

Petratherm Ltd

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10 March 2010

The Manager
Australian Securities Exchange
Company Announcements

PETRATHERM LIMITED**SHARE PURCHASE PLAN OFFER FOR SHAREHOLDERS TO PURCHASE UP TO \$15,000 WORTH OF SHARES**

The Petratherm Board of Directors has given careful consideration to various capital raising alternatives and it has decided to give all shareholders the ability to participate in a capital raising by implementing a Share Purchase Plan. The plan entitles eligible shareholders of the Company to purchase up to A\$15,000 worth of fully paid ordinary shares in the capital of the Company, free from all brokerage and commissions. The amount an eligible shareholder can subscribe for will be restricted to a cumulative total of A\$15,000 (including the value of any shares subscribed for in Petratherm's April 2009 Share Purchase Plan) subject to the approval of waivers by the Australian Securities Exchange.

The issue price for each Share under the Offer is \$0.24 which represents a discount to the closing price of the Company's Shares on ASX as at 9 March 2010 (being the record date for the plan as at 7.00 pm Adelaide time) of \$0.07 or 22.58%.

Shareholders may apply for a choice of six variable numbers of shares, with a minimum of A\$1,000 (4,166 shares), the next option of A\$3,000 (12,500 shares) followed by A\$5,000 (20,833 shares), A\$7,500 (31,250 shares), A\$10,000 (41,666 shares) with a maximum subscription of A\$15,000 (62,500 shares). The provisions of the 'Share Purchase Plan Terms and Conditions' will be mailed to eligible shareholders on or about the 18 March 2010.

In accordance with Listing Rule 3.10.3, the Company provides the following details of the Company's Share Purchase Plan (SPP) announced on 10 March 2010.

Class of Securities:	Ordinary Fully Paid
Consideration:	Variable depending on the take up of the offer, subject to a maximum of \$6,803,544, or 30% of the Company's Ordinary Fully Paid shares on issue in accordance with ASX Listing Rule 7.2, exception 15.
Principal Terms:	The shares issued will rank equally with existing Ordinary Fully Paid Ordinary shares on issue.
Purpose of the issue:	Funds raised pursuant to the Plan will be applied to fund on-going exploration and development of the Company's projects, in particular the Company's flagship Paralana project in South Australia and, in conjunction with the Italian company Enel Green Power SpA, the Company's Spanish projects, notably the Canary Islands.

Shareholder Approval:

In accordance with ASX Listing Rule 7.2 exception 15, shareholder approval is not required for the issue.

Issue to Class:

The issue is to be made to all class of eligible security holders. The Company anticipates that the SPP documents will be dispatched on or about the 18 March 2010.

Please refer to the attached brochure which provides a detailed summary of the Company's projects.

Yours faithfully

A handwritten signature in black ink, reading "Donald Stephens". The signature is written in a cursive, flowing style.

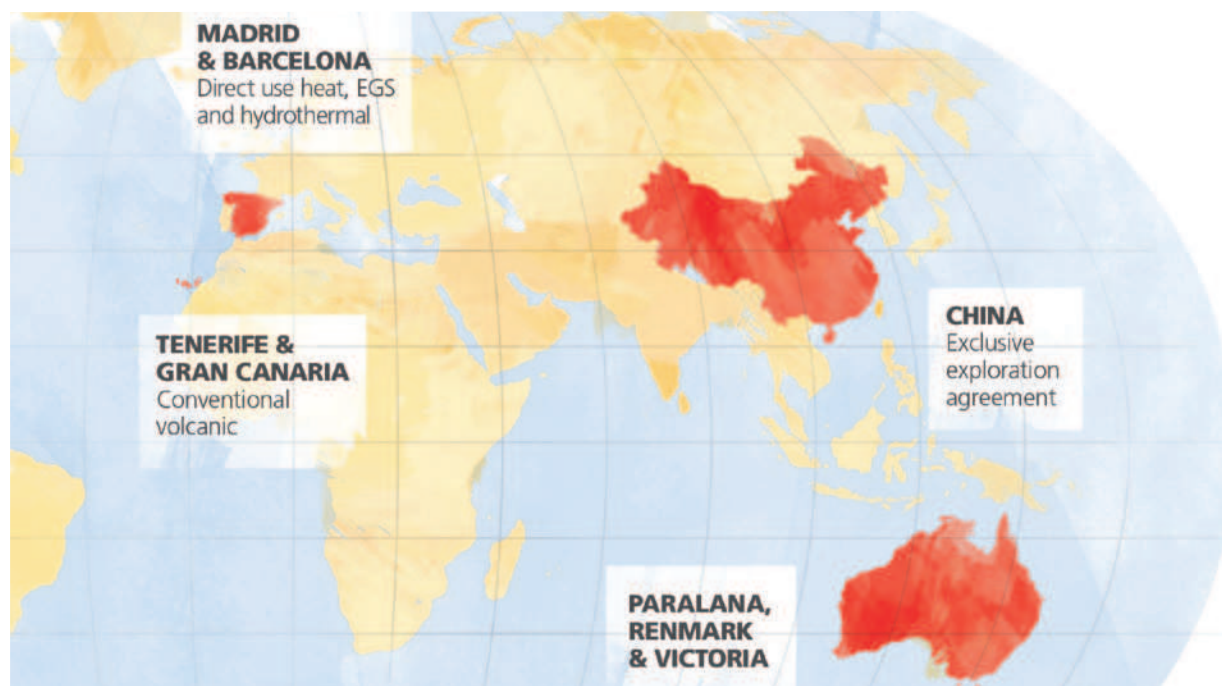
**DONALD STEPHENS
PETRATHERM LTD
COMPANY SECRETARY**

CLEAN ENERGY FOR FUTURE GENERATIONS

Petratherm is a leading global geothermal energy company with a favourable risk profile. The company balances new technology such as Engineered Geothermal Systems (EGS) with lower risk projects involving conventional geothermal (volcanic) and hot water district heating.

Petratherm considers itself a standout amongst its peers due to:

- The quality and diversity of its projects
- An excellent blend of management skills
- The successful drilling and casing of an injection well to 3.7 kilometres at the Paralana geothermal energy project
- The funding of its flagship project Paralana, through joint venture contributions from Beach Energy and TRUenergy
- Recognition by Government in the form of a \$7 million Geothermal Drilling Program (GDP) grant and a \$62.8 million Renewable Energy Demonstration grant for the Paralana project
- The recent Memorandum of Understanding with Enel, Europe's second largest listed utility that is highly experienced in geothermal energy, to jointly develop our Spanish projects and extend exploration to Portugal
- The prospect of early commercialization of the Paralana EGS, Tenerife volcanic and the Madrid district heating projects
- The early identification of strategic areas globally, such as China



Funds raised through this Share Purchase Plan will be used for the Company's Paralana Project and to develop, in conjunction with Enel, our Spanish projects, notably in the Canary Islands.



Spain

Petratherm has recently signed a Memorandum of Understanding (MoU) with Enel Green Power to jointly develop all electricity projects on mainland Spain, the Canary Islands and Portugal. Enel Green Power is part of the Enel Group which is Europe's second largest listed utility company.

Enel is highly experienced with geothermal energy and has more than 700 MW of power generation capacity operating and 250 MW under development. Enel also owns the Spanish electricity utility Endesa which is the incumbent utility in the Canary Islands and has franchise areas in Madrid and Barcelona.

The MoU with Enel covers;

- Exploration costs to be shared on a 50/50 basis
- Joint management committee to oversee exploration program
- Enel to contribute to 50% of past and ongoing exploration costs for Tenerife
- Enel to fully fund the first deep production (2kms to 3kms) well in return for its equity stake
- Expansion of project exploration into Portugal

The forward exploration program for Tenerife, following the recently completed magneto-telluric study, includes a slim line well (up to 1km) planned for the second half of calendar 2010.



Petratherm has four key project areas across mainland Spain and the Canary Islands.

- **Madrid** District Geothermal Heating project where the Company has a large 20km by 20km tenement area and has signed a cooperative agreement with the Spanish Federal and Madrid Regional governments
- **Barcelona** where the Company is assessing the potential for both district heating and electricity production development
- **Tenerife and Gran Canaria** islands, the two largest islands of the Canary Islands archipelago where the Company is targeting conventional high temperature volcanic-based geothermal electricity production



Paralana

Building Australia's first large scale base-load, zero emission commercial demonstration EGS power plant.

The Paralana Project is entering an exciting phase following:

- The completion of the Paralana deep injector well that was successfully drilled, cased and cemented to 3,725 metres in mid December 2009
- Temperatures of 190°C at 4,000 metres are significantly higher than our minimum temperature of 170°C that we have targeted for the economic development of the Paralana resource

The next stages of the HEWI proof of concept work during calendar 2010 will include fracture stimulation, the drilling of Paralana 3 deep producer well and circulation testing to confirm target flow rates.

- An independent resource assessment of a total inferred geothermal resource is calculated to be 230,000 $\pm$ 40,000 Petajoules. *Just 1% of the total inferred resource could run a 260 MW power plant for over a 30 year period*
- The project has the unique potential to be commercial at all stages of development with plans for initial small-scale, off grid power supply to the Beverley Mine and with later up-scaling, connection into the National Electricity Market at either Olympic Dam or Port Augusta

- A staged joint venture partner investment commitment totals \$87 million plus their equity
- Government grant funding support awarded during 2009 includes \$7 million (GDP) towards proof of concept – with \$2.8 million remaining for the drilling of Paralana 3 well - and \$62.8 million toward a 30 MW commercial demonstration project

L-R Hon Martin Ferguson, Federal Minister for Resources and Energy, Terry Kallis, Managing Director of Petratherm, and the Hon Mike Rann, Premier of SA



BE PART OF PETRATHERM'S BLUE SKY FUTURE

Northern Flinders Ranges

Heliotherm

Heliotherm Limited, a 100% owned subsidiary company of Petratherm Limited, has entered into an exclusive agreement with the University of Adelaide to develop the Heliotherm integrated technology project and has been offered a \$0.8 million grant under the Premier's Science and Research Fund (PSRF).

The innovative project aims to reduce the cost of solar thermal technology by up to 40% through the integration of solar thermal, geothermal and combustion technologies.

Over the coming months, Petratherm Limited (through Heliotherm Limited) and the University of Adelaide plan to secure additional Commonwealth and State Government grant funding, including up to \$5 million available under the Australian Solar Institute Program and from Renewables SA.

L-R Hon Mike Rann, Premier of SA, Derek Carter, Chairman of Petratherm, Hon Martin Ferguson, Federal Minister for Resources and Energy



The information in this report relating to geothermal exploration results and geothermal resources is based on information compiled by P.W. Reid, a full time Petratherm employee. Mr Reid 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). Mr Reid consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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