

**INDEX OF DOCUMENTS HELD ON THE PUBLIC REGISTER FOR
GEOTHERMAL EXPLORATION LICENCE GEL 291**

1. 13 December 2007 Geothermal Exploration Licence GEL 291 granted
Interests: Granite Power Limited 100%
Expiry Date: 12 December 2012
2. 13 December 2007 Memorandum entering GEL 291 on the public register
3. 20 December 2007 Gazettal of Grant of Licence
4. 9 December 2008 Memorandum entering variation of GEL 291 on the public register
5. 9 December 2008 Variation of Geothermal Exploration Licence GEL 291
6. 16 December 2011 Suspension of licence for the period from and including 8 December 2011 to 7 December 2012.

The expiry date of GEL 291 is now 13 December 2013.
7. 16 December 2011 Memorandum entering suspension of licence on the public register.
8. 22 December 2011 Gazettal of suspension of licence.
9. 2 May 2013 Variation of licence conditions.
10. 2 May 2013 Memorandum entering variation of licence conditions on the public register.
11. 4 February 2014 Renewal of licence
12. 4 February 2014 Memorandum entering renewal of licence on the public register.
13. 27 July 2016 Surrender of licence with effect from 18 July 2016.
14. 27 July 2016 Memorandum entering surrender of licence on the public register.
15. 4 August 2016 Gazettal of surrender of licence.

PETROLEUM AND GEOTHERMAL ENERGY ACT 2000

Surrender of Geothermal Exploration Licence—GEL 291

NOTICE is hereby given that I have accepted the surrender of the abovementioned Geothermal Exploration Licence under the provisions of the Petroleum and Geothermal Energy Act 2000, pursuant to delegated powers dated 21 March 2012.

No. of Licence	Licensee	Locality	Effective Date of Surrender	Reference
GEL 291	Granite Power Limited	Otway Basin	18.7.2016	27/2/458

Dated 27 July 2016.

B. A. GOLDSTEIN,
Executive Director,
Energy Resources Division,
Department of State Development,
Delegate of the Minister for Mineral Resources and Energy

Petroleum and Geothermal Energy Act 2000
S.115

MEMORANDUM

GEOHERMAL EXPLORATION LICENCE
GEL 291

1. Surrender of the abovementioned Geothermal Exploration Licence with effect from 18 July 2016 is hereby entered on the public register.



BARRY A. GOLDSTEIN
Executive Director
Energy Resources Division
Department of State Development
Delegate of the Minister for Mineral Resources and Energy

Date: 27 July 2016

Ref: 27/2/458

Petroleum and Geothermal Energy Act 2000

**SURRENDER OF
GEOTHERMAL EXPLORATION LICENCE
GEL 291**

I, BARRY ALAN GOLDSTEIN, Executive Director, Energy Resources Division, Department of State Development, in the State of South Australia, pursuant to the provisions of section 89(2) of the *Petroleum and Geothermal Energy Act 2000* and all other enabling powers, for and on behalf of Tom Koutsantonis, Minister for Mineral Resources and Energy (Minister), pursuant to delegated powers dated 21 March 2012, hereby accept the surrender of Geothermal Exploration Licence GEL 291 in the name of Granite Power Limited (ACN 112 714 440) with effect from 18 July 2016.

Dated: 27 July 2016



**BARRY A. GOLDSTEIN
Executive Director
Energy Resources Division
Department of State Development
Delegate of the Minister for Mineral Resources and Energy**

Petroleum and Geothermal Energy Act 2000
S.115

MEMORANDUM

GEOHERMAL EXPLORATION LICENCE
GEL 291

1. Renewal of this licence effective from 13 December 2013 is hereby entered on the public register.
2. Interests in the licence are:

Granite Power Limited	100%
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BARRY A. GOLDSTEIN
Executive Director
Energy Resources Division
Department for Manufacturing, Innovation, Trade, Resources and Energy
Delegate of the Minister for Mineral Resources and Energy

Date: 4 February 2014

File: 27/2/458

Petroleum and Geothermal Energy Act 2000

FIRST RENEWAL OF GEOTHERMAL EXPLORATION LICENCE GEL 291

I, BARRY ALAN GOLDSTEIN, Executive Director, Energy Resources Division, Department for Manufacturing, Innovation, Trade, Resources and Energy, 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 Tom Koutsantonis, Minister for Mineral Resources and Energy (Minister), pursuant to delegated powers dated 21 March 2012, HEREBY GRANT to:

Granite Power Limited

ACN 112 714 440

(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 from 13 December 2013 and to expire on 12 December 2018 and carrying the right to one further renewal term subject to the provisions of the *Petroleum and Geothermal Energy 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 studies.
Two	<ul style="list-style-type: none">• Geological and geophysical studies.
Three	<ul style="list-style-type: none">• Geological and Geophysical Studies.
Four	<ul style="list-style-type: none">• Geological and Geophysical Studies.
Five	<ul style="list-style-type: none">• Geological and Geophysical Studies; and• Drill one well.

2. In the event that the Licensee during any year of the term of this licence fails to comply with the work program requirements of this licence, it is an express term of this licence that the Minister may, at his discretion, either cancel this licence or authorise such variation to these requirements as the Minister thinks fit.
3. All regulated activities authorised by this Licence are classified as requiring high level official surveillance unless the Licensee satisfies the Minister that in view of the Licensee's demonstrated competence to comply with the requirements of the Act and the conditions of this Licence, the activities should be classified as requiring low level official surveillance.
 - 3.1 The Minister's prior written approval is required for activities requiring high level official surveillance in accordance with the Regulation 19 of the Regulations to the Act.
4. 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"). 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,
 - 4.1 Interest will not be payable by the Minister to the Licensee on any cash Security.
 - 4.2 All charges incurred by the Licensee in obtaining and maintaining the Security shall be met by the Licensee.
 - 4.3 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.
5. 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).
6. 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.
7. 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 Act 2000* or *Mining Act 1971* and owners of land, arising out of proposed regulated activities to be carried out in the licence area.

8. 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.
9. 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.
10. 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.

Date: 4 February 2014...



.....
BARRY A. GOLDSTEIN
Executive Director
Energy Resources Division
Department for Manufacturing, Innovation, Trade, Resources and Energy
Delegate of the Minister for Mineral Resources and Energy

Signed by the said LICENSEE

Date: 23 JANUARY 2014


.....
Authorised Representative

STEPHEN DE BELLE
.....
Name

MANAGING DIRECTOR
.....
Position

GRANITE POWER LTD
.....
Company

THE SCHEDULE

GEOHERMAL EXPLORATION LICENCE

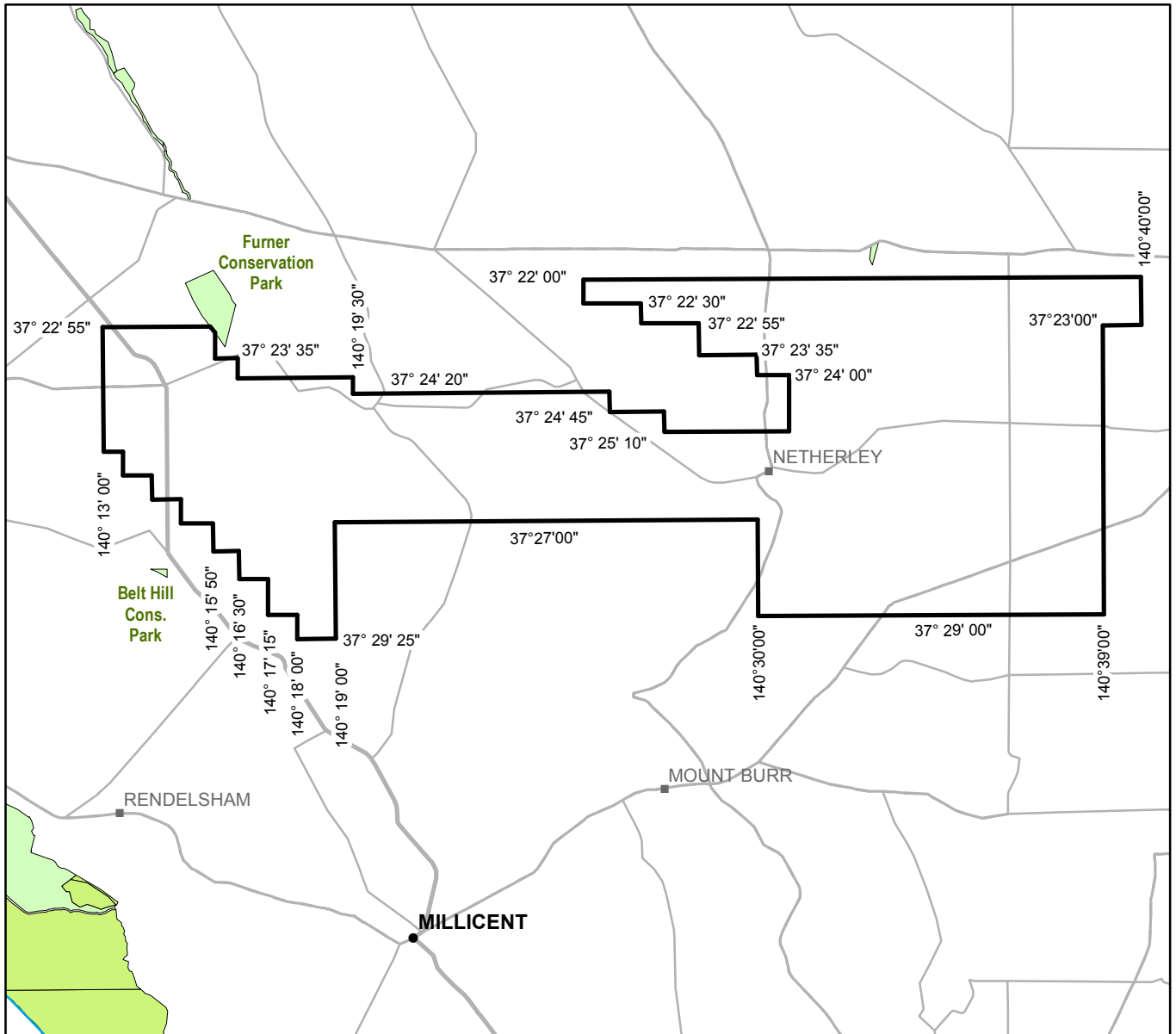
GEL 291

Description of Area

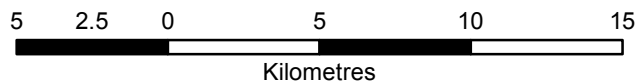
All that part of the State of South Australia, bounded as follows:-

Commencing at a point being the intersection of latitude 37°22'00"S GDA94 and longitude 140°25'30"E GDA94, thence east to longitude 140°40'00"E GDA94, south to latitude 37°23'00"S GDA94, west to longitude 140°39'00"E GDA94, south to latitude 37°29'00"S GDA94, west to longitude 140°30'00"E GDA94, north to latitude 37°27'00"S GDA94, west to longitude 140°19'00"E GDA94, south to latitude 37°29'25"S GDA94, west to longitude 140°18'00"E GDA94, north to latitude 37°28'55"S GDA94, west to longitude 140°17'15"E GDA94, north to latitude 37°28'10"S GDA94, west to longitude 140°16'30"E GDA94, north to latitude 37°27'35"S GDA94, west to longitude 140°15'50"E GDA94, north to latitude 37°27'00"S GDA94, west to longitude 140°15'00"E GDA94, north to latitude 37°26'30"S GDA94, west to longitude 140°14'15"E GDA94, north to latitude 37°26'00"S GDA94, west to longitude 140°13'30"E GDA94, north to latitude 37°25'30"S GDA94, west to longitude 140°13'00"E GDA94, north to latitude 37°22'55"S GDA94, east to longitude 140°15'55"E GDA94, south to latitude 37°23'35"S GDA94, east to longitude 140°16'30"E GDA94, south to latitude 37°24'00"S GDA94, east to longitude 140°19'30"E GDA94, south to latitude 37°24'20"S GDA94, east to longitude 140°26'10"E GDA94, south to latitude 37°24'45"S GDA94, east to longitude 140°27'35"E GDA94, south to latitude 37°25'10"S GDA94, east to longitude 140°30'50"E GDA94, north to latitude 37°24'00"S GDA94, west to longitude 140°30'00"E GDA94, north to latitude 37°23'35"S GDA94, west to longitude 140°28'30"E GDA94, north to latitude 37°22'55"S GDA94, west to longitude 140°27'00"E GDA94, north to latitude 37°22'30"S GDA94, west to longitude 140°25'30"E GDA94, and north to the point of commencement, but excluding Furner Conservation Park

AREA: **325** 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

GEOTHERMAL EXPLORATION LICENCE NO: 291



Petroleum and Geothermal Energy Act 2000
S.115

MEMORANDUM

GEOHERMAL EXPLORATION LICENCE
GEL 291

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



BARRY A. GOLDSTEIN
Executive Director
Energy Resources Division
Department for Manufacturing, Innovation, Trade, Resources and Energy
Delegate of the Minister for Mineral Resources and Energy

Date: 2 May 2013

Ref: 27/2/458

Petroleum and Geothermal Energy Act 2000
s25(4)

**VARIATION OF
GEOTHERMAL EXPLORATION LICENCE
GEL 291**

I, BARRY ALAN GOLDSTEIN, Executive Director, Energy Resources Division, Department for Manufacturing, Innovation, Trade, Resources and Energy, 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 Tom Koutsantonis, Minister for Mineral Resources and Energy (Minister), pursuant to delegated powers dated 21 March 2012 vary the conditions of the above-mentioned licence, held by -

Granite Power Limited
ACN 112 714 440

Condition 1 of the licence is omitted and the following substituted with effect from the commencement of licence year 1:

- “ 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 studies.
Two	<ul style="list-style-type: none">• Geological and geophysical studies.
Three	<ul style="list-style-type: none">• Geological and Geophysical Studies.
Four	<ul style="list-style-type: none">• Geological and Geophysical Studies.
Five	<ul style="list-style-type: none">• Geological and Geophysical Studies

”

Dated: 2 May 2013



BARRY A. GOLDSTEIN
Executive Director
Energy Resources Division
Department for Manufacturing, Innovation, Trade, Resources and Energy
Delegate of the Minister for Mineral Resources and Energy

PETROLEUM AND GEOTHERMAL ENERGY ACT 2000

Suspension of Geothermal Exploration Licence—GEL 291

Pursuant to Section 90 of the Petroleum and Geothermal Energy Act 2000, notice is hereby given that the abovementioned Geothermal Exploration Licence has been suspended for the period from and including 8 December 2011 until 7 December 2012, under the provisions of the Petroleum and Geothermal Energy Act 2000, pursuant to delegated powers dated 1 October 2009.

The expiry date of GEL 291 is now determined to be 13 December 2013.

Dated 16 December 2011.

B. A. GOLDSTEIN,
Executive Director,
Energy Resources Division
Department for Manufacturing, Innovation,
Trade, Resources and Energy
Delegate of the Minister for Mineral
Resources and Energy

Petroleum and Geothermal Energy Act 2000
S.115

MEMORANDUM

GEOHERMAL EXPLORATION LICENCE
GEL 291

1. Suspension of licence from and including 8 December 2011 to 7 December 2012 is hereby entered on the public register.
2. The expiry date of GEL 291 is now determined to be 13 December 2013.



ELINOR ALEXANDER
A/Executive Director
Energy Resources Division
Department for Manufacturing, Innovation, Trade, Resources and Energy
Delegate of the Minister for Mineral Resources and Energy

Date: 16 December 2011

Ref: 27/2/458

Petroleum and Geothermal Energy Act 2000
S.90

**SUSPENSION OF
GEOTHERMAL EXPLORATION LICENCE
GEL 291**

I, BARRY ALAN GOLDSTEIN, Executive Director Energy Resources Division, Department for Manufacturing, Innovation, Trade, Resources and Energy, 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 Tom Koutsantonis, Minister for Mineral Resources and Energy (Minister), pursuant to delegated powers dated 1 October 2009 -

- (a) Suspend geothermal exploration licence GEL 291 for the period from and including 8 December 2011 to 7 December 2012.
1. No regulated activities are permitted to be carried out during the period of the suspension.
 2. The expiry date of GEL 291 is now determined to be 13 December 2013.

Dated: 16 December 2011



BARRY A. GOLDSTEIN
Executive Director
Energy Resources Division
Department for Manufacturing, Innovation, Trade, Resources and Energy
Delegate of the Minister for Mineral Resources and Energy

**Petroleum Act 2000
S.115**

MEMORANDUM

**GEOHERMAL EXPLORATION LICENCES
GELs 207 and 291**

1. Variation of licence conditions 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: 9 December 2008

Ref: 27/2/458
27/2/336

Petroleum Act 2000

VARIATION OF GEOTHERMAL EXPLORATION LICENCE GEL 291

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 vary the conditions of the above-mentioned geothermal exploration licence, held by -

Granite Power Limited
ABN 90 112 714 440

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 studies.
Two	<ul style="list-style-type: none">• Geological and geophysical studies.
Three	<ul style="list-style-type: none">• Geological and geophysical studies.
Four	<ul style="list-style-type: none">• Geological and geophysical studies;
Five	<ul style="list-style-type: none">• Geological and geophysical studies; and• Drill one heat flow hole (or deepen existing hole for heat flow purposes) to depth of 1,000 metres; and• Undertake thermal conductivity measurements on sampled core and follow-up thermal modelling.

Dated: 9 December 2008



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

Grant of Geothermal Exploration Licence—GEL 291

NOTICE is hereby given that the undermentioned Geothermal Exploration Licence has been granted 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	Licensee	Locality	Expiry
GEL 291	Granite Power Limited	Otway Basin	12 December 2012

Description of Area—GEL 291

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

Commencing at a point being the intersection of latitude 37°22'00"S GDA94 and longitude 140°12'00"E GDA94, thence east to longitude 140°40'00"E GDA94, south to latitude 37°23'00"S GDA94, west to longitude 140°39'00"E GDA94, south to latitude 37°29'00"S GDA94, west to longitude 140°30'00"E GDA94, north to latitude 37°27'00"S GDA94, west to longitude 140°19'00"E GDA94, south to latitude 37°32'00"S GDA94, west to longitude 140°17'00"E GDA94, north to latitude 37°31'00"S GDA94, west to longitude 140°15'00"E GDA94, north to latitude 37°30'00"S GDA94, west to longitude 140°13'00"E GDA94, north to latitude 37°29'00"S GDA94, west to longitude 140°12'00"E GDA94 and north to the point of commencement but excluding Furner Conservation Park and Belt Hill Conservation Park.

Area: 491 km² approximately.

Dated 13 December 2007.

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 LICENCE
GEL 291**

1. This Licence granted on 13 December 2007 is hereby entered on the public register.
2. Interests in the licence are:-

Granite Power 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: 13 December 2007

Ref: 27/2/458

PETROLEUM ACT 2000

GEOTHERMAL EXPLORATION LICENCE

GEL 291

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:

Granite Power Limited
ACN 112 714 440

(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 ^{12 December 2012} 2012 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 studies.
Two	<ul style="list-style-type: none">• Geological and geophysical studies.• Drill at least one stratigraphic hole (or deepen existing stratigraphic hole) to depth of up to 1,000 metres.
Three	<ul style="list-style-type: none">• Conduct down-hole seismic induction probes; cross-well tomography; gamma, receptivity and temperature logging.• Temperature logging and testing of the temperature gradient.• Drill one pilot well to depth of up to 4,000 metres.• Flow testing of well (and possible fracture stimulation and monitoring).

Four	<ul style="list-style-type: none"> • Drill second well to depth of up to 4,000 metres. • Circulation testing between the two wells. • Commence construction on pilot plant.
Five	<ul style="list-style-type: none"> • Construction of pilot power station.

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: 13 Dec 2007



.....
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: 21 November2007


.....
Authorised Representative

STEPHEN DE BALE.....
Name

MANAGING DIRECTOR.....
Position

GRANITE POWER LTD.....
Company

GEOTHERMAL EXPLORATION LICENCE

GEL 291

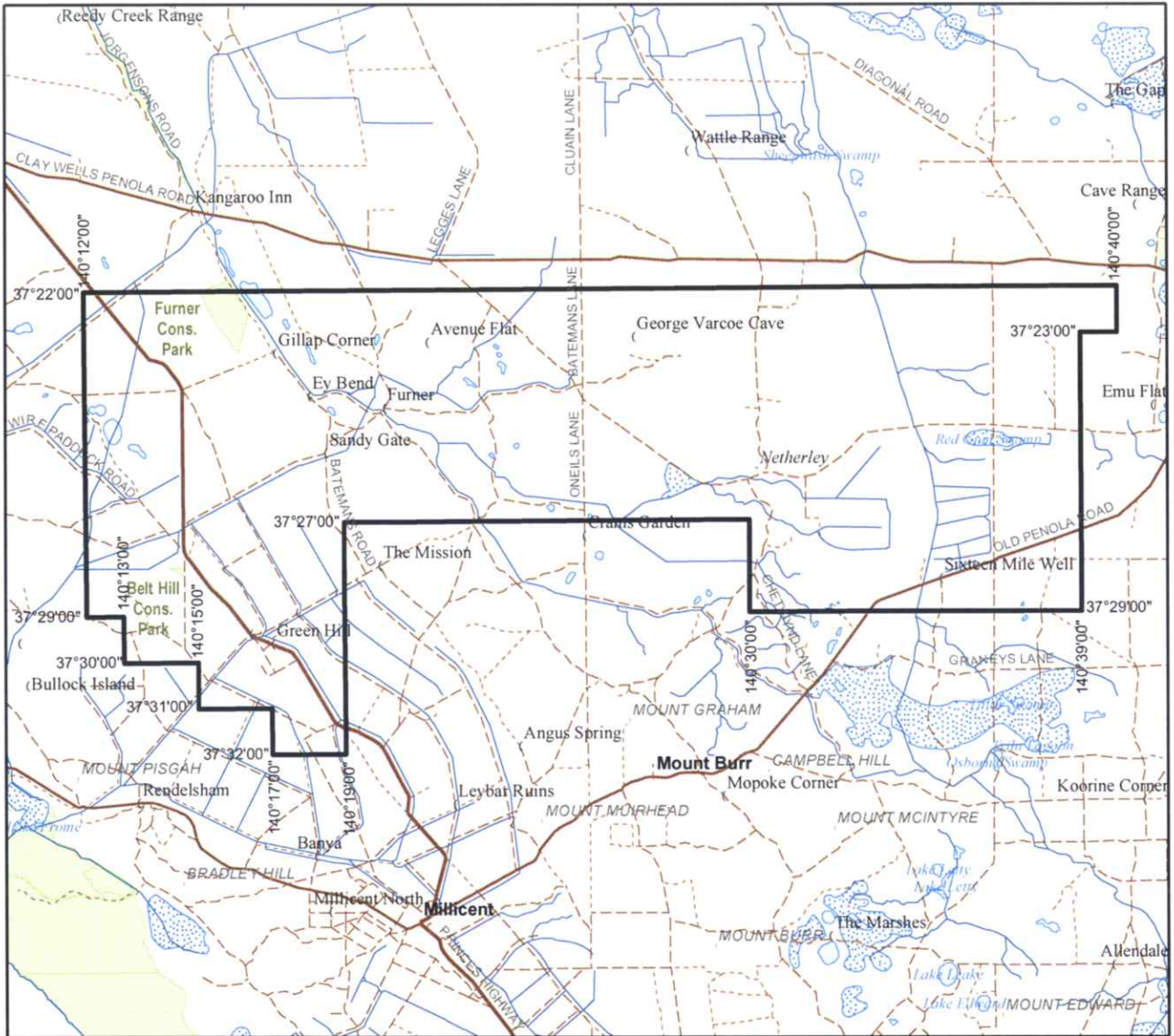
THE SCHEDULE

Description of Area

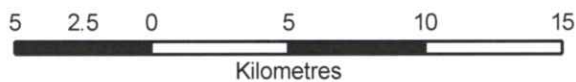
All that part of the State of South Australia, bounded as follows:-

Commencing at a point being the intersection of latitude 37°22'00"S GDA94 and longitude 140°12'00"E GDA94, thence east to longitude 140°40'00"E GDA94, south to latitude 37°23'00"S GDA94, west to longitude 140°39'00"E GDA94, south to latitude 37°29'00"S GDA94, west to longitude 140°30'00"E GDA94, north to latitude 37°27'00"S GDA94, west to longitude 140°19'00"E GDA94, south to latitude 37°32'00"S GDA94, west to longitude 140°17'00"E GDA94, north to latitude 37°31'00"S GDA94, west to longitude 140°15'00"E GDA94, north to latitude 37°30'00"S GDA94, west to longitude 140°13'00"E GDA94, north to latitude 37°29'00"S GDA94, west to longitude 140°12'00"E GDA94, and north to the point of commencement but excluding Furner Conservation Park and Belt Hill Conservation park

AREA: **491** 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

GEOHERMAL EXPLORATION LICENCE NO: 291



Government of South Australia
Primary Industries and Resources SA

SR 27/2/458

AREA: 491 sq km (approx)