



Geothermal Exploration Licence No. 207  
(Roxby Downs)  
South Australia

Fourth and Final Annual Report

Period 19 January 2009 to 22 December 2009

Prepared by

C. E. Stafford BSc (Hons), PhD  
22 December 2009

LEVEL 6, 9 BARRACK STREET, SYDNEY NSW 2000, AUSTRALIA  
TEL: +61 2 8252 6100  
FAX: +61 2 8252 6199  
EMAIL: [INFO@GRANITEPWR.COM](mailto:INFO@GRANITEPWR.COM)  
[WWW.GRANITEPWR.COM](http://WWW.GRANITEPWR.COM)

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## 1 INTRODUCTION

### 1.1 Background

Exploration was initiated in the Roxby Downs area to investigate the geothermal potential of basement rocks underlying thick sequences of Late Proterozoic sediments to the south of the northwest-trending Andamooka fault. This geothermal target is located 20 km southwest of the Olympic Dam mine, presenting a local market for any generated power. In addition, Olympic Dam is connected to the Eastern Australian high voltage power lines.

### 1.2 Period

This report covers the fourth year of tenure from 19 January 2009 to application for surrender on 22 December 2009.

### 1.3 Licence data

Geothermal Exploration Licence No. 207 (Roxby Downs) ("GEL 207") was granted on 19 July 2005, for a period of five years, to Proactive Energy Developments Ltd ("PED"). On 19 February 2007, PED changed its name to Granite Power Ltd ("Granite Power").

On 3 July 2008, an application for suspension of GEL 2007 was submitted to Primary Industries and Resources, South Australia ("PIRSA") by the Granite Power. This application was approved by PIRSA on 18 July 2008, with the suspension in place from 3 July 2008 to 2 January 2009 (inclusive).

GEL 207 covers an area of approximately 386 km<sup>2</sup>, commencing at a point of intersection of 30°36'00" S (GDA94) and longitude 136°35'00" E (GDA 94). From there the tenement extends east to longitude 136°41'06" E (GDA94), south to latitude 30°41'30" S (GDA94), east to longitude 136°50'00" E (GDA94), south to latitude 30°48'00" S (GDA94), west to longitude 136°35'00" E (GDA94) and north to point of commencement.

## 2 WORK REQUIREMENTS

The minimum work requirements as of 9 December 2008 are detailed in Table 1 below.

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

Table 1: Minimum yearly work requirements for GEL 207

### 3 WORK CONDUCTED

In this fourth year of exploration, Granite Power continued with geological and geophysical studies, including some 3D geological modelling.

### 4 FINAL YEAR EXPENDITURE



## **5 COMPLIANCE WITH THE PETROLEUM ACT (REGULATION 33)**

### **5.1 Regulated activities**

No regulated activities were conducted during this reporting period.

### **5.2 Compliance**

No matters of non-compliance are noted for this reporting year.

### **5.3 Management of non-compliance**

Granite Power continually monitors its exploration activities to ensure compliance with the Petroleum Act. The Company understands the importance of regulatory observance and is committed to future compliance.

### **5.4 Management systems**

Granite Power is committed to ensuring the highest standards of corporate governance. To this end the company has a suite of policies in place or being implemented which substantially comply with ASX 'best practice' guidelines. Audits to date (the last being for the 2008-9 financial year), which, pursuant to the IFR Standards with which the company complies, cover management systems, have not identified any deficiency or failure and have not identified a potential need for corrective actions.

### **5.5 Reports and data**

No external reports have been prepared in this reporting year.

### **5.6 Reportable incidents**

No reportable incidents occurred.

### **5.7 Foreseeable threats**

No threats have been identified.

### **5.8 Proposed operations for the ensuing year**

No further operations are planned on this tenement and surrender of the tenement is being sought.