

INDEX OF DOCUMENTS HELD ON THE PUBLIC REGISTER FOR GEOTHERMAL EXPLORATION LICENCE GEL 229

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|-----|-------------------|--|
| 1. | 5 July 2006 | Memorandum entering GEL 229 on the public register. |
| 2. | 5 July 2006 | Geothermal Exploration Licence GEL 229

Interests: Torrens Energy Limited 100% |
| 3. | 13 July 2006 | Gazettal of Grant of GEL 229 |
| 4. | 28 June 2007 | Notation of receipt of security. |
| 5. | 10 September 2008 | Memorandum entering notation of the following registrable dealing on the public register:

Alliance Agreement dated 8 July 2008 between Torrens Energy Limited and AGL Energy Limited.
Ref: SA 2008-21 |
| 6. | 19 June 2009 | Variation of licence conditions. |
| 7. | 19 June 2009 | Memorandum entering variation of licence conditions on the public register. |
| 8. | 12 February 2010 | Suspension of work commitments under licence condition 1 of licence for the period from and including 5 July 2010 to 23 January 2011 and extension of licence term by the corresponding period of suspension.

Expiry date of GEL 229 is now: 23 January 2012. |
| 9. | 12 February 2010 | Memorandum entering suspension of licence condition and corresponding extension of licence term on the public register. |
| 10. | 18 February 2010 | Gazettal of suspension of licence. |
| 11. | 26 March 2010 | Consolidation of licence area with GELs 227, 228 and 263 and subsequent revocation of licence. |
| 12. | 26 March 2010 | Memorandum entering consolidation and revocation of licence on the public register. |

**Petroleum and Geothermal Energy Act 2000
S.115**

MEMORANDUM

**GEOHERMAL EXPLORATION LICENCES
GELs 227, 228, 229 and 263**

1. Consolidation of the adjacent licence areas of GELs 227, 228, 229 and 263 whereby the consolidated licence area is now designated as GEL 227 is hereby entered on the public register.

The total area of GEL 227 is now 1,963 square kilometres approximately.

2. Revocation of GELs 228, 229 and 263 is hereby entered on the public register.



**BARRY A. GOLDSTEIN
Director Petroleum and Geothermal
Minerals and Energy Resources
Primary Industries and Resources SA
Delegate of the Minister for Mineral Resources
Development**

Date: 26 March 2010

Ref: 27/2/384
27/2/385
27/2/386
27/2/422

Petroleum and Geothermal Energy Act 2000

Consolidation of licence areas Geothermal Exploration Licences GELs 227, 228, 229 and 263

Revocation of licences Geothermal Exploration Licences GELs 228, 229 and 263

I, BARRY ALAN GOLDSTEIN, Director Petroleum and Geothermal, Minerals and Energy Resources, Department of Primary Industries and Resources, in the State of South Australia, pursuant to section 82 of the *Petroleum and Geothermal Energy Act 2000* and all other enabling powers, for and on behalf of Paul Holloway, Minister for Mineral Resources Development (Minister), pursuant to delegated powers dated 1 October 2009, hereby;

1. consolidate the adjacent areas of Geothermal Exploration Licences GELs 227, 228, 229 and 263 held by –

Torrens Energy Limited

The consolidated licence area shall hereafter be designated as:

Geothermal Exploration Licence GEL 227

DESCRIPTION OF CONSOLIDATED AREA

All that part of the State of South Australia, bounded as follows:-

AREA 1

Commencing at a point being the intersection of latitude 34°04'15"S GDA94 and longitude 138°46'50"E GDA94, thence east to longitude 139°02'05"E GDA94, south to latitude 34°26'55"S GDA94, west to longitude 138°46'50"E GDA94, and north to the point of commencement.

AREA 2

Commencing at a point being the intersection of latitude 33°36'50"S GDA94 and longitude 138°46'12"E GDA94, thence east to longitude 138°53'05"E GDA94, south to latitude 33°50'43"S GDA94, east to longitude 138°55'30"E GDA94, south to latitude 34°04'13"S GDA94, west to longitude 138°49'50"E GDA94, north to latitude 33°52'33"S GDA94, west to longitude 138°47'45"E GDA94, north to latitude 33°48'06"S GDA94, west to longitude 138°46'12"E GDA94, and north to the point of commencement.

AREA 3

Commencing at a point being the intersection of latitude 33°14'00"S GDA94 and longitude 138°34'40"E GDA94, thence east to longitude 138°45'55"E GDA94, south to latitude 33°29'15"S GDA94, west to longitude 138°34'40"E GDA94, and north to the point of commencement.

AREA: **1,963** square kilometres approximately.

2. consequently revoke Geothermal Exploration Licences GELs 228, 229 and 263.

As a consequence of the consolidation, the work program forming 'condition 1' of the consolidated GEL 227 comprises:

Year of Term of Licence	Minimum Work Requirements
One	<ul style="list-style-type: none">• Geological and geophysical review. (to be conducted anywhere in the area covered by GELs 227, 228 and 263)
Two	<ul style="list-style-type: none">• Geological and geophysical review. (to be conducted anywhere in the area covered by GELs 227, 228 and 263)
Three	<ul style="list-style-type: none">• Geological and geophysical review. (to be conducted anywhere in the area covered by GELs 227, 228 and 263)
Four	<ul style="list-style-type: none">• Complete and case 3 fully cored heat flow holes to a depth of 400 to 500 metres for a total depth of 1,200 to 1,500 metres. (to be conducted anywhere in the area covered by GELs 227, 228 and 263)
Five	<ul style="list-style-type: none">• Drill 1 test well to a depth of 4,000 to 5,000 metres.

Dated: 26 March 2010



BARRY A. GOLDSTEIN
Director Petroleum and Geothermal
Minerals and Energy Resources
Primary Industries and Resources SA
Delegate of the Minister for Mineral Resources
Development

The following signature evidences the consent of the licensee to the consolidation of GELs 227, 228, 229 and 263 as set out in this document and made pursuant to Section 82 of the *Petroleum and Geothermal Energy Act 2000*.

Signed for and on behalf of **Torrens Energy Limited** by its authorised representative:

Date: 15/3/10



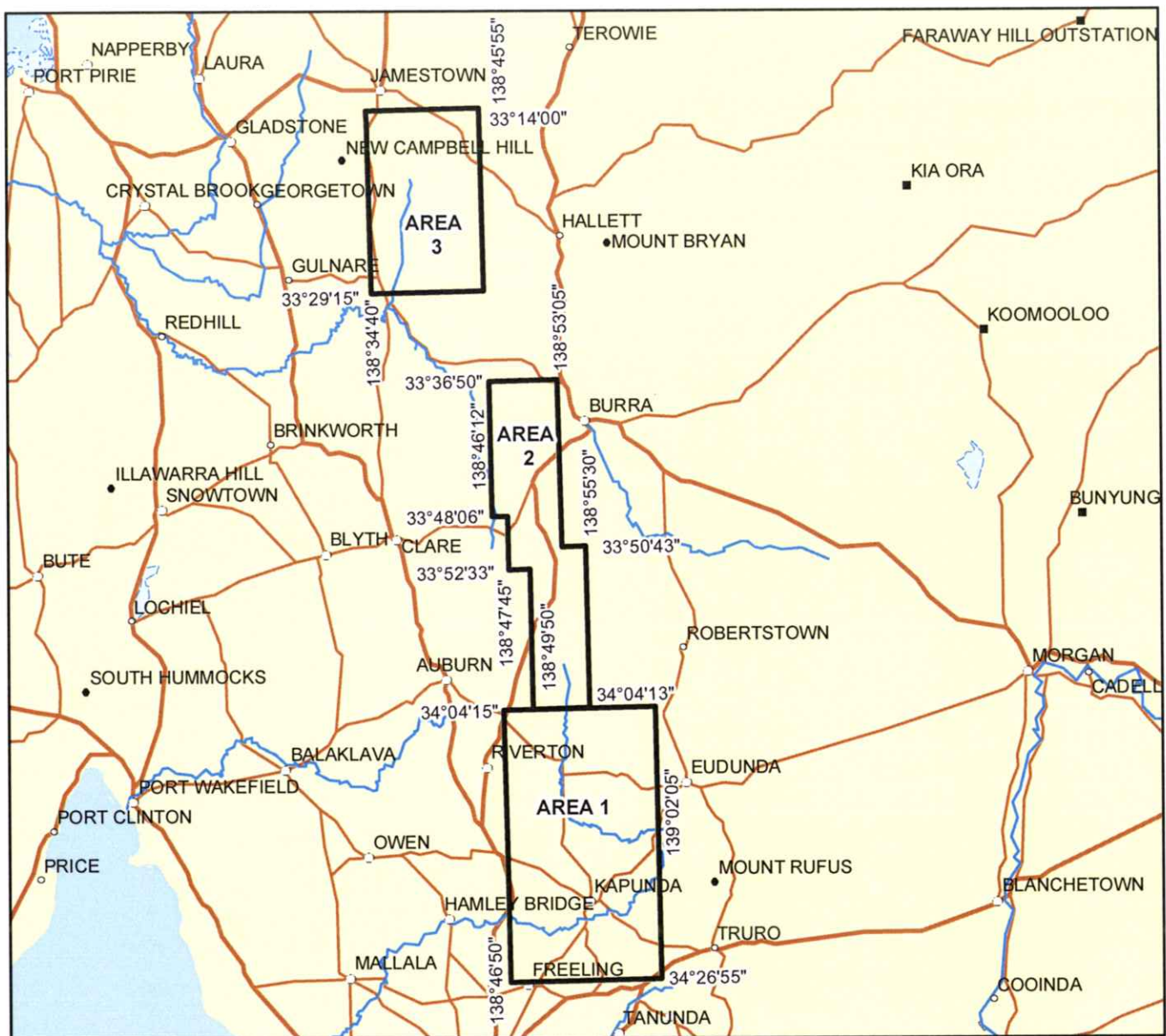
Authorised Representative

JEROME RANDABEL

Name

EXPLORATION MANAGER

Position



Note: There is no warranty that the boundary of this licence is correct in relation to other features of the map. The boundary is to be ascertained by reference to the Geocentric Datum of Australia (GDA94) and the schedule.

THE PLAN HEREINBEFORE REFERRED TO

GEOHERMAL EXPLORATION LICENCE NO: 227

SR 27/2/384

AREA: 1963 sq km (approx)

PETROLEUM AND GEOTHERMAL ENERGY ACT 2000

*Suspension of Licence Condition, Extension of Licence Term—
Geothermal Exploration Licence—GEL 229*

PURSUANT to section 76 (a) of the Petroleum and Geothermal Energy Act 2000, notice is hereby given that Condition 1 of the abovementioned Geothermal Exploration Licence has been suspended under the provisions of the Petroleum and Geothermal Energy Act 2000, pursuant to delegated powers dated 1 October 2009, for the period from 5 July 2010 until 23 January 2011 inclusive.

The term of GEL 229 has been extended by a period corresponding to the period of suspension, such that the licence will now expire on 23 January 2012.

Dated 12 February 2010.

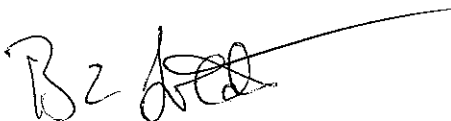
B. A. GOLDSTEIN,
Director of Petroleum and Geothermal
Minerals and Energy Resources
Primary Industries and Resources SA
Delegate of the Minister for Mineral
Resources Development

Petroleum and Geothermal Energy Act 2000
S.115

MEMORANDUM

**GEOHERMAL EXPLORATION LICENCE
GEL 229**

1. Suspension of the work commitments under licence condition 1 of geothermal exploration licence GEL 229 for the period from and including 5 July 2010 to 23 January 2011 is hereby entered on the public register.
2. Extension of the term of GEL 229 by the corresponding period of suspension, such that GEL 229 will now expire on 23 January 2012 is hereby entered on the public register.



BARRY A. GOLDSTEIN
Director Petroleum and Geothermal
Minerals and Energy Resources
Primary Industries and Resources SA
Delegate of the Minister for Mineral Resources Development

Date: 12 February 2010

Ref: 27/2/386

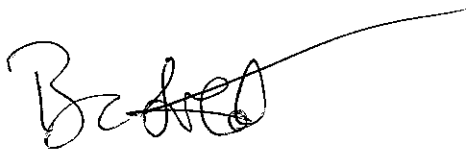
Petroleum and Geothermal Energy Act 2000
S.76A

**SUSPENSION OF CONDITIONS
GEOTHERMAL EXPLORATION LICENCE
GEL 229**

I, BARRY ALAN GOLDSTEIN, Director Petroleum and Geothermal, Minerals and Energy Resources, Department of Primary Industries and Resources, in the State of South Australia, pursuant to the provisions of the *Petroleum and Geothermal Energy Act 2000* and all other enabling powers, for and on behalf of Paul Holloway, Minister for Mineral Resources Development (Minister), pursuant to delegated powers dated 1 October 2009 –

- (a) suspend the work commitments under licence condition 1 of geothermal exploration licence GEL 229 for the period from and including 5 July 2010 to 23 January 2011.
- (b) extend the term of GEL 229 by the corresponding period of suspension, such that GEL 229 will now expire on 23 January 2012.

Dated: 12 February 2010



BARRY A. GOLDSTEIN
Director Petroleum and Geothermal
Minerals and Energy Resources
Primary Industries and Resources SA
Delegate of the Minister for Mineral Resources Development

**Petroleum Act 2000
S.115**

MEMORANDUM

**GEOHERMAL EXPLORATION LICENCE
GEL 229**

1. Variation of licence conditions is hereby entered on the public register.

A handwritten signature in black ink, appearing to read 'B. Goldstein', with a long horizontal line extending to the right.

**BARRY A. GOLDSTEIN
Director Petroleum and Geothermal
Minerals and Energy Resources
Primary Industries and Resources SA
Delegate of the Minister for Mineral Resources Development**

Date: 19 June 2009

Ref: 27/2/386

Petroleum Act 2000

VARIATION OF GEOTHERMAL EXPLORATION LICENCE GEL 229

I, BARRY ALAN GOLDSTEIN, Director Petroleum and Geothermal, Minerals and Energy Resources, Department of Primary Industries and Resources in the State of South Australia, pursuant to section 25 of the *Petroleum Act 2000* and all other enabling powers, for and on behalf of Paul Holloway, Minister for Mineral Resources Development (Minister), pursuant to delegated powers dated 28 March 2002, Gazetted 11 April 2002, page 1573, hereby vary the conditions of Geothermal Exploration Licence GEL 229 held by -

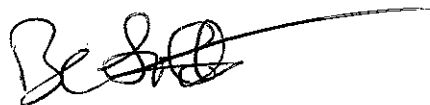
Torrens Energy Limited
ACN 118 065 704

Condition 1 of the licence is omitted and the following substituted:

" During the term of the licence, the Licensee shall carry out or cause to be carried out, exploratory operations on the area comprised in the licence in accordance with such work programs as are approved by the Minister from time to time Year one exploratory operations are guaranteed, and any subsequent licence year work program becomes guaranteed upon entry into any such licence year These exploratory operations shall include but not necessarily be limited to:-

Year of Term of Licence	Minimum Work Requirements
One	<ul style="list-style-type: none">• Geological and geophysical review.
Two	<ul style="list-style-type: none">• Geological and geophysical review.
Three	<ul style="list-style-type: none">• Geological and geophysical review.
Four	<ul style="list-style-type: none">• Geological and geophysical review; and• Complete and case 1 fully cored heat flow hole to a depth of 400 – 500m
Five	<ul style="list-style-type: none">• 1 well to a depth of approximately 1500m.

Dated: 19 June 2009



BARRY A. GOLDSTEIN
Director Petroleum and Geothermal
Minerals and Energy Resources
Primary Industries and Resources SA
Delegate of the Minister for Mineral Resources Development

Petroleum Act 2000
S.115

MEMORANDUM

GEOHERMAL EXPLORATION LICENCES
GEL 226, GEL 227, GEL 228, GEL 229, GEL 230, GEL 231,
GEL 232, GEL 233, GEL 234, GEL 235, GEL 260, GEL 261,
GEL 262, GEL 263, GEL 278, GEL 285, and GEL 293

SA 2008-21

Notation of registrable dealing as evidenced by Alliance Agreement dated 8 July 2008 between Torrens Energy Limited and AGL Energy Limited is hereby entered on the public register.



BARRY A. GOLDSTEIN
Director Petroleum and Geothermal
Minerals and Energy Resources
Primary Industries and Resources SA
Delegate of the Minister for Mineral Resources
Development

Date: 10 September 2008

27/2/383 - 27/2/392
27/2/419 - 27/2/422
27/2/442
27/2/451
27/2/460

Petroleum Act 2000
S.115

MEMORANDUM

GEO THERMAL EXPLORATION LICENCES
GELs 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 260, 261,
262, 263, 278 and 285

1. Notation of receipt of security is hereby entered on the public register.



BARRY A. GOLDSTEIN
Director Petroleum and Geothermal
Minerals and Energy Resources
Primary Industries and Resources SA
Delegate of the Minister for Mineral Resources
Development

Date: 28 June 2007

Files:	27/2/383	27/2/384
	27/2/385	27/2/386
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	27/2/389	27/2/390
	27/2/391	27/2/392
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	27/2/421	27/2/422
	27/2/442	27/2/451

Petroleum Act 2000
S.115

MEMORANDUM

GEO THERMAL EXPLORATION LICENCES
GELs 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 260, 261,
262, 263, 278 and 285

1. Notation of receipt of security is hereby entered on the public register.



BARRY A. GOLDSTEIN
Director Petroleum and Geothermal
Minerals and Energy Resources
Primary Industries and Resources SA
Delegate of the Minister for Mineral Resources
Development

Date: 28 June 2007

Files:	27/2/383	27/2/384
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PETROLEUM ACT 2000

Grant of Geothermal Exploration Licences—GEL 226, GEL 227, GEL 228, GEL 229, GEL 230, GEL 231, GEL 232, GEL 233, GEL 234 and GEL 235

NOTICE is hereby given that the undermentioned Geothermal Exploration Licences have been granted with effect from and including 5 July 2006, under the provisions of the Petroleum Act 2000, pursuant to delegated powers dated 28 March 2002, *Gazetted* 11 April 2002, page 1573.

No. of Licence	Licensees	Locality	Date of Expiry	Reference
GEL 226	Torrens Energy Ltd	Adelaide area, South Australia	4 July 2011	27/2/383
GEL 227	Torrens Energy Ltd	Adelaide area, South Australia	4 July 2011	27/2/384
GEL 228	Torrens Energy Ltd	Adelaide area, South Australia	4 July 2011	27/2/385
GEL 229	Torrens Energy Ltd	Mid North area, South Australia	4 July 2011	27/2/386
GEL 230	Torrens Energy Ltd	Lake Torrens area, South Australia	4 July 2011	27/2/387
GEL 231	Torrens Energy Ltd	Lake Torrens area, South Australia	4 July 2011	27/2/388
GEL 232	Torrens Energy Ltd	Lake Torrens area, South Australia	4 July 2011	27/2/389
GEL 233	Torrens Energy Ltd	Lake Torrens area, South Australia	4 July 2011	27/2/390
GEL 234	Torrens Energy Ltd	Lake Torrens area, South Australia	4 July 2011	27/2/391
GEL 235	Torrens Energy Ltd	Lake Torrens area, South Australia	4 July 2011	27/2/392

Description of Area—GEL 226

All that part of the State of South Australia, bounded as follows:

Commencing at a point being the intersection of latitude 34°17'15"S GDA94 and longitude 138°15'25"E GDA94, thence east to longitude 138°25'35"E GDA94, south to latitude 34°19'30"S GDA94, east to longitude 138°27'55"E GDA94, south to latitude 34°24'35"S GDA94, east to longitude 138°30'25"E GDA94, south to latitude 34°28'30"S GDA94, east to longitude 138°33'05"E GDA94, south to latitude 34°33'50"S GDA94, west to longitude 138°24'10"E GDA94, north to latitude 34°32'30"S GDA94, west to longitude 138°22'35"E GDA94, north to latitude 34°31'15"S GDA94, west to longitude 138°20'35"E GDA94, north to latitude 34°26'55"S GDA94, west to longitude 138°19'00"E GDA94, north to latitude 34°22'15"S GDA94, west to longitude 138°17'25"E GDA94, north to latitude 34°19'40"S GDA94, west to longitude 138°15'25"E GDA94 and north to the point of commencement.

Area: 495 km² approximately.

Description of Area—GEL 227

All that part of the State of South Australia, bounded as follows:

Commencing at a point being the intersection of latitude 34°15'35"S GDA94 and longitude 138°46'50"E GDA94, thence east to longitude 139°02'05"E GDA94, south to latitude 34°26'55"S GDA94, west to longitude 138°46'50"E GDA94 and north to the point of commencement.

Area: 490 km² approximately.

Description of Area—GEL 228

All that part of the State of South Australia, bounded as follows:

Commencing at a point being the intersection of latitude 34°04'15"S GDA94 and longitude 138°46'50"E GDA94, thence east to longitude 139°02'05"E GDA94, south to latitude 34°15'35"S GDA94, west to longitude 138°46'50"E GDA94 and north to the point of commencement.

Area: 491 km² approximately.

Description of Area—GEL 229

All that part of the State of South Australia, bounded as follows:

Commencing at a point being the intersection of latitude 33°14'00"S GDA94 and longitude 138°34'40"E GDA94, thence east to longitude 138°45'55"E GDA94, south to latitude 33°29'15"S GDA94, west to longitude 138°34'40"E GDA94 and north to the point of commencement.

Area: 492 km² approximately.

Description of Area—GEL 230

All that part of the State of South Australia, bounded as follows:

Commencing at a point being the intersection of longitude 138°08'20"E GDA94 and latitude 30°57'30"S GDA94, thence south to latitude 31°01'40"S GDA94, east to longitude 138°10'50"E GDA94, south to latitude 31°05'15"S GDA94, east to longitude 138°13'55"E GDA94, south to latitude 31°07'25"S GDA94, east to longitude 138°15'20"E GDA94, south to latitude 31°12'30"S GDA94, east to longitude 138°16'00"E GDA94, south to latitude 31°17'30"S GDA94, west to the eastern boundary of Lake Torrens National Park, thence generally northerly along the boundary of the said Park to latitude 30°57'30"S GDA94 and east to the point of commencement.

Area: 485 km² approximately.

Description of Area—GEL 231

All that part of the State of South Australia, bounded as follows:

Commencing at a point being the intersection of longitude 138°16'00"E GDA94 and latitude 31°17'30"S GDA94, thence south to latitude 31°32'30"S GDA94, west to the eastern boundary of Lake Torrens National Park, thence generally north-easterly along the boundary of the said National Park to latitude 31°17'30"S GDA94 and east to the point of commencement.

Area: 496 km² approximately.

Description of Area—GEL 232

All that part of the State of South Australia, bounded as follows:

Commencing at a point being the intersection of longitude 138°14'50"E GDA94 and latitude 31°32'30"S GDA94, thence south to latitude 31°38'00"S GDA94, west to longitude 138°12'20"E GDA94, south to latitude 31°40'55"S GDA94, west to the eastern boundary of Lake Torrens National Park, thence generally north-easterly along the boundary of the said National Park to latitude 31°32'30"S GDA94 and east to the point of commencement.

Area: 492 km² approximately.

Description of Area—GEL 233

All that part of the State of South Australia, bounded as follows:

Commencing at a point being the intersection of longitude 138°08'20"E GDA94 and latitude 31°40'55"S GDA94, thence south to latitude 31°49'10"S GDA94, west to the eastern boundary of Lake Torrens National Park, thence generally north-easterly along the boundary of the said National Park to latitude 31°40'55"S GDA94 and east to the point of commencement.

Area: 492 km² approximately.

Description of Area—GEL 234

All that part of the State of South Australia, bounded as follows:

Commencing at a point being the intersection of longitude 138°07'00"E GDA94 and latitude 31°49'10"S GDA94, thence south to latitude 31°52'20"S GDA94, west to longitude 138°03'30"E GDA94, south to latitude 31°54'40"S GDA94, west to longitude 138°01'50"E GDA94, south to latitude 31°57'35"S GDA94, west to longitude 137°58'55"E GDA94, south to latitude 31°59'00"S GDA94, west to longitude 137°46'00"E GDA94, north to the southern boundary of Lake Torrens National Park, thence generally northerly along the boundary of the said National Park to latitude 31°49'10"S GDA94 and east to the point of commencement.

Area: 494 km² approximately.

Description of Area—GEL 235

All that part of the State of South Australia, bounded as follows:

Commencing at a point being the intersection of latitude 31°59'00"S GDA94 and longitude 137°46'00"E GDA94, thence east to longitude 137°58'55"E GDA94, south to latitude 32°01'20"S GDA94, west to longitude 137°57'50"E GDA94, south to latitude 32°13'05"S GDA94, west to longitude 137°46'00"E GDA94 and north to the point of commencement.

Area: 492 km² approximately.

Dated 5 July 2006.

B. A. GOLDSTEIN, Director Petroleum and Geothermal
Minerals and Energy Resources
Primary Industries and Resources SA
Delegate of the Minister for Mineral Resources Development

**Petroleum Act 2000
S.115**

MEMORANDUM

**GEOHERMAL EXPLORATION LICENCES
GEL 226, GEL 227, GEL 228, GEL 229, GEL 230
GEL 231, GEL 232, GEL 233, GEL 234 and GEL 235**

1. These Licences granted on 5 July 2006 are hereby entered on the public register.
2. Interests in the licence are:-

Torrens Energy Limited 100%



**BARRY A. GOLDSTEIN
Director Petroleum and Geothermal
Minerals and Energy Resources
Primary Industries and Resources SA
Delegate of the Minister for Mineral Resources
Development**

Date: 5 July 2006

Ref: 27/2/383
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PETROLEUM ACT 2000

GEOHERMAL EXPLORATION LICENCE

GEL 229

I, BARRY ALAN GOLDSTEIN, Director Petroleum and Geothermal, Minerals and Energy Resources, Primary Industries and Resources, in the State of South Australia pursuant to the provisions of the *Petroleum Act 2000* and all other enabling powers, for and on behalf of Paul Holloway, Minister for Mineral Resources Development (Minister), pursuant to delegation dated 28 March 2002, (refer Government Gazette dated 11 April 2002 page 1573), HEREBY GRANT to:

Torrens Energy Limited ACN 118 065 704

(hereinafter referred to as the Licensee) an Exploration Licence in relation to a source of geothermal energy in respect of the area set out below, to have effect for a period of five years and to expire on 4 July 2011 but carrying the right of renewal under the *Petroleum Act 2000*. 

DESCRIPTION OF AREA

The land comprised in this licence is that part of the State of South Australia described in the Schedule hereto:

CONDITIONS

1. During the term of the licence, the Licensee shall carry out or cause to be carried out, exploratory operations on the area comprised in the licence in accordance with such work programs as are approved by the Minister from time to time. Year one exploratory operations are guaranteed, and any subsequent licence year work program becomes guaranteed upon entry into any such licence year. These exploratory operations shall include but not necessarily be limited to:-

Year of Term of Licence	Minimum Work Requirements
One	<ul style="list-style-type: none">• Geological and geophysical review.
Two	<ul style="list-style-type: none">• Geological and geophysical review.
Three	<ul style="list-style-type: none">• Complete and case 1 fully cored heat flow hole to a depth of 400 to 500 metres.• Geological and geophysical review.
Four	<ul style="list-style-type: none">• Geological and geophysical review.
Five	<ul style="list-style-type: none">• 1 well to a depth of 3 to 4 km.

2. The Licensee must take all reasonable precautions to minimise the risks of its activities resulting in a significant loss of petroleum reserves or a significant reduction in the recovery of petroleum reserves.
3. The Licensee must:
 - (a) upon commencement of regulated activities under this licence, maintain in force during the term of this licence public liability insurance to cover regulated activities under this licence (including sudden and accidental pollution) in the name of the Licensee for a sum not less than twenty million dollars (\$20,000,000.00) or such greater sum as specified by the Minister and make such amendments to the terms and conditions of the insurance as the Minister may from time to time require;
 - (b) maintain in force during the drilling of any well or operation in any well, control of well insurance in the name of the Licensee for a sum not less than ten million dollars (\$10,000,000.00) or such greater sum as specified by the Minister and make such amendments to the terms and conditions of the insurance as the Minister may from time to time require;
 - (c) upon request by the Minister, provide the Minister with a cover note or certificate of currency of each insurance policy referred to in paragraphs (a) and (b).
4. The Minister in specifying the levels of insurance accepts no liability for the completeness of their listing, the adequacy of the sum insured, the limit of liability, the scoped coverage, the conditions or exclusions of these insurances in respect to how they may or may not respond to any loss, damage or liability.
5. The Licensee will ensure, when preparing an Environmental Impact Report under Part 12 of the *Petroleum Act 2000*, that the report also includes an assessment of the potential economic consequences for other licensees under the *Petroleum Act 2000* or *Mining Act 1971* and owners of land, arising out of proposed regulated activities to be carried out in the licence area.
6. The Licensee must keep confidential any measurements made in a well which would enable the estimation of petroleum reserves ("Confidential Information") and must not disclose the Confidential Information without first obtaining the written consent of the licensee of the overlapping compatible licence, unless:
 - (a) it is a disclosure required under the Act, this licence or any other law;
 - (b) it is a disclosure which is for the purposes of prosecuting or defending any legal proceedings; or
 - (c) it is information which is or becomes public knowledge other than by breach of this licence condition.
7. A contract or agreement entered into by the licensee to transfer or accept liability for any well or facility constructed for the purpose of undertaking a regulated activity under the *Petroleum Act 1940* or *2000* cannot transfer, limit or exclude liability under the *Petroleum Act 2000* unless written consent of the Minister is obtained.
8. In the event that the Licensee during any year of the term of this licence (a year being the period of twelve calendar months ending on the anniversary of the date upon which the licence comes into force) fails to comply with the work program requirements of this licence, it is an express term of this licence that the Minister then may use discretion to either cancel this licence or authorise such variation to these requirements as the Minister thinks fit.

9. The Licensee shall during periods determined by the Minister, lodge and maintain with the Minister, for the satisfaction of obligations arising under the Act or this licence, a security of \$50,000 (fifty thousand dollars) or such greater sum as specified by the Minister from time to time.

("the Security").

- 9.1 The Security shall be lodged in the form of either;

(a) cash; or

(b) an unconditional, irrevocable bank guarantee or letter of credit in a form, and from a financial institution, approved by the Minister,

- 9.2 Interest will not be payable by the Minister to the Licensee on any cash Security.

- 9.3 All charges incurred by the Licensee in obtaining and maintaining the Security, shall be met by the Licensee.

- 9.4 If upon expiry, this Licence is not renewed and the Minister is satisfied that there are no further obligations under this Licence or the Act, the Minister will return the Security to the Licensee.

Date: 5 July 2006



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BARRY A. GOLDSTEIN
Director Petroleum and Geothermal
Minerals and Energy Resources
Primary Industries and Resources SA
Delegate of the Minister for Mineral Resources Development

Signed by the said LICENSEE

Date: 30/6.....2006

Chris Matthews.....

Authorised Representative

Chris Matthews.....

Name

Chief Executive Officer.....

Position

Torrens Energy Ltd.....

Company

Michelle Haynes.....

Witness

MICHELLE HAYNES.....

Name

Position

Company

GEOTHERMAL EXPLORATION LICENCE

GEL 229

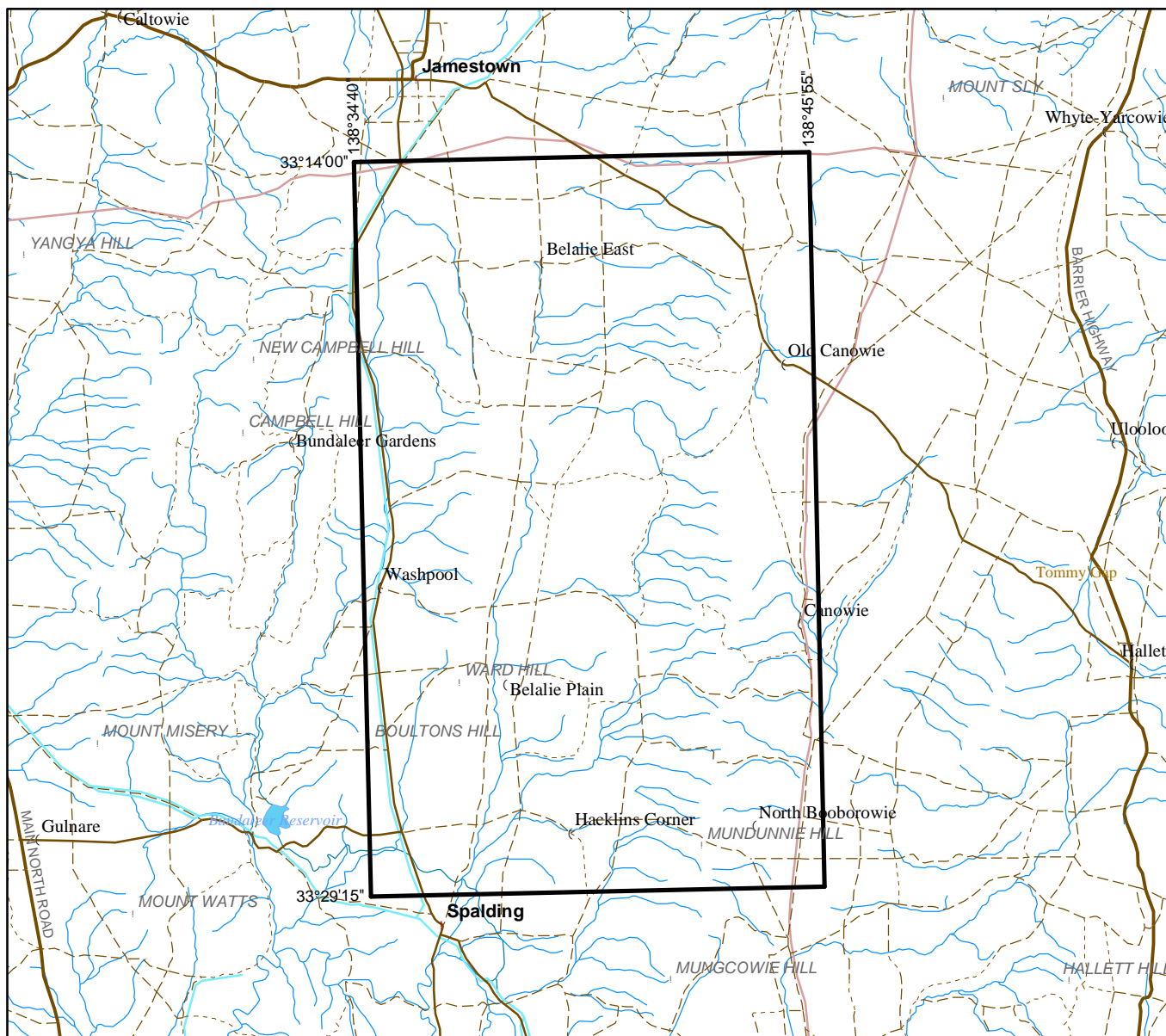
THE SCHEDULE

Description of Area

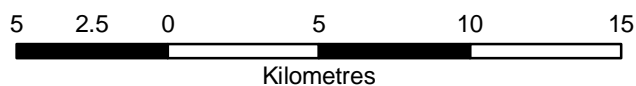
All that part of the State of South Australia, bounded as follows:-

Commencing at a point being the intersection of latitude 33°14'00"S GDA94 and longitude 138°34'40"E GDA94, thence east to longitude 138°45'55"E GDA94, south to latitude 33°29'15"S GDA94, west to longitude 138°34'40"E GDA94, and north to the point of commencement.

AREA: **492** square kilometres approximately.



SCALE 1:250 000



Note: There is no warranty that the boundary of this licence is correct in relation to other features of the map. The boundary is to be ascertained by reference to the Geocentric Datum of Australia (GDA94) and the schedule.

THE PLAN HEREINBEFORE REFERRED TO

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Government of South Australia
Primary Industries and Resources SA

SR 27/2/386

AREA: 492 sq km (approx)