



GEOHERMAL RESOURCES LIMITED

ABN 45 115 281 144

Annual Report

Licence Year 4

For the Period:

1 November 2014 to 23 October 2015

GEL 498

15th December 2015

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1 Introduction

Geothermal Exploration Licence (GEL) 498 was granted to Geothermal Resources Limited ('Geothermal Resources') on 27th May, 2009. The licence is located in the Otway Basin, South Australia. The licence history is:

- Year 1: 27th May 2009 to 26th May 2010
- Year 2: 1st November 2010 to 31st October 2011
 - Suspension: 27th May 2010 to 31st October 2010 (to achieve common anniversary with GEL 214)
 - 1st July 2010: Variation of licence conditions involving changed Work Program
- Year 3: 1st November 2011 to 31st October 2014
 - Suspension: 1st November 2011 to 31st October 2012
 - Suspension: 1st November 2012 to 31st October 2013
- Year 4: 1st November 2014 to 23rd October 2015
 - Surrendered 23rd October 2015

This report details the work conducted during Licence Year 4 of the licence (1/11/2014 – 23/10/2015), in accordance with Regulation 33 of the Petroleum and Geothermal Energy Act 2000.

2 Permit Summary

For the duration of the licence year, the licensee for Geothermal Exploration Licence (GEL) 498 was:

- Geothermal Resources Limited 100%

The current work commitments associated with GEL 498 can be seen in Table 1.

Table 1 Current work commitments by licence year

Licence Year	Licence dates	Minimum Work Program
Year 1	27/05/2009 – 26/05/2010	<ul style="list-style-type: none">• Geological and geophysical studies
Suspended	27/05/2010 – 31/10/2010	Suspended
Year 2	1/11/2010 – 31/10/2011	<ul style="list-style-type: none">• Geological and geophysical studies
Suspended	1/11/2011 – 31/10/2013	Suspended
Year 3	1/11/2013 – 31/10/2014	<ul style="list-style-type: none">• Geological and geophysical studies
Year 4	1/11/2014 – 23/10/2015	<ul style="list-style-type: none">• Geological and geophysical studies

Licence Year 4 concluded, by surrender, on 23/10/2015. The following table displays the minimum work program and the actual work completed up until the end of the current licence period.

Table 2 Final work program and work completed (as of end of current reporting period) by licence year

Licence Year	Minimum Work Program	Actual Work
Year 1	<ul style="list-style-type: none">• Geological and geophysical studies	<ul style="list-style-type: none">• Available geological, geophysical and drilling data reviewed (first pass).• Seismic data reprocessed and reinterpreted (first pass) for porous Pretty Hill Fm.
Year 2	<ul style="list-style-type: none">• Geological and geophysical studies	<ul style="list-style-type: none">• Review of available geological, geophysical and drilling data continued.• Reprocessed seismic data reinterpreted using Eureka-3D software.
Year 3	<ul style="list-style-type: none">• Geological and geophysical studies	<ul style="list-style-type: none">• Continued interpretation of seismic data using Eureka-3D software.
Year 4	<ul style="list-style-type: none">• Geological and geophysical studies	<ul style="list-style-type: none">• Continued interpretation of seismic data using Eureka-3D software.

3 Regulated Activities

Pursuant to Regulation 33(2)(a) under the Act, no regulated activities were undertaken.

4 Compliance Issues

Licence and Regulatory Compliance

Licence Non-Compliance

Geothermal Resources was not compliant with the submission date of the Annual Report for GEL 498. This will not occur again as the licence has been surrendered (23rd October 2015).

Regulatory Non-Compliance

Geothermal Resources was compliant with all regulatory requirements (no regulated activity undertaken).

Report and Data Submissions

Table 3 List of report and data submissions during current licence reporting year

Description of Report/Data	Due date	Date submitted	Compliant / Non-compliant
Annual Report GEL 498 (Year 3)	31/12/2014	24/03/2015	Non-compliant
Annual Report GEL 498 (Year 4)	30/12/2015	30/12/2015	Compliant
Resubmission of Year 4 AR	11/03/2016	1/04/2016	Non-compliant

Incidents

Pursuant to Regulation 33(2) (f), no incidents occurred as no regulated or other activities were undertaken.

Management System Audits

Geothermal Resources aims for regulatory compliance, by striving for best practice in its management strategies, work practices and procedures, in an environmentally and socially responsible manner.

Geothermal Resources has a policy of continuing review and improvement in the development of management systems as it strives to meet this commitment.

Checklists have been developed to indicate assessment of compliance with environmental objectives for both drilling and geophysical operations.

At present other documented management systems include:

- Health Safety and Environment Manual
- Emergency Response Manual, with:
 - A4 ERP card
 - A4 Safe Travel card
- Hazard Awareness Manual.

Responsible persons:

- Dr Geoff Stolz
- Dr Chris Giles

Threat Prevention

Pursuant to Regulation 33(2) (g), no foreseeable threats were identified as no field activities were undertaken.

Future Work Program

Pursuant to Regulation 33(2) (h) under the Act, an outline of the planned operations and activities is listed below:

- No work will occur by Geothermal Resources as the licence has been surrendered.