife project



Tenerife MT survey stations

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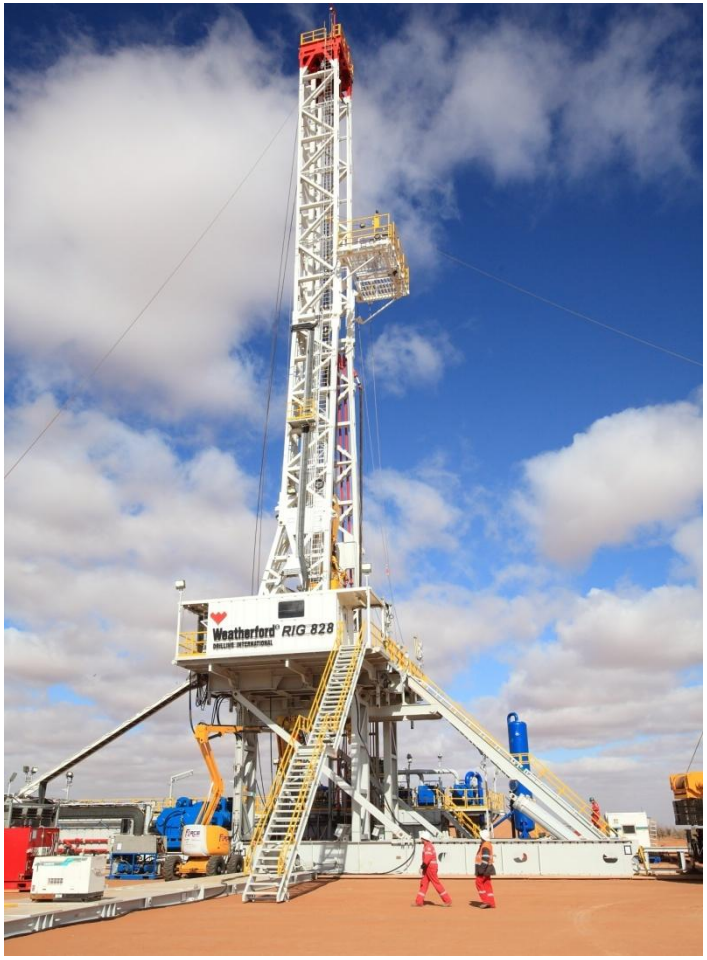
China

- Exclusive Cooperative Agreement to identify high prospect geothermal energy projects in China with four Chinese Government Institutions
  - Chinese Geothermal Energy Society
  - Geological Survey of China
  - Chinese Academy of Sciences
  - China Institute of Geo-Environment Monitoring
- Two areas in South East China identified for potential future development - Jiangsu Province and Subei Basin
- Target – Hot Sedimentary Aquifer contained in permeable Limestone at 4km to 5km depth
- Petratherm recently hosted a Chinese delegation (refer photo) in Australia – met with PIRSA and SA Mineral Resources Development Minister Paul Holloway, visited Paralana and Innamincka

Outlook for 2010 and beyond



Paralana Joint Venture Project

- Complete logging, casing & temperature measurement, formation evaluation & fracture program design
- 1st Qtr 2010: Mini fracture program/fracture stimulation design
- 2nd Qtr 2010: Multi-zone fracture stimulation
- 3rd Qtr 2010: drilling of the Paralana 3 deep producer well
- End 2010: Circulation Test – Proof of Concept
- 2011: Commission first stage 3.75 MW power plant

Outlook for 2010 and beyond

- Complete Tenerife MT survey and progress JV negotiations – identify deep drill target in Q1 2010, develop work program
- Continue Madrid GDH coordination with Federal & State Governments and progress JV opportunities complete Q1 2010
- Other projects – Barcelona GDH/EGS and Madrid EGS
- China exploration strategy and JV opportunities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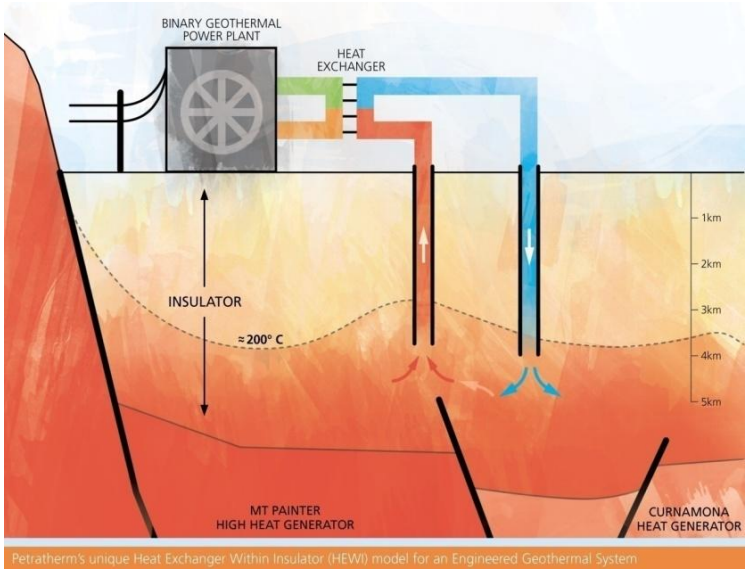
Paralana project – HEWI model and economic assumptions



Petratherm's unique Heat Exchanger Within Insulator (HEWI) model for an Engineered Geothermal System

HEWI Model at Paralana

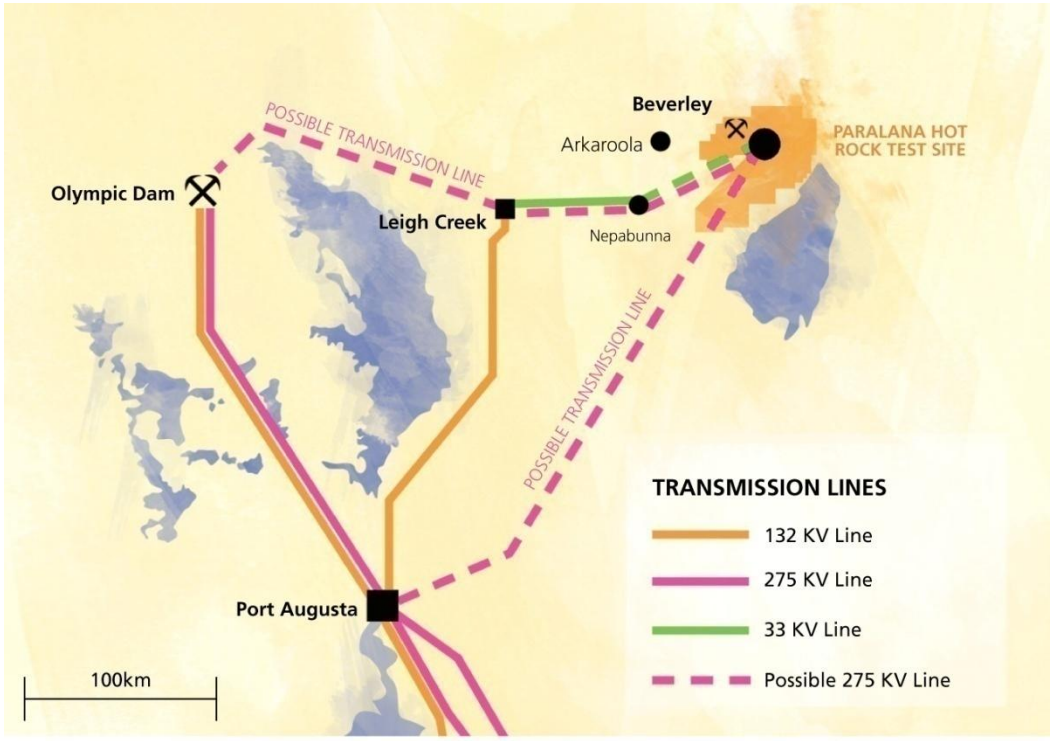
The required heat exchanger is created in the porous insulating layer above the granite heat source. This is expected to reduce risk, cost and time

*(*Long Run Marginal Cost calculation over 20 years, includes all costs, consistent with energy industry comparisons made by the Electricity Supply Association of Australia, McLennan, Magasanik and Associates and the AGEA Economics Committee)*

- Temp. of 170°C to 200°C at 3,600m to 4,000m
- Flow rate of 75 litres per sec – conservative compared with other public announcements
- Net output per production well of 3.75 MW based on flow and inclusive of parasitic loads
- 20 year project life, includes all costs with 12 wells for a 30 MW development and connection to customer and results in a LRMC* of $107/MWh (delivered), comparable with independently assessed industry LRMC ranges
- Bundled price for sale of output black and RECs expected to be > $140/MWh due to current high off grid price at Beverley mine
- JV retains the full value of black and RECs – no predetermined price – retain full upside
- Potential for commercial viability at small scale 3.75 MW, 7.5 MW and 30 MW

Paralana transmission plan

- Close to customer at the Beverley mine – only 10 kilometres away
- Plans for mine expansions - Four Mile deposit and new areas under exploration
- Longer term plan to supply large-scale base load power through entry points at Port Augusta and Olympic Dam
- Potentially from plants of 260MW to 520MW capacity and two high voltage transmission lines
- Consistent with industry network solution and the Australian Energy Market Commission's recent proposal for changes to the National Electricity Rules – to facilitate renewable energy



The proposed Paralana transmission plan

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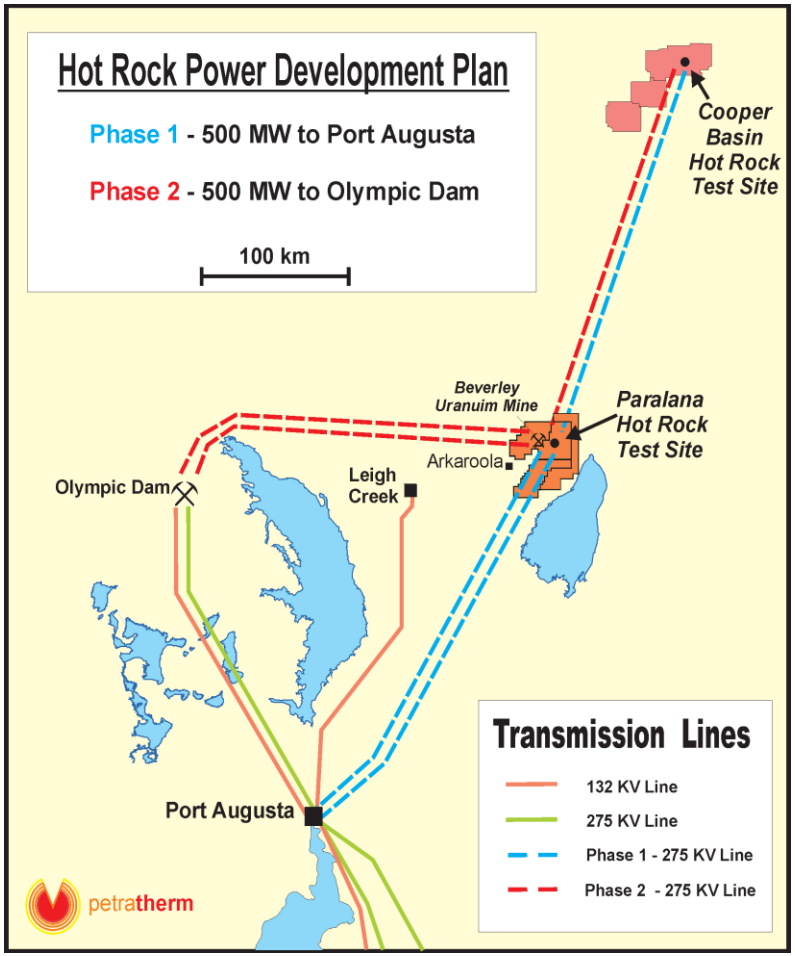
Industry transmission plan – northern SA

- 2009 independent report by McLennan Magasanik & Associates (MMA) shows savings in linking geothermal projects in the northern part of South Australia early to the National Electricity Market (NEM)
- MMA estimates benefits of $860 million for South Australian customers and $2.8 billion for customers across the Australian market
- Geothermal energy to displace higher cost forms of renewable energy
- Potentially the first 'SENE' – *scale efficient network extension* - efficient connection of clusters of generation to be proposed by AEMC



MMA Report " Assessment of the value of new 275 KV transmission line to connect Geothermal Resources to the NEM in South Australia"

Table 2-1 Potential Geothermal Development in the north region of South Australia

Financial Year ending June	Geodynamics (Innamincka) Net sent-out capacity	Petratherm (Paralana) Net sent-out capacity
2011	0	7.125
2012	0	7.125
2013	50	7.125
2014	50	28.5
2015	100	57
2016	150	85.5
2017	250	114
2018	400	152
2019	550	190
2020	550	228
2021	550	266
Capacity Factor	95%	95%
Ultimate Capital Cost ($M)	$2,750	$1,300
Transmission Cost[2] ($M)	$553	$164
Generation LRMC ($/MWh)	$68	$72
Transmission Cost ($/MWhso)	$10	$7
Loss to Olympic Dam	15%	5%
LRMC to OD ($/MWh)	$91	$83

Note that capital and operating costs were confidential and an indicative range in shown this report.

Paralana delivered price after paying for electricity transmission is estimated by MMA to be $83/MWh to Olympic Dam

Table shows long term development path for PTR with MMA assuming a 9.3% and 7.8% real discount rate for plant and transmission respectively.

Transmission stages:

- 2013/14 with double circuit Paralana to OD
- 2014/15 with double circuit Innamincka to Paralana
- 2014/15 with one extra circuit Davenport to Olympic Dam
- 2017/18 with third circuit Paralana to Olympic Dam

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