



**GEODYNAMICS**  
LIMITED

ABN 55 095 006 090

# PROSPECTUS

For a non-renounceable pro-rata bonus grant of options  
exercisable at \$1.50 and expiring 8 December 2009

\* Indicative Timetable

Ex-Date	12 March 2009
Option Record Date	18 March 2009
Despatch of holding statements	24 March 2009
Quotation of Options on ASX	25 March 2009

\* The timetable is subject to change without notice

**Eligible Shareholders are not required to take any action  
in relation to the grant of Options under this Prospectus**

This Prospectus is an important document and requires your immediate attention. It should be read in its entirety. If you have any queries about any part of the Prospectus you should consult your accountant, stockbroker, solicitor or other professional adviser.

# CORPORATE DIRECTORY

## DIRECTORS

<b>Mr Martin Albrecht AC</b>	Non-Executive Chairman
<b>Mr Gerry Grove-White</b>	Managing Director
<b>Mr Banmali Agrawala</b>	Non-Executive Director
<b>Mr Pieter Britz</b>	Non-Executive Director
<b>Dr Prame Chopra</b>	Non-Executive Director
<b>Mr Bob Davies</b>	Non-Executive Director
<b>Mr Robert Flew</b>	Non-Executive Director
<b>Dr Jack Hamilton</b>	Non-Executive Director
<b>Mr Keith Spence</b>	Non-Executive Director
<b>Mr Andrew Stock</b>	Non-Executive Director

## COMPANY SECRETARY AND CFO

**Mr Paul Frederiks**

## PRINCIPAL AND REGISTERED OFFICE

Level 2, 23A Graham Street  
MILTON QLD 4064  
Telephone: +617 3721 7500  
Facsimile: +617 3721 7599

## POSTAL ADDRESS

PO Box 2046 Milton Qld 4064

## INTERNET

[www.geodynamics.com.au](http://www.geodynamics.com.au)

## EMAIL

[info@geodynamics.com.au](mailto:info@geodynamics.com.au)

## REGISTRY

Computershare Investor Services Pty Limited  
GPO Box 523, BRISBANE QLD 4001  
Telephone Australia: 1300 552 270  
Telephone International: +613 9415 4000  
Facsimile: +617 3237 2152

## LEGAL ADVISER

DLA Phillips Fox  
Level 28, Waterfront Place,  
1 Eagle Street  
BRISBANE QLD 4000

## SECURITIES EXCHANGE LISTING

Geodynamics Limited shares are listed on the Australian Securities Exchange. Ticker: GDY

# IMPORTANT NOTICE

## About this Prospectus

Various risks may affect the future operating and financial performance of Geodynamics Limited and the value of an investment in Geodynamics Limited. Some of these risks are listed in Section 1.8 of the Prospectus.

The potential tax effects of participating in the Offer will vary between Eligible Shareholders. All Eligible Shareholders should satisfy themselves of any possible tax consequences by consulting their own professional tax advisers.

This Prospectus is dated 5 March 2009. A copy of this Prospectus has been lodged with ASIC. ASIC takes no responsibility for the contents of this Prospectus. The expiry date of this Prospectus is 30 April 2009. No securities will be issued on the basis of this Prospectus after that expiry date.

This is a Prospectus for an Offer of options to acquire continuously quoted securities (as defined in the Corporations Act) of Geodynamics Limited and has been prepared in accordance with section 713 of the Corporations Act. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offering prospectus.

On 25 February 2009 Geodynamics Limited applied for the grant by ASX of official quotation of the Options issued under this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

## Disclaimer

No person is authorised to give any information or to make any representation in connection with the Offer, which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by Geodynamics Limited in connection with the Offer.

## Foreign Jurisdictions

This Prospectus does not constitute an offer of, or an invitation to subscribe for, any Options in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

The Options being offered under the Prospectus are offered in:

- New Zealand in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand)*. Neither this document or the Offer is registered with the Companies Office in New Zealand.

- Singapore in accordance with the exemption in section 273(1)(ce) and or (cg) of the Securities and Futures Act (Singapore). This document may not contain all the information that a Singapore registered prospectus is required to contain.

No action has been taken to register or qualify the Options being offered under the Offer or otherwise permit a public offering of the Options in any jurisdiction other than Australia, New Zealand and Singapore. This Prospectus may not be distributed to, or relied on by, persons outside Australia, New Zealand or Singapore.

## Privacy

You may provide personal information to the Company and the Registry. The Company and the Registry collect, hold and use your personal information in order to service your needs as an Optionholder, provide facilities and services that you request and carry out appropriate administration. Company and tax laws require some of the information to be collected.

Geodynamics Limited and the Registry may disclose your personal information for purposes related to your shareholding or optionholding to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act:

- the Registry for ongoing administration of the register; and
- printers and mailing houses for the purposes of preparation and distribution of Optionholder information and for handling of mail.

Under the Privacy Act, you may request access to your personal information held by (or on behalf of) Geodynamics Limited or the Registry. You can request access to your personal information by telephoning or writing to Geodynamics through the Registry as follows:

**Computershare Investor Services Pty Limited**  
GPO Box 523, Brisbane Qld 4001  
By telephone: 1300 552 270 (within Australia)  
or +61 7 9415 4000 (outside Australia)

## Definitions and Abbreviations

Certain terms and abbreviations used in the Prospectus have defined meanings as set out in the glossary in Section 4.

## Financial Amounts

All financial amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

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## Letter from the Chairman



### GEODYNAMICS LIMITED

5 March 2009

Dear Eligible Shareholder

On behalf of the Board of Geodynamics Limited, I am pleased to present this bonus issue of options to you.

Under the Options Offer, Eligible Shareholders will receive one option exercisable at \$1.50 per Share and expiring on 8 December 2009 for every four Shares held as at 7.00 pm AEST on the Option Record Date being 18 March 2009.

The funds raised from the exercise of Options will be directed toward preparing for the commercialisation phase of our flagship Cooper Basin Project.

I invite you to read this document thoroughly in conjunction with all of the publicly available information relating to Geodynamics, including the Quarterly Report for the period ended 31 December 2008 and the Half Year Report ended 31 December 2008.

I commend the Options Offer to you – please note that providing you are an Eligible Shareholder, you are not required to do anything to receive your bonus options.

Yours sincerely

Geodynamics Limited

Martin Albrecht AC  
Chairman

# 1 DETAILS OF THE OPTIONS OFFER

## 1.1 Description

Eligible Shareholders are entitled to receive one option exercisable at \$1.50 per Share and expiring on 8 December 2009 for every four Shares held as at 7.00 pm AEST on the Option Record Date being 18 March 2009. Fractional entitlements will be rounded up to the nearest whole number of Options.

The full terms and conditions of the Options to be granted under this Prospectus are set out in Section 3.4.

## 1.2 No action required by Eligible Shareholders

Eligible Shareholders are not required to take any action to be granted the Options. Separate holding statements for Options will be despatched by post to Eligible Shareholders.

The Options Offer is non-renounceable and accordingly, Shareholders may not dispose of or trade any part of their entitlement prior to the grant of the Options.

## 1.3 Indicative Timetable

Ex-Date	12 March 2009
Option Record Date	18 March 2009
Holding statements are despatched	
Deferred settlement trading ends	24 March 2009 (by noon Sydney time)
Quotation of Shares and Options on ASX	25 March 2009

These dates are indicative only. The Company may vary the dates and times of the Offer without notice.

## 1.4 Grant of Options

Options under the Options Offer will be allotted and issued on or about 20 March 2009.

## 1.5 ASX quotation

The Company has applied for the quotation of all Options issued under this Prospectus on ASX. If approval is not granted by ASX within 3 months after the date of this Prospectus, the Company reserves the right to withdraw this Offer and not allot any of the Options offered under this Prospectus.

Subject to approval being granted, quotation of the issued Options is expected to commence within five Business Days after their date of issue.

It is the responsibility of each Optionholder to determine their holding of Options before trading in them. Holders who sell Options before they receive their holding statement do so at their own risk.

## 1.6 CHESS

The Options issued under this Prospectus will participate from the date of commencement of quotation in the Clearing House Electronic Subregister System (CHESS), operated by ASX Settlement and Transfer Corporation Pty Limited. They must be held in uncertificated form (i.e. no option certificate will be issued) on the CHESS subregister under sponsorship of a sponsoring participant (usually a broker) or on the issuer-sponsored Subregister.

Arrangements can be made at any subsequent time to convert a holding from the issuer-sponsored subregister to the CHESS subregister under sponsorship of a sponsoring participant or vice versa by contacting the sponsoring participant.

Holding statements are expected to be despatched in accordance with the Listing Rules.

## 1 DETAILS OF THE OPTIONS OFFER continued

### 1.7 Withdrawal or waiver

The Directors may decide to withdraw this Prospectus and the Offer at any time prior to the allotment of Options or to waive strict compliance with any provision of the terms and conditions of the Offer.

### 1.8 Risks

Eligible Shareholders should read this entire Prospectus and, in particular, consider the risks that could affect the Company before deciding to exercise Options. The Company has disclosed various risk factors in announcements to ASX including those set out in detail in the Company's 2007 rights issue prospectus which include:

- Evaluation and development drilling risk;
- Operator and rig ownership risk;
- Reservoir testing development and performance risk and reserve evaluation risk;
- Power station development, operating and electricity transmission risk;
- Commercial risks including power and carbon sale and pricing risk;
- Regulatory risks including risk of legislative and regulatory changes, native title risk and permitting risk;
- Single operation risk;
- Financing risk;
- Risks related to general market conditions including exchange rate risk, interest rates, market sentiment and circumstances and conditions which are not within Geodynamics Limited's control; and
- Risks related to new entrants and competition.

In addition to the above, joint venture risks were outlined in the Explanatory Memorandum accompanying the Notice of Meeting to approve the farm-in by Origin Energy, which was approved by Shareholders on 19 December 2007.

Eligible Shareholders should carefully consider the risks in light of their personal circumstances (including financial and taxation issues) and seek professional advice from their stockbroker, accountant, lawyer or other professional adviser.

### 1.9 Taxation implications

The potential tax effects of participating in the Offer and exercising options will vary between Eligible Shareholders. All Eligible Shareholders should satisfy themselves of any possible tax consequences by consulting their own professional tax advisers.

### 1.10 Questions

If you have any questions concerning the Options Offer, please contact Gerry Grove-White or Paul Frederiks by telephone on 07 3721 7500.

## 2 EFFECT OF OFFER ON THE COMPANY

### 2.1 Use of funds

The funds raised from the exercise of Options issued under the Offer will be used to provide equity funding to strengthen the Company's financial position in anticipation of its capital requirements for commercialisation of the Cooper Basin Hot Rock Project.

### 2.2 Effect on capital structure

The potential effect of the Offer on the capital structure of Geodynamics Limited depends on:

- Any new issues of Shares (for example pursuant to the exercise of any employee options) or options between the date of this document and the date of issue and allotment of the Options offered under this Prospectus; and
- Whether the Options are exercised.

The table below illustrates the potential effect of the Offer on the capital structure assuming that:

- No Shares or options are issued and no options are exercised before the Options are granted; and
- All of the Options which are granted under this Prospectus will be exercised.

The Company's actual position on completion of the Offer may differ from the position illustrated in the pro forma capital structures below.

### 2.3 Effect on financial position

#### 2.3.1 Basis of preparation

To illustrate the effect of the Offer on the Company, the following summary unaudited pro forma historical consolidated balance sheet has been prepared based on the Company's consolidated balance sheet as at 31 December 2008, which was prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards.

The financial information is presented in an abbreviated form insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act 2001.

However, the accounting policies adopted in the preparation of the summary pro forma historical consolidated balance sheet are consistent with the accounting policies adopted and described in the Company's annual report for the year ended 30 June 2008 and the half year report for the period ended 31 December 2008 and should be read in conjunction with those reports.

The summary pro forma historical consolidated balance sheet reflects adjustments for the effect of the issue and exercise of all Options granted under this Prospectus on 31 December 2008.

The Company's actual position on completion of the Offer may differ from the position illustrated in the summary pro forma consolidated historical balance sheet due to the factors set out in Section 2.2

	Number of Shares	Number of Shareholder options	Number of Employee options	Fully diluted capital
Before Offer	289,823,600	-	11,579,410	301,403,010
Options Offer	-	72,455,900	-	72,455,900
<b>Totals after the Offer</b>	<b>289,823,600</b>	<b>72,455,900</b>	<b>11,579,410</b>	<b>373,858,910</b>

## 2 EFFECT OF OFFER ON THE COMPANY continued

### 2.3.2 Pro forma historical consolidated balance sheet

The table below sets out the pro forma historical consolidated balance sheet prepared on the basis described above.

	31 December 2008	Assuming 100% of Options issued under the Offer are exercised	Pro-forma as at 31 December 2008
	\$000s	\$000s	\$000s
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash Assets	119,797	108,661	228,458
Inventories	1,178	-	1,178
Receivables	35,752	-	35,752
Derivative Asset	4,349	-	4,349
<b>Total Current Assets</b>	<b>161,076</b>	<b>108,661</b>	<b>269,737</b>
<b>Non Current Assets</b>			
Available for Sale Financial Asset	7,358	-	7,358
Property, Plant and Equipment	49,484	-	49,484
Deferred Exploration, Evaluation and "Proof of Concept" phase costs	101,554	-	101,554
<b>Total Non Current Assets</b>	<b>158,396</b>	<b>-</b>	<b>158,396</b>
<b>Total Assets</b>	<b>319,472</b>	<b>108,661</b>	<b>428,133</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	19,210	-	19,210
Provisions	234	-	234
Deferred Income	1,164	-	1,164
<b>Total Current Liabilities</b>	<b>20,608</b>	<b>-</b>	<b>20,608</b>
<b>Non Current Liabilities</b>			
Provisions	2,265	-	2,265
<b>Total Non Current Liabilities</b>	<b>2,265</b>	<b>-</b>	<b>2,265</b>
<b>Total Liabilities</b>	<b>22,873</b>	<b>-</b>	<b>22,873</b>
<b>Net Assets</b>	<b>296,599</b>	<b>108,661</b>	<b>405,260</b>
<b>EQUITY</b>			
Contributed Equity	319,485	108,661	428,146
Other Reserves	6,576	-	6,576
Accumulated Losses	(29,462)	-	(29,462)
<b>Total Equity</b>	<b>296,599</b>	<b>108,661</b>	<b>405,260</b>

## 3 ADDITIONAL INFORMATION

### 3.1 Nature of this Prospectus

This Prospectus is a prospectus to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to offers of securities in a class which has been continuously quoted by ASX for the 12 months prior to the date of the Prospectus, or options over those securities.

### 3.2 Continuous Reporting and Disclosure Obligations

Geodynamics Limited is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules.

These obligations require the Company to announce information to ASX about specific events and matters as they arise for the purpose of ASX making the information available to the stock market conducted by ASX.

In particular, Geodynamics Limited has an obligation under the Listing Rules (subject to a limited exception) to notify ASX immediately of any information concerning Geodynamics Limited, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of its Options or Shares. Geodynamics Limited is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a Directors' declaration and report (including with its yearly financial statements, a remuneration report) and an audit or review report.

### 3.3 Availability of other documents

ASX maintains detailed records of company announcements for all companies listed on ASX. Copies of ASX announcements are available on ASX's website at [www.asx.com.au](http://www.asx.com.au) or the Company's website [www.geodynamics.com.au](http://www.geodynamics.com.au).

In addition, ASIC also maintains records in respect of documents lodged with it by Geodynamics Limited. Copies of documents lodged with ASIC in relation to Geodynamics Limited may be obtained from, or inspected at, an office of ASIC.

Geodynamics Limited will provide a copy of any of the following documents, free of charge, to any person who requests a copy before the Options are granted:

- The Annual Report for the year ending 30 June 2008 (being the annual financial report most recently lodged with ASIC in relation to the Company before the issue of this Prospectus);
- The half year financial report for the half year ending 31 December 2008; and
- Any other document used to notify ASX of information relating to Geodynamics Limited under the continuous disclosure provisions of the Listing Rules after the date of lodgement with ASIC of the annual financial report referred to above and before lodgement with ASIC of this Prospectus.

This Prospectus contains details specific to the Offer. If Eligible Shareholders require any further information in relation to the Company, the Directors recommend that they take advantage of the ability to inspect or obtain copies of the documents referred to above.

### 3 ADDITIONAL INFORMATION continued

#### 3.4 Terms and conditions of Options

This Section contains a summary of the rights and liabilities attaching to the Options. The Options to be granted under this Prospectus will be granted on the following terms and conditions:

- Subject to adjustment in accordance with these terms and conditions, the holder is entitled to subscribe for the allotment and issue of one fully paid ordinary share in the Company upon payment of the Exercise Price before the Expiry Date (**Option**).
  - The Exercise Price of each Option is \$1.50 (**Exercise Price**).
  - An Option is exercisable at any time after the date of grant and on or before 5 pm (AEST) on 8 December 2009 (the **Expiry Date**). Options not exercised by the Expiry Date lapse.
  - The Company will at least 20 Business Days before the Expiry Date send notices to the Optionholder stating the name of the Optionholder, the number of Options held and the number of securities to be issued on exercise of the Option, the Exercise Price, the due date for payment and the consequences of non-payment.
  - No certificate will be issued as the Options will be quoted on ASX.
  - Each Option may be exercised by giving notice in writing to the Company at its registered office accompanied by payment of the required Exercise Price. All cheques must be payable to the Company and be crossed not negotiable.
  - The Optionholder may not exercise less than 1,000 Options at any one time, unless the Optionholder has less than 1,000 Options in which event the Optionholder must exercise all such Options together.
  - After an Option is validly exercised, the Company must:
    - issue and allot the Shares within 10 Business Days of the exercise of the Option; and
    - subject to the securities of the Company being listed on ASX and to any restrictions imposed on the Options or shares issued upon exercise of the Options under the Listing Rules, do all such acts, matters and things to obtain the grant of quotation for the Shares on ASX no later than 3 Business Days after the date of issue and allotment of the Shares.
  - Shares issued on the exercise of Options will rank equally with all existing Shares on and from the date of issue in all respects.
  - Options may be transferred in the same manner as Shares unless classified as restricted securities under the Listing Rules and may be exercised by any other person or body corporate.
  - An Optionholder may participate in new issues of securities to holders of Shares only if and to the extent that:
    - an Option has been exercised; and
    - a Share has been issued in respect of the exercise before the record date for determining entitlements to the new issue.
- The Company must give notice to the Optionholder of any new issue not less than 6 Business Days before the record date for determining entitlements to the issue.
- If the Company makes a bonus issue of shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
    - the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
    - no change will be made to the Exercise Price.
  - If there is any reconstruction of the issued share capital of the Company, the number of Shares

### 3 ADDITIONAL INFORMATION continued

to which the Optionholder is entitled, and/or the Exercise Price, must be reconstructed in a manner required by the Listing Rules or which will not result in any benefits being conferred on the Optionholder which are not conferred on Shareholders (subject to the provisions with respect to rounding of entitlements as sanctioned by the meeting of Shareholders approving the reconstruction of capital), but in all other respects, the terms for the exercise of an Option will remain unchanged.

#### 3.5 Rights and liabilities attaching to Shares

This Section contains a summary of the rights and liabilities attaching to the Shares (including the Shares that will be issued on the exercise of Options) as at the date of this Prospectus. This summary does not purport to be exhaustive nor to constitute a definitive statement of the rights and liabilities of Shareholders, which can involve complex questions of law arising from the interaction of the Constitution, the Listing Rules, ASTC Settlement Rules and statutory and common law requirements. To obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, Eligible Shareholders should seek their own advice.

##### 3.5.1 Voting Rights

At a general meeting, subject to a number of specified exceptions, on a show of hands each Shareholder present in person or by proxy (or, in the case of a corporation, present by duly appointed representative, proxy or attorney) has one vote. On a poll, each Shareholder present in person or by duly appointed representative, proxy or attorney has one vote for each fully paid share held.

##### 3.5.2 Dividends

The Directors may declare a dividend, or determine that a dividend is payable, and may fix the amount, the time for and the method of payment.

Dividends are payable on Shares in proportion to the amount of the total issue price paid (but not

credited) for the Shares. Each partly paid share is entitled to a fraction of the divided equivalent to the proportion which the amount paid (excluding amounts credited) on the share bears to the total amounts paid and payable, whether or not called, (excluding amounts credited) on the share.

##### 3.5.3 Variation of Rights

The rights attached to shares in any class of shares, unless otherwise provided for by the terms of issue of those shares, may only be varied or cancelled with the consent in writing of the holders of at least three-quarters of the issued shares in the relevant class, or with the sanction of a special resolution passed at a meeting of the holders of the shares in that class.

##### 3.5.4 Transfer of Shares

Shares, when granted quotation on ASX, are transferable by:

- A written transfer instrument in the usual or common form or in any form the Directors may approve or in a particular case accept, duly stamped (if necessary), being delivered to Geodynamics Limited;
- A proper ASTC transfer, which is to be in the form required or permitted by the Corporations Act, the Listing Rules or the ASTC Settlement Rules; or
- Any other electronic system established or recognised by the Listing Rules in which Geodynamics Limited participates in accordance with the operating rules of that system.

The Directors may, subject to the requirements of the Corporations Act and the Listing Rules, refuse to register any transfer of shares in the following circumstances:

- If the registration would infringe any applicable laws or the Listing Rules;
- If the transfer may be in breach of any restriction agreement entered into by Geodynamics Limited under the Listing Rules in relation to the shares; or
- If permitted to do so under the Listing Rules.

### 3 ADDITIONAL INFORMATION continued

#### 3.5.5 Issue of further shares

All unissued shares are under the control of the Directors, who may subject to the Listing Rules and the Corporations Act, grant options over the shares, issue or otherwise dispose of the shares on the terms and conditions and for the consideration they think fit. Without affecting any special rights conferred on the holders of any shares, any share may be issued with preferred, deferred or other special rights, conditions or restrictions, whether in regard to dividends, voting, return of share capital, or otherwise, as the Directors may determine.

#### 3.5.6 General Meetings and Notices

Each Shareholder is entitled to receive notice of, and to attend all general meetings of Geodynamics Limited and to receive all notices, financial statements and other documents required to be sent to Shareholders under the constitution, the Corporations Act or the Listing Rules. Geodynamics Limited may serve a notice on a Shareholder by serving it on the Shareholder or by sending it by prepaid post, courier, facsimile transmission or electronic notification addressed to the Shareholder's registered address or the address supplied by the Shareholder to Geodynamics Limited for sending notices to that Shareholder.

#### 3.5.7 Winding Up

Without affecting any special rights conferred on the holders of any shares, if Geodynamics Limited is wound up, the liquidator may, with the sanction of a special resolution of Geodynamics Limited, divide amongst all or any of the Shareholders in kind; all or any part of Geodynamics Limited's assets, as the liquidator thinks fit. The liquidator may not compel a Shareholder to accept any shares or other securities in respect of which there is any liability.

#### 3.5.8 Share Buy-Backs

Geodynamics Limited may buy shares in itself on the terms and at the times determined by the Directors, to the extent and in the manner permitted by the Corporations Act.

#### 3.5.9 Number of Directors

The Constitution provides that the Board may determine the number of Directors, subject to the number of Directors not being less than three nor more than ten. Geodynamics Limited may, by resolution passed at a general meeting, increase the minimum, or increase or reduce the maximum, number of Directors. All Directors are to be natural persons.

#### 3.5.10 Amending the Constitution

The Corporations Act provides that the Constitution may be modified or repealed and replaced by a special resolution passed by the members of Geodynamics Limited.

The Constitution does not provide for any further requirements to be complied with to effect a modification of, or to repeal and replace, the Constitution.

### 3.6 Interests of Directors

#### 3.6.1 Interests

Except as set out in this Prospectus, no Director or proposed Director of Geodynamics Limited holds, at the date of this Prospectus, or has held in the two years before the date of this Prospectus, an interest in:

- The formation or promotion of Geodynamics Limited;
- The Offer; or
- Any property acquired or proposed to be acquired by Geodynamics Limited, respectively, in connection with its formation or promotion of the Offer.

Except as set out in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit, to any Director or proposed Director of Geodynamics Limited:

- To induce that person to become, or qualify as, a Director of Geodynamics Limited; or
- For services provided by that person in connection with the formation or promotion of Geodynamics Limited or the Offer.

### 3 ADDITIONAL INFORMATION continued

#### 3.6.2 Holdings of shares and options

As at the date of this Prospectus, the Directors hold the following interests in Shares and options over Shares, either directly or indirectly:

Director	Shares	Options	Entitlement to Options under this Prospectus
Martin Albrecht AC	1,950,635	-	487,659
Gerry Grove-White	42,296	300,000	10,574
Banmali Agrawala	-	-	-
Pieter Britz	-	-	-
Prame Chopra	798,414	-	199,604
Bob Davies	-	-	-
Robert Flew	537,838	-	134,460
Jack Hamilton	79,116	-	19,779
Keith Spence	-	-	-
Andrew Stock	13,333	-	3,334

#### 3.6.3 Remuneration

The Constitution contains several provisions as to remuneration of executive and non-executive Directors. As remuneration for services, each non-executive Director is to be paid an amount determined by the Board, subject to a maximum aggregate amount determined in general meeting. That aggregate maximum has been set at \$700,000 per annum by resolution passed at a general meeting. The Non-Executive Directors currently receive Director's fees of \$64,500 plus 9% superannuation and the Chairman receives Director's fees of \$118,250 plus 9% superannuation. In addition the Company pays the Chairman of its sub-committees an additional annual fee of \$16,125. Director's fees payable to Mr Stock in his capacity as a Geodynamics Director are paid to Origin Energy. Director's fees payable to Mr Pieter Britz in his capacity as a Geodynamics Director are paid to The Sentient Group. The level of Directors' fees is reviewed on a regular basis.

Any non-executive Director who performs services outside the ordinary duties of a Director (such as devoting special attention to the business of Geodynamics Limited) may be paid extra remuneration as determined by the Board.

In addition, every Director is entitled to be paid all reasonable travel, accommodation and other expenses properly incurred by the Director in attending and returning from meetings of Geodynamics Limited, of the Board, or of any committees, or while otherwise engaged in the business of Geodynamics Limited.

#### 3.6.4 Indemnity, insurance and access

Geodynamics Limited has entered into deeds of access, insurance and indemnity with each of the Directors.

Pursuant to these deeds, Geodynamics Limited has undertaken to:

- Indemnify each Director to the extent permitted by law against certain liabilities and legal costs incurred by the Director whilst acting in his or her capacity as a Director;
- Make available to each Director Geodynamics Limited's Board documents for a period of seven years after the Director has ceased to be a Director, to the extent that the Director did or was entitled to have access to or receive a copy of those documents during the Director's term of office; and

### 3 ADDITIONAL INFORMATION continued

- Endeavour to maintain and pay the premium on a Directors' and Officers' liability insurance policy in favour of each Director for seven years after the Director has ceased to be a Director.

The deeds are subject to the provisions of the Corporations Act.

#### 3.7 Interests of experts and advisers

Except as set out in this Prospectus, no:

- Person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- Promoter of Geodynamics Limited (each a **Relevant Person**)

holds at the date of this Prospectus, or has held in the two years before the date of this Prospectus, an interest in:

- The formation or promotion of Geodynamics Limited;
- The Offer; or
- Any property acquired or proposed to be acquired by Geodynamics Limited in connection with its formation or promotion or the Offer.

Except as set out in this Prospectus, no one has paid or agreed to pay any amount or given or agreed to give any benefit for services provided by a Relevant Person in connection with the formation or promotion of Geodynamics Limited or the Offer. The amounts set out below are exclusive of GST.

DLA Phillips Fox has acted as Australian legal adviser to Geodynamics Limited in connection with the Offer. In aggregate, Geodynamics Limited has paid or agreed to pay DLA Phillips Fox approximately \$20,000 (plus GST and disbursements) for these services. Further amounts may be paid to DLA Phillips Fox in accordance with its normal time based charges.

#### 3.8 Consents and Disclaimers of Responsibility

Each of the Directors of Geodynamics has consented to the lodgement of this Prospectus with ASIC under the Corporations Act.

None of the parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is said to be based, other than as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name and a statement or report included in this Prospectus with the consent of that party, as specified below.

DLA Phillips Fox has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to being named in this Prospectus in the form and context in which it is named.

Computershare Investor Services Pty Limited has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to being named in this Prospectus in the form and context in which it is named.

#### 3.9 Governing Law

This Prospectus, the Offer and the contracts formed under the Offer are governed by the laws applicable in Queensland, Australia. Each Eligible Shareholder submits to the exclusive jurisdiction of the courts of Queensland, Australia.

#### 3.10 Directors' Statement

Each of the Directors has consented to the lodgement of this Prospectus under section 720 of the Corporations Act.

## 4 GLOSSARY

<b>AEST</b>	Australian Eastern Standard Time.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASTC Settlement Rules</b>	the ASTC Settlement Rules issued by ASX Settlement and Transfer Corporation Pty Ltd ABN 49 008 504 532.
<b>ASX</b>	ASX Limited ABN 98 008 624 691.
<b>Board</b>	the Board of Directors.
<b>Business Day</b>	has the meaning given in the Listing Rules.
<b>CHESS</b>	Clearing House Electronic Subregister System.
<b>Company</b>	Geodynamics Limited ABN 55 095 006 090.
<b>Constitution</b>	the constitution of Geodynamics Limited.
<b>Corporations Act</b>	the Corporations Act 2001 (Cth).
<b>Directors</b>	the Directors of Geodynamics Limited as at the date of this Prospectus.
<b>Eligible Shareholder</b>	each Shareholder who: <ul style="list-style-type: none"><li>(i) is registered as a holder of Shares as at 7.00 pm (AEST) on 18 March 2009; and</li><li>(ii) has a registered address in Australia, New Zealand or Singapore.</li></ul>
<b>Listing Rules</b>	the official listing rules of ASX.
<b>Offer or Options Offer</b>	The proposed grant of Options under this Prospectus.
<b>Option Record Date</b>	18 March 2009 or such other date as Directors determined in accordance with this Prospectus.
<b>Options</b>	the options to subscribe for unissued Shares to be granted under the Offer on the terms and conditions set out in section 3.4.
<b>Optionholder</b>	the registered holder of an option in the Company
<b>Privacy Act</b>	Privacy Act 1988 (Cth).
<b>Prospectus</b>	this prospectus, dated 5 March 2009 and lodged with ASIC, including and supplementary or replacement prospectus.
<b>Register</b>	the Company's register of members or Optionholders.
<b>Registry</b>	Geodynamics Limited's Registry, Computershare Investor Services Pty Limited.
<b>Share</b>	fully paid ordinary share in capital of Geodynamics Limited.
<b>Shareholder</b>	a holder of Shares recorded on the Register.
<b>Shareholding</b>	the number of Shares recorded on the Register in the name of a Shareholder.



**GEODYNAMICS**  
LIMITED

[www.geodynamics.com.au](http://www.geodynamics.com.au)