

OFFTAKE AGREEMENTS

The Metasource Agreement (2002)

Metasource Pty Ltd (a wholly owned subsidiary of Woodside Energy Limited) was at the time of listing in 2002 the Company's largest shareholder. Metasource committed by an Agreement to subscribe for 10,443,392 fully paid ordinary shares as a pre-IPO investor in the Company's August 2002 Prospectus and was therefore a substantial shareholder at the time the Company was admitted to the official list of the Australian Stock Exchange (ASX) on 11 September 2002. At that time, Metasource's shareholding represented 31.6% of the issued share capital of the Company. Metasource subsequently subscribed for a further 1,111,111 fully paid ordinary shares at an issue price of 90¢ per share on 31 March 2004 to support the Company's working capital requirement for the Cooper Basin Stage One project. In 2008, Metasource sold all of its shares in Geodynamics.

The Metasource Agreement of 2002 contains the following material conditions which remain current:

- Metasource or its nominee has the right to purchase Environmental Credits from Geodynamics and the parties agreed to negotiate and enter into a formal purchase contract. Environmental Credits is defined broadly and includes renewable energy certificates, carbon credits and any other legal, commercial or other benefit (whether present or future) from any use of renewable energy arising directly or indirectly from the use of thermal energy or the generation of power from power plants developed by Geodynamics. On 31 March 2004 the Company announced that in conjunction with Metasource's subscription for a further 1,111,111 fully paid ordinary shares at 90 cents, that it had executed an Environmental Credits Off-take Deed with Metasource which formalises Metasource's rights to Environmental Credits.
- Metasource or its nominee has the right to buy all of the environmental credits which arise from 50% (capped at 1,300 GWh/year) of the power generated by Geodynamics' power plant(s). Metasource is, however, not entitled to purchase Environmental Credits in the form of renewable energy certificates, unless either renewable energy certificates become an instrument which is used for purposes other than those currently prescribed in the Renewable Energy (Electricity) Act 2000 or Geodynamics does not claim the benefit of the environmental credits which Metasource is entitled to buy under the purchase contract other than by reason of there being no legal framework within which such benefits can reasonably be claimed.
- The price of environmental credits will be the lower of 75% of the then market price in Australia or the then market price minus \$5/tonne. The purchase price of environmental credits cannot be less than zero. Subsequently, this condition has been varied following execution of an Environmental Credits Off-take Deed with Metasource on 31 March 2004 such that 12.5% of the Environmental Credits will be assigned to Metasource without separate consideration and the balance of 37.5% of credits can be sold to Metasource at full market value (therefore the weighted average effective discount for the credits remains unchanged at 25%).

ASX agreed to grant a waiver from ASX listing rule 10.1 to the extent necessary to permit the Company to enter into an agreement for the purchase of Environmental Credits which arise from 50% of the power generated by power plants developed by the Company for a period commencing on the date of commissioning the first power station developed by the Company and terminating 10 years after the commissioning of the first commercial power plant with capacity exceeding 250 megawatts. Subsequently, following execution of an Environmental Credits Off-take Deed with Metasource on 31 March 2004, the Company agreed that the term for the purchase of Environmental Credits shall commence on 8 April 2004 and end on the earlier of:

- a) 10 years after the commissioning of the first commercial power plant with capacity exceeding 250 megawatts;
- b) 20 years after the Company achieves commissioning of HDR plants with a combined sales capacity exceeding 250 megawatts; or
- c) 80 years after the date of the contract.

The waiver from ASX listing rule 10.1 was granted on the following conditions:

- The Company makes full disclosure of the Environmental Credit purchase agreement to any person who may subscribe for the Company's securities under a prospectus issued by the Company during the life of the Environmental Credit purchase agreement;
- The Company includes the following information in each annual report during the life of the Environmental Credit purchase agreement:
 - A statement that Metasource was a substantial holder of the Company at the time that the Company was admitted to the official list of ASX together with details as to Metasource's relevant interest in the total votes attaching to the voting securities of the Company at the time that the Company was admitted to the official list.
 - An explanation of the circumstances under which Metasource first became a substantial holder of the Company.
 - A summary of the terms of the Environmental Credit purchase agreement.
 - The terms of the waiver.

The Origin Agreement (2003)

Origin Energy Limited (Origin) is the Company's second largest shareholder and currently holds 19,788,404 fully paid ordinary shares representing 6.9% of the issued capital of the Company.

Geodynamics executed an Investment Deed with Origin on 5 August 2003 wherein the parties agreed to enter into a strategic alliance under which Origin would subscribe for 10,000,000 shares in Geodynamics for a subscription price of \$0.50 cents per share and also provide technical assistance and Geodynamics will sell to Origin power generated from any power plant that is or could be connected to a transmission system and renewable energy certificates arising from the generation of any power generated by Geodynamics.

Under the terms of the Investment Deed, Origin agreed to subscribe for the said shares subject to Geodynamics shareholder approval being obtained by 30 September 2003. Shareholder approval was obtained at a general meeting held on 29 September 2003 and 10,000,000 fully paid ordinary shares were issued and allotted to Origin on 30 September 2003.

Geodynamics was required to apply the subscription monies towards the development of a two well HDR program in the Cooper Basin to produce 20 MWt of thermal energy and for the conduct a full bankable economic feasibility study in relation to the generation of power using HDR geothermal energy from Geodynamics Cooper Basin HDR resource.

The Origin Investment Deed also contains the following material conditions:

- Origin will have the right to appoint a non-executive director to the Board of Geodynamics;
- The parties will proceed to negotiate in good faith a heads of agreement (subject to final contracts) under which as long as Origin holds not less than 10,000,000 shares at the time the final contracts are entered into, the parties will enter into a power purchase agreement (PPA) and Renewable Energy Certificate (REC) purchase agreement. Subsequently, on 4 May 2005, Geodynamics announced that it had executed a Heads of Agreement with Origin;
- Under the terms of the PPA, Origin will have the right to purchase 50% of the power generated by Geodynamics up to a maximum of 1300 GWh per annum from any power plant that is or could be connected to a transmission system at a discount of 5% to the then market price. The term of the PPA will commence on the first generation of power by Geodynamics from any power plant that is or could be connected to a transmission system and end 10 years after the commissioning of Geodynamics' first large commercial power plant (being a power plant which has a nominal rated capacity of 200 MW or more);
- Under the terms of the REC purchase agreement, Origin will have the right to purchase any RECs and/or environmental credits arising from 50% of all power generated by Geodynamics (up to a maximum of the number of RECs and environmental credits arising from the generation of 1300 GWh of power which qualifies for the issue of RECs or environmental credits in each year) at a discount of 5% to the then market price. The REC purchase agreement will start on the first generation of power by Geodynamics and will end 10 years after the commissioning date of Geodynamics' first large commercial power plant. Subsequently as part of the Heads of Agreement executed on 3 May 2005, the Company has agreed to vary this condition such that 2.5% of the environmental credits will be assigned to Origin without separate consideration and the balance of 47.5% of credits can be sold to Origin at full market value (therefore the weighted average effective discount for the credits remains unchanged at 5%);
- Geodynamics can terminate either or both agreements if at any time during those agreements Origin holds less than 10,000,000 shares in Geodynamics;
- Origin has a right of participation in future share issues pro rata to its then percentage shareholding in Geodynamics;
- Origin can be involved in the exploration, development, use or generation of HDR geothermal energy without the consent of Geodynamics.

Under the terms of a waiver granted by the ASX on 25 August 2003, ASX agreed to grant a waiver from listing rule 6.18 to the extent necessary to permit the Company to enter into the above Investment Deed which would enable Origin to maintain its shareholding in the event of further equity issues by the Company (the 'Top-Up Right'). The waiver was granted by ASX on the following conditions:

- The Top-Up right lapses if the strategic relationship between the Company and Origin ceases;
- The Top-Up Right may only be transferred to a wholly owned subsidiary of Origin;
- Any securities issued under the Top-Up Right are issued on the same terms and conditions as are offered to third parties; and
- The Company discloses in each annual report a summary of the terms of the agreement with Origin.

The Origin Energy farm-in (2007)

On 19 December 2007, shareholders approved a farm-in with Origin Energy Limited (Origin) wherein Origin would farm-in to 30% of Geodynamics South Australian geothermal tenements together with 30% of the Lightning drilling rig. In addition to its 30% share of on-going project expenditure, Origin will contribute up to \$105.6 million towards all project cash costs comprising \$96 million plus an additional \$9.6 million should Geodynamics, as Operator, complete its Stage One 'proof of concept' phase by 31 March 2008 within a defined budget.

The conditionality of the additional \$9.6 million was confirmed as having been satisfied by a joint Geodynamics/Origin announcement made on 15 July 2008. Origin's total commitment under the farmin is therefore approximately \$150 million. At 30 June 2009, Origin had paid approximately \$148 million of this amount.

As a condition of the farmin, the South Australian tenements and drilling rig were placed into an unincorporated joint venture structure and Geodynamics is the operator of the joint venture with a 70% participating interest. In addition, Origin has agreed to provide technical support and secondments to assist in project development and Origin intends to retain its current equity interest of approximately 10% in Geodynamics.

On 20 July 2009, Geodynamics and Origin (including relevant Origin subsidiary entities) executed formal agreements relating to the farmin agreement outlined above. These comprised an Amendment and Restatement Deed – Heads of Agreement, the Farmin Agreement and the Joint Operating Agreement.

Summary of the Metasource and Origin off-take rights

Party	Electricity off-take rights	Renewable Energy Certificates (RECs) and Environmental Credits (ECs) off-take rights
Metasource	–	12.5% free to a maximum of those RECs or ECs arising from 325GWh per year.
Metasource	–	37.5% market price – right but not obligation to a maximum of those RECs or ECs arising from 975GWh per year
Origin	–	2.5% free to a maximum of those RECs or ECs arising from 65GWh per year
Origin	30% attributable to its 30% interest in the JV	30% attributable to its 30% interest in the JV
Origin	50% of export electricity produced to a maximum amount of 1300GWh per calendar year - 95% of forward electricity contract market price	17.5% market price – right but not the obligation to a maximum of those RECs or ECs arising from 455GWh per year
Total off-take obligations of Geodynamics based on a generated capacity of 2,600 GWh per calendar year	80%	100%
Origin	–	For subsequent plants (defined as any other plant other than the first plant), Origin has a right but not the obligation to purchase up to 70% of the REC volume generated from those plants but such quantity cannot exceed more than 30% of the equivalents RECs or ECs capable of being generated at the first plant.
Tenure*	10 years after commissioning of first plant	10 years after commissioning of first plant

* refer to specific detail in the agreements outlined above.