

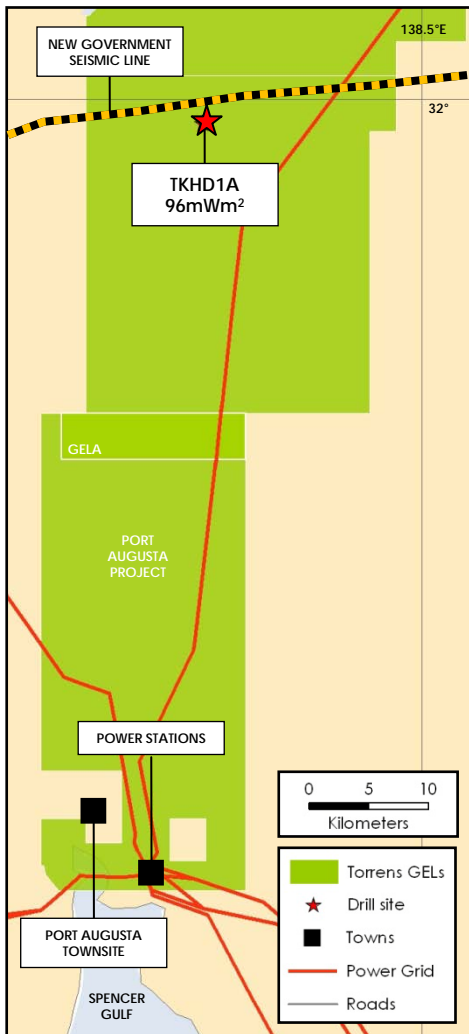
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## Heat Flow Results Returned from 2008 Adelaide Plains & Port Augusta Projects

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### HIGHLIGHTS

- High recorded heat flow returned from drilling in late 2008
- Preliminary results from Port Augusta show great promise
- Modelled temperatures approximately 200°C at 4600m depth
- Drilling supported by REDI (\$3m) matched funding



### SUMMARY

Torrens Energy announces the results from heat flow drilling completed in late 2008.

Final heat flows calculated from two diamond drill holes (Raitaro 1 and TKHD1A) recorded 75 and 96mW/m<sup>2</sup>, at the Adelaide Plains and Port Augusta Projects respectively.

The Port Augusta result is highly significant, and above the Company's target of 90mW/m<sup>2</sup>. Modelled temperature estimates from this hole are approximately 200°C at 4600m depth, well above the temperatures required for geothermal power production.

In addition TKHD1A is located 6 kilometres from the National Power Grid and 53 kilometres from the town of Port Augusta, highlighting the potential for the Company to establish a new "geothermal field" in this key location.

Ongoing exploration activity is supported by a matching \$3m Federal Government grant under the Federal Government REDI programme (ASX Announcement 27 August 2007).

Torrens Energy continues to bring the search for 'hot rocks' to the Port Augusta and Adelaide Regions – the hub of power infrastructure and markets in South Australia.



Diamond drilling at TKHD1A.



Vehicle mounted thermister.



Government logging equipment.

## SHARED DRILLING 2008

Results were recorded from two diamond drill holes completed from September to November 2008, at the Adelaide Plains and Port Augusta Projects, South Australia.

A combination of rotary mud and diamond core drilling was undertaken at Raitaro 1 and TKHD1A, for a total depth of 403 and 1002m respectively, to enable 'clean' temperature measurements to be taken.

Both holes were operated by explorers targeting minerals on coincident Licence Areas. Torrens was able to gain access to the holes for heat flow testing by contributing to drilling costs.

## HEAT FLOW DATA

At Raitaro 1 continuous temperature logging was conducted at 2m intervals using the Company's vehicle mounted thermistor probe and motorised cable winch (left).

For the deeper hole TKHD1A, temperature was directly measured at 0.05m intervals by a SA Government contract well logging equipment (lower left).

For Raitaro 1 resistance was measured downhole and then converted to temperature using a standard calibration. Temperature recordings were taken from holes that had been allowed to equilibrate for approximately 5-8 weeks after drilling.

Thermal gradient and thermal conductivity data was then used to derive heat flow values from cored sections of each hole, summarised as follows:

Hole	Northing	Easting	Depth	GEL	mWm <sup>2</sup>
Raitaro 1	6219680	242403	403m	260	<b>75 ± 7.4</b>
TKHD1A	6454259	769049	1002m	235	<b>96 ± 1.8</b>

Coordinates are in the GDA 94 Datum, UTM (Zone 54) projection.  
GEL = Geothermal Exploration Licence number.

Final equilibrated values from TKHD1A, located 53 kilometres north of Port Augusta, are significantly high and above the Company's stated target of 90mWm<sup>2</sup>.

ASX CODE: TEY

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## PRELIMINARY HEAT FLOW MODELLING

Heat flow modelling is a standard method for projecting temperatures down to target reservoir depth (3500-5500m). Rock units that act as insulating layers above the target reservoir must be assigned thermal conductivity values.

The sub-surface geology for the Port Augusta area was inferred from regional geological maps from PIRSA. Thermal conductivities for 14 interpreted geological formations are based on either direct measurement from core samples [12], or estimations using textbook values [2].

By assigning these values and applying a heat flow of 96mWm<sup>2</sup> at TKHD1A, modelling was completed to 5000m, resulting in a predicted target temperature of approximately 200°C at 4600m depth.

The result at TKHD1A is highly significant, in that 'hot rock' geothermal power production in a similar geological environment in Europe utilises reservoir temperatures in the order of 150°C.

Furthermore TKHD1A is located just 6 kilometres from the 132kV Port Augusta - Leigh Creek transmission line, representing a considerable commercial advantage in comparison to remotely located 'hot rock' plays in South Australia.

Executive Director John Canaris commented;

"The result at TKHD1A marks an exciting start to 2009, and is a good indicator of the excellent geothermal potential of the Port Augusta area. As always the prospect of defining a large 'geothermal field' proximal to existing power infrastructure continues to be our primary goal, with each exploration success moving the Company a step closer".

Further interpretation of this excellent result is in progress, and follow-up exploration drilling is planned near Port Augusta for 2009.

For further information please contact:

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The information in this report relating to exploration results is reported in accordance with the Australian Geothermal Energy Group, Geothermal Code Committee "Draft Code for Geothermal Resources and Reserves Reporting", Version 2.0 (February 2008). The information is based on information compiled by Chris Matthews, who is a Competent Person as defined by the Draft Code. Chris Matthews is a full time employee of the Company and has more than 5 years experience in the reporting of resource exploration and geothermal. Chris Matthews has consented to the inclusion in this report of the numbers based on the information in the form and context in which it appears.