



ASX ANNOUNCEMENT 25 MARCH 2008

Flow test update

Geodynamics is pleased to advise that the open flow test from Habanero 3 with re-injection at Habanero 1 has been proceeding to schedule and will be completed later today. The re-injection phase of the open flow test commenced on 22 March. The wells are sustaining circulating production of 20 kg/second at a flowing pressure of 27.5 MPa (4,000 psi) through a 14mm fixed choke. Current flowing temperature is 212 °C with the bottom hole temperature of 244 °C. The Company is pleased with the above results which are in line with its expectations and will allow it proceed with the building of its 1MW pilot power station for commissioning by the end of the year.

Immediately following the completion of the open flow test and once pumping has ceased, the Company aims to undertake a test to determine the maximum output flow rate without circulation by fully opening the existing choke facilities on Habanero 3.

The closed loop test is scheduled to commence mid May (delay due to shipping delay on delivery of heat exchanger from USA) and will run for a period of six weeks. The main purpose of this test is to run chemical tracers which will determine the contact fracture surface area. This will allow the Company to determine the temperature drawdown during operations over a number of years.



Re-injection pumping array at Habanero 1

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Jolokia 1 update

The 24" top hole section has been successfully drilled to 591 metres and operations are preparing to run casing.

Jolokia 1 is located approximately 9 km from Habanero and is targeting fractured granites at a similar depth known to be 10°C hotter than the Habanero wells. Its target well depth is 4,250 metres.

For further information please check our website (www.geodynamics.com.au) or contact Mr Gerry Grove-White or Paul Frederiks on + 61 7 3721 7500.



Gerry Grove-White
Managing Director

Participants in Jolokia 1 and the Innamincka Joint Venture are:

Geodynamics (Operator) – 70%

Origin Energy Geothermal Pty Ltd* – 30%

*A wholly owned subsidiary of Origin Energy Limited (ASX:ORG)