

ASX ANNOUNCEMENT 24 JANUARY 2012

Geodynamics achieves maximum combined amount of \$10 million through capital raising program

Highlights:

- **Share Purchase Plan closes oversubscribed**
- **Applications will be accepted up to the maximum amount of \$6.2 million under the plan**
- **SPP and institutional placement raise combined amount of \$10 million to support Cooper Basin Geothermal Project**

Geodynamics Limited (ASX: GDY) today announced it successfully closed the Company's Share Purchase Plan (SPP) on Friday 20 January 2012, oversubscribed. The amount raised exceeds the Company's combined capital raising target of \$8 million following a \$3.8 million placement to institutional investors in December 2011.

As announced on 21 December 2011, Geodynamics offered eligible shareholders with a registered address in Australia or New Zealand the opportunity to subscribe for up to \$15,000 worth of new shares in the Company at the lower of the placement price (\$0.15 per share) or a 7.5% discount to the average closing price of shares on the ASX over the five trading days immediately before the Allotment Date on 30 January 2012, subject to a minimum offer price of \$0.135.

Following a strong uptake of the SPP, the Geodynamics Board has authorised acceptance of applications up to the maximum amount of \$6.2 million, raising a total of \$10 million through the SPP and institutional placement. Together with the recent placement, funds raised from the SPP will be used to progress the Company's Cooper Basin Geothermal Project, commencing with drilling Habanero 4 planned for spudding in February 2012.

The SPP and institutional placement were conducted by joint lead managers RBS Morgans and Austock.

Geodynamics' Managing Director and Chief Executive Officer Geoff Ward said, "The ongoing support from Geodynamics' shareholders is very much appreciated. As we wish to accommodate shareholders to the greatest extent possible, the Geodynamics Board has decided to accept applications up to the maximum amount under the plan."

"Geodynamics remains in a strong position to continue the development of the Habanero Deeps Enhanced Geothermal Systems (EGS) project and we look forward to a year of significant field activity, commencing with the drilling of Habanero 4."

Allotment of shares under the SPP will occur on 30 January 2012. Applicants will be advised of the issue price of shares under the SPP following the 5 day VWAP (Volume Weighted Average Price) period and of their final allocations with holding statements expected to be dispatched on 2 February 2012.

For further information, please check our website (www.geodynamics.com.au) or contact Mr Geoff Ward on + 61 7 3721 7500. Media and investor inquiries may also be directed to Meredith Bird, Corporate Affairs Manager on +61 7 3721 7581.



Geoff Ward
Managing Director

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About Geodynamics

Geodynamics is the leading Australian geothermal exploration and development company. Geodynamics possesses some of the best geothermal resources in the world and is rapidly developing technology to exploit the resource. Geothermal energy has the potential to be a critical element of Australia's future power generation and Geodynamics is at the forefront of development.

About geothermal energy

Geothermal energy offers the prospect of zero carbon, base-load energy generation. "Zero carbon" means that no carbon dioxide (CO₂) will be emitted when generating energy. This is different from some other forms of 'renewable' energy, which still result in significant CO₂ emissions. "Base-load" means that power is available 24 hours a day, 7 days a week, all year round, and therefore can be used to meet energy needs at any time. This is a significant advantage compared to a number of other zero-carbon technologies that are more intermittent (such as wind, wave and solar power).

Geothermal energy produced from hot fractured rocks, also known as Engineered or Enhanced Geothermal Systems (EGS), is generated by special high heat producing granites located 3km or more below the Earth's surface. The heat inside these granites is trapped by overlying rocks which act as an insulating blanket. The heat is extracted from these granites by pumping water through fractures in the granite and bringing the hot water to surface. Geodynamics believes that energy produced using EGS technology is capable of generating base-load power at a cost that will be very competitive with other energy sources (both low carbon and otherwise).

Geodynamics is also working to exploit the lower grade, hot sedimentary aquifers at shallower depths. While hot sedimentary aquifers have lower temperatures than EGS, and hence lower power conversion efficiency, the shallower nature of these resources render them more readily accessible with simpler technology and therefore may be more rapidly commercialised.