

ASX ANNOUNCEMENT 24 FEBRUARY 2010

Geodynamics and Origin Announce Joint Venture to Explore for Shallow Geothermal Resources in Existing SA Licence Areas

Geodynamics Limited is pleased to announce that it has today signed a Memorandum of Understanding (MoU) with Origin Energy Limited (Origin) to enter into a Joint Venture (JV) to explore for shallow geothermal resources on existing joint venture licence areas in the Eromanga Basin in South Australia.

The MoU is separate to the existing joint venture between Geodynamics and Origin – previously referred to as the “Innamincka Joint Venture”. For ease of reference, the Innamincka Joint Venture has been renamed the “Innamincka ‘Deeps’ Joint Venture”. The Innamincka ‘Deeps’ Joint Venture retains its original terms – where Geodynamics is JV operator and the ownership split is 70 percent Geodynamics and 30 percent Origin.

Under the terms of the MoU for the new JV - named the “Innamincka ‘Shallows’ Joint Venture” - the ownership split will be 50 percent Geodynamics and 50 percent Origin and Origin will assume the role of JV operator.

This new Innamincka ‘Shallows’ Joint Venture will focus on the exploration of shallow hot sedimentary aquifers (HSA) down to approximately 3,000 m depth, as distinct from the existing Innamincka ‘Deeps’ Joint Venture with Origin which focuses on higher temperature enhanced geothermal systems (EGS) in the deeper granites generally below 4,000 m.

The initial exploratory work for the Innamincka Shallows Joint Venture includes the drilling and testing of two slim wells to depths of approximately 2,200m during the next 12 months at a cost of approximately \$10 million to assess the viability of geothermal energy production from HSA in the Eromanga Basin.

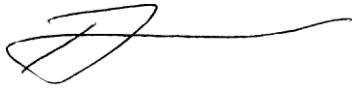
Origin will contribute \$4.5 million of project expenditure, in addition to its 50 per cent share of project expenditure for the Innamincka Shallows Joint Venture, in exchange for a 20 per cent increase in its interest in the Shallows area.

Commenting on the agreement, Geodynamics’ Managing Director Gerry Grove-White today said: “We are delighted to have reached agreement with Origin for it to lead the exploration of our shallow resources in our South Australian licence areas”.

“The new joint venture will leverage Origin’s experience, while the Geodynamics team will continue to focus on the development program for the deep resources, which have significantly greater geothermal potential. This work program remains on track and we will continue to keep shareholders informed of developments.”

Geodynamics Chairman Mr Martin Albrecht said “This is an excellent opportunity for both Origin and Geodynamics to explore the prospect of developing geothermal power production from diverse reservoirs on the same licence areas. This transaction provides investors access to an extended geothermal portfolio through both HSA and EGS prospects on the existing joint venture licence areas in South Australia.”

For further information please check our website (www.geodynamics.com.au) or contact Mr Gerry Grove-White or Mr Paul Frederiks on + 61 7 3721 7500.



Paul Frederiks
Company Secretary and CFO

Participants in the Innamincka 'Shallows' Joint Venture which focuses on exploration of shallow hot sedimentary aquifers (HSA) above approximately 3,500 m depth are:

Origin Energy Geothermal Pty Ltd* (Operator) – 50%

Geodynamics – 50%

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

Participants in the Innamincka 'Deeps' Joint Venture which focuses on higher temperature Enhanced Geothermal Systems (EGS) below approximately 3,500 m depth are:

Geodynamics (Operator) – 70%

Origin Energy Geothermal Pty Ltd* – 30%

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