

PETROLEUM AND GEOTHERMAL ENERGY ACT 2000

Grant of Geothermal Exploration Licences—GELS 526 and 527

NOTICE is hereby given that the undermentioned Geothermal Exploration Licences have been granted with effect from and including 29 June 2010, under the provisions of the Petroleum and Geothermal Energy Act 2000, pursuant to delegated powers dated 1 October 2009.

No. of Licences	Licensee	Locality	Date of Expiry	Reference
GEL 526 GEL 527	Strike Energy Limited	Cooper Basin	28/06/2015	F2010/000157

Description of Area—GEL 526

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

Commencing at a point being the intersection of latitude 28°40'00"S AGD66 and longitude 139°41'00"E GDA94, thence east to longitude 140°09'00"E GDA94, south to latitude 28°45'00"S GDA94, east to longitude 140°24'00"E GDA94, south to latitude 28°46'00"S GDA94, west to longitude 140°23'00"E GDA94, south to latitude 28°47'00"S GDA94, west to longitude 140°22'00"E GDA94, south to latitude 28°48'00"S GDA94, west to longitude 140°21'00"E GDA94, south to latitude 28°49'00"S GDA94, west to longitude 140°20'00"E GDA94, south to latitude 28°51'00"S GDA94, west to longitude 140°19'00"E GDA94, south to latitude 29°00'00"S GDA94, west to longitude 139°41'00"E GDA94, and north to the point of commencement.

Area: 2 188 km² approximately.

Description of Area—GEL 527

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

Commencing at a point being the intersection of latitude 29°00'00"S GDA94 and longitude 139°41'00"E GDA94, thence east to longitude 140°19'00"E GDA94, south to latitude 29°17'45"S GDA94, west to longitude 139°41'00"E GDA94, and north to the point of commencement.

Area: 2 019 km² approximately.

Dated 29 June 2010.

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 and Geothermal Energy Act 2000
S.115

MEMORANDUM

GEOHERMAL EXPLORATION LICENCES
GELs 526 and 527

1. These Licences granted to Strike Energy Limited on 29 June 2010 are hereby entered on the public register.
2. Interest in the licences are:-

Strike Energy Limited	100%
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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

Date: 29 June 2010

File: F2010/000157

PETROLEUM AND GEOTHERMAL ENERGY ACT 2000

GEOTHERMAL EXPLORATION LICENCE

GEL 527

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 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 GRANT to:

Strike Energy Limited
ACN 078 012 745

(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 *28 June 2015* but carrying the right of two further renewal terms under the *Petroleum and Geothermal Energy Act 2000*.

DESCRIPTION OF AREA

BAG
29/6/10

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 data review.
Two	<ul style="list-style-type: none">• Geological and geophysical data review.
Three	<ul style="list-style-type: none">• Geological and geophysical studies.
Four	<ul style="list-style-type: none">• Drill one well and test.
Five	<ul style="list-style-type: none">• Drill one injection well; and• Conduct long term flow test

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 and Geothermal Energy Act 2000*, that the report also includes an assessment of the potential economic consequences for other licensees under the *Petroleum and Geothermal Energy 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 the *Petroleum and Geothermal Energy Act 2000* cannot transfer, limit or exclude liability under the *Petroleum and Geothermal Energy 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: 29 JUNE 2010



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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: 24th June 2010


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Authorised Representative

Donald J Poynton
.....
Name

Manager - Exploration & Environment
.....
Position

Strike Energy Limited
.....
Company

GEOTHERMAL EXPLORATION LICENCE

GEL 527

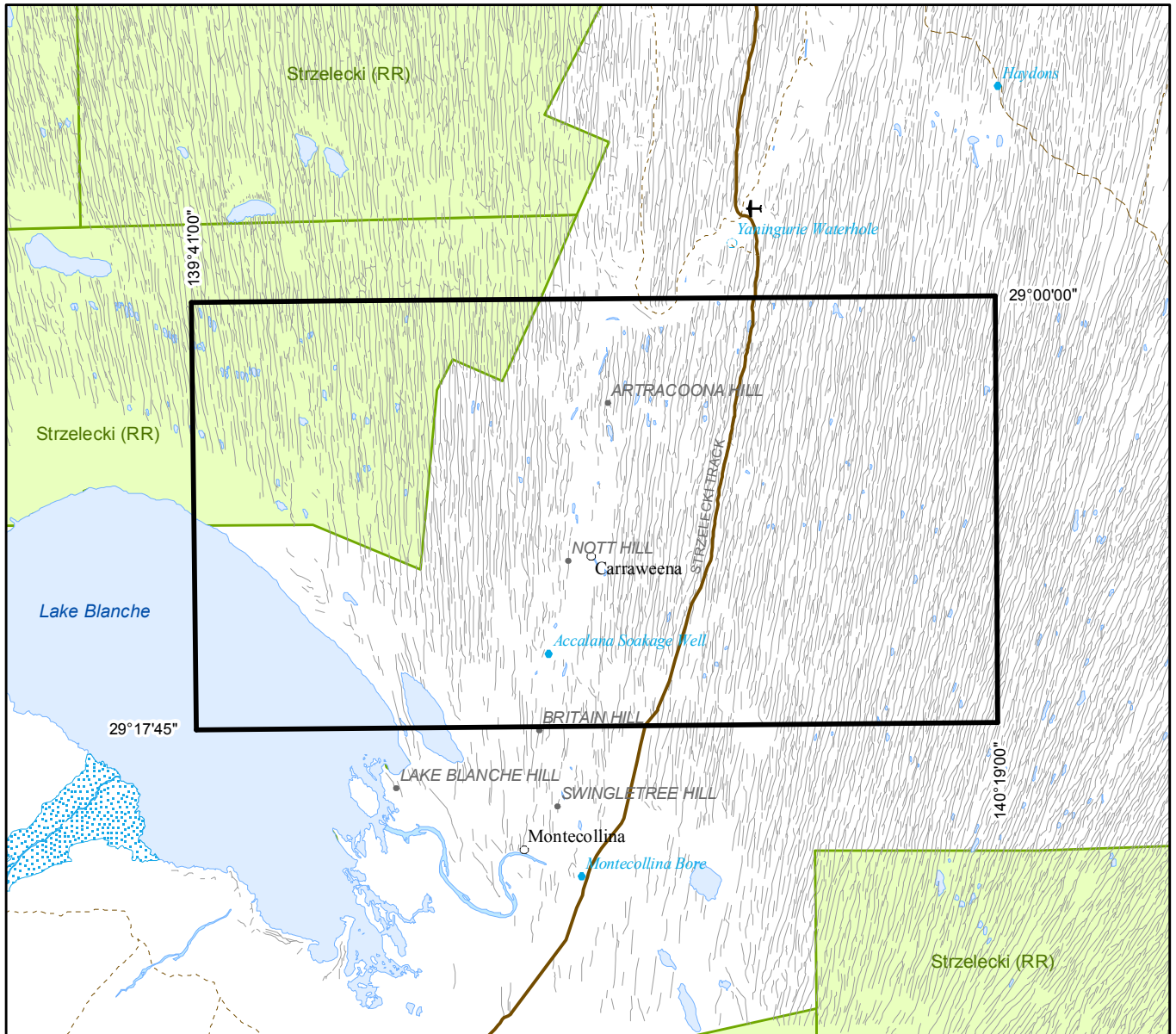
THE SCHEDULE

Description of Area

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

Commencing at a point being the intersection of latitude 29°00'00"S GDA94 and longitude 139°41'00"E GDA94, thence east to longitude 140°19'00"E GDA94, south to latitude 29°17'45"S GDA94, west to longitude 139°41'00"E GDA94, and north to point of commencement.

AREA: **2019** square kilometres approximately.



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
GEOTHERMAL EXPLORATION LICENCE NO: 527