

ASX ANNOUNCEMENT 22 MAY 2009

Habanero 3 Well Incident – Update

Geodynamics as operator of the Innamincka Joint Venture is pleased to announce that Habanero 3 has been brought under control and flow from the well has been stopped (day 28 after the incident.)

A synopsis of the well control activities is as follows:

- Efforts to control the well with weighted mud were successful and the flow of steam and water has now stopped.
- The well has been secured with two cement plugs in the well bore.


An investigation into the causes of the incident and future implications for Habanero 3 is in progress. A program of work has been developed to carry out the investigation and will require the removal of the well head and damaged sections of the well casing for metallurgical and structural integrity analyses. The investigation will take at least six weeks.

Pending the outcomes of the investigation, drilling activities are in abeyance.

Geodynamics wishes to thank both Origin Energy and Santos for the help and support that each party provided during the well control incident.

The Company will continue to provide updates to the market as material circumstances change.

For further information, please check our website (www.geodynamics.com.au) or contact our information service on 1300 796 612. Media representatives should contact Andrew Crook on 0419 788 431.



Gerry Grove-White
Managing Director

Participants in the Innamincka Joint Venture are:

Geodynamics (Operator) – 70%

Origin Energy Geothermal Pty Ltd* – 30%

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

About Habanero 3

Habanero 3 was completed to a depth of 4,221 metres in February 2008. The well was used as a production well during open flow and closed loop testing that has been conducted over the last 12 months and is intended to be the production well supplying brine to the recently constructed 1MW pilot plant.