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## Parachilna Seismic Completed Favourable Interpretation Upgrades Project

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### HIGHLIGHTS

- Parachilna seismic survey completed for 40 kilometres, to + 5000m depth
- Insulating cover and heat producing basement interpreted at favourable depths
- Project upgraded and intermediary drilling commenced
- Seismic supported by \$3m REDI matched government funding



### SUMMARY

Torrens Energy continues to rapidly advance its geothermal positions in South Australia with the completion of two separate 2D seismic surveys at its wholly owned Parachilna and Port Augusta Projects.

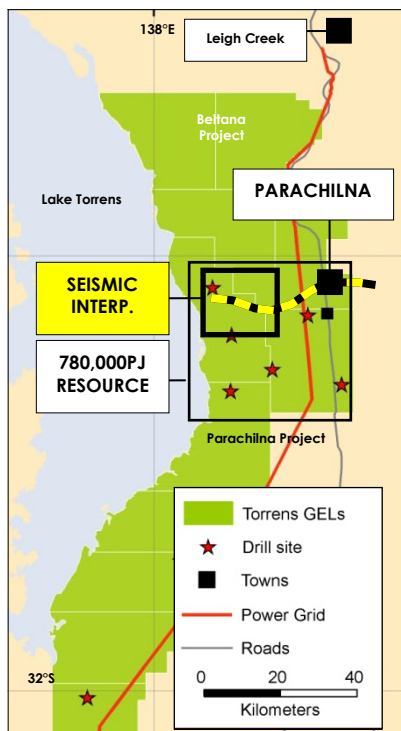
While the Port Augusta survey is yet to be processed, seismic imagery from the Parachilna seismic survey has allowed geological formations and structures to be interpreted to 5000m depth.

The seismic line at Parachilna cuts across the Parachilna Inferred Resource (780,000PJ) announced in August 2008, and the 132KV Port Augusta-Leigh Creek Power Line forming the north eastern part of the Far North Transmission Network (left).

**The Parachilna Seismic Survey has been a stand-out success, with interpreted basement identified between approximately 3000-4500m overlain by a thick sequence of insulating cover, on eastern side of Lake Torrens (left).**

**These results upgrade the overall prospectivity of the Parachilna Geothermal Play identified last year bringing the Company a step closer to deep drill testing of this outstanding, on-grid 'hot rock' target.**

Seismic expenditures are eligible for matched funding by a Federal Government Renewable Energy Development Initiative (REDI) grant, awarded in 2007 for \$3m. The grant covers the development of the Company's innovative temperature field modelling exploration methodology (3D-TFM).





Terrex's 'bird-wagen' MARK IV off-road carrier with HEMI 60 vibrator on Parachilna - Leigh Creek 132KV line.

## PARACHILNA INFERRED RESOURCE

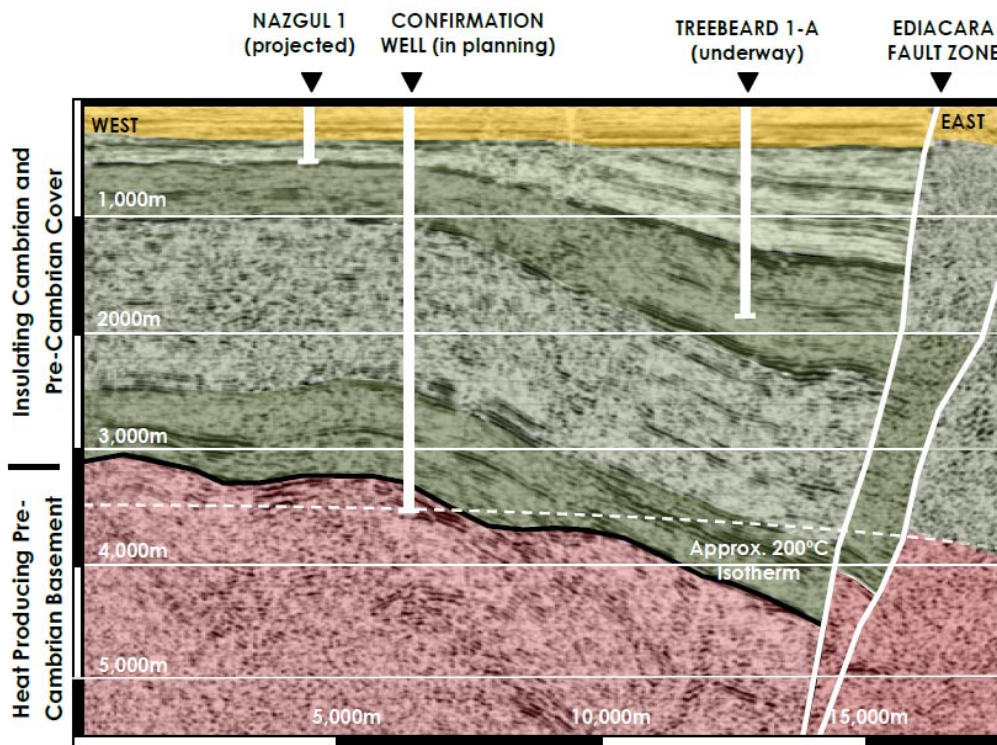
The seismic line traverses the Parachilna Inferred Resource located 150 kilometres north of Port Augusta. In August 2008 Torrens Energy announced the first code compliant Inferred Geothermal Resource at Parachilna (ASX Announcement 20 August 2008).

Two geological divisions with potential for 'hot rock' development have been identified, being the intrusive dominated Pre-Cambrian Basement, and Intra-sedimentary targets higher in the sequence.

## PARACHILNA SEISMIC SURVEY

The interpretation of the seismic, whilst still being refined by intermediary drilling underway, has thus far confirmed primary target "Basement" rocks (below, red) at depths between 3000 and 4500 meters on the western-most extension of the seismic line, coinciding with a large region of high heat flow identified from exploration drilling in 2007 and 2008 (Nazgul 1).

In addition a thick sequence of overlying insulating rocks (below, green) has been confirmed resulting in an overall upgrade of the Parachilna Project and bringing it a step closer to being deep-drill tested.



ASX CODE:	TEY
<b>BOARD</b>	
Dr Dennis Gee:	Chairman
John Canaris:	Exec. Director
David Eiszele:	Director
Marcus Gracey:	Director
<b>MANAGEMENT</b>	
Chris Matthews:	Chief Geol.
Bruce Godsmark:	Exp. Man.
Jade Styants:	Comp. Sec.
<b>CORPORATE OFFICE</b>	
Suite 1	64 Thomas Street
West Perth	WA 6008
Phone:	+61 (0) 8 9321 4566
<b>EXPLORATION OFFICE</b>	
12 Eton Road	
Keswick	SA 5035
Phone:	+61 (0) 8 8297 3300
W:	<a href="http://www.torrensenergy.com">www.torrensenergy.com</a>
E:	<a href="mailto:admin@torrensenergy.com">admin@torrensenergy.com</a>



## PORT AUGUSTA SEISMIC SURVEY

A seismic line at Port Augusta has also been completed 8km north of the town, following existing access tracks and roads to the east of the Stuart Highway.

The work was fast tracked following outstanding results returned from heat flow drilling at the Davenport Substation adjacent to the Port Augusta Power Stations (see ASX Announcement 14 April 2009), representing an ideal connection point for the Far North Transmission Network.

The data collected is being processed and will be used to model the relationship between temperature and depth at this key location.

## INTERPRETATION OF PARACHILNA SEISMIC

Executive Director John Canaris commented: "The completion of the seismic work at Parachilna has shown that the western end of the survey is dominated by flat-lying insulating sediments, underlain by heat producing basement rocks at 3000-4500m. These are modelled at +200°C – these conditions would be ideal for the establishment of a geothermal reservoir.

He added: "Under the arrangement we have in place with our development partners AGL Energy Ltd (AGL) Torrens will present a target geothermal resource to AGL, and AGL will then have the first right to earn-in 50% of the geothermal play by sole funding the completion of a Confirmation Well to that target reservoir for a cost of around \$10 - \$15M."

"With the overall geometry of the Parachilna Geothermal Play now understood, and a range of high-quality targets presenting in the data, Torrens Energy is on track to engage AGL to commence deep drilling to the target geothermal resource in the near future".

For more information please contact:

John Canaris  
Executive Director  
Torrens Energy Limited  
Phone: 08 9321 4566

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.