



GEODYNAMICS LIMITED

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ASX Announcement

26 May 2014

Geodynamics and Beach sign Exclusivity Agreement

Geodynamics Limited (ASX: GDY, "Geodynamics" or "Company") is pleased to announce it has signed an Exclusivity Agreement with Beach Energy Limited (ASX: BPT, "Beach") with regards to the Company's geothermal exploration tenements located at Innamincka, South Australia.

Under the terms of the agreement Geodynamics has granted Beach an exclusive right to negotiate a farm-in agreement to the geothermal licences held by Geodynamics for up to an 18 month period ("Exclusivity Period").

During the Exclusivity Period, Geodynamics will undertake a research program to investigate the use of geothermal resources to supply heat and/or power to potential gas developments in the area. This will include the potential to contribute to the management of carbon dioxide in the natural gas production process through the use of carbon dioxide as a heat transfer fluid in the geothermal process. This initial research program is to be completed within 12 months. Beach Energy will contribute \$200,000 towards the cost of the research program, with this amount fully refundable if a farm-in agreement is not agreed between the companies by the end of the Exclusivity Period.

Geodynamics' CEO Geoff Ward stated "We are very pleased to work with Beach Energy to look at this exciting opportunity. The Habanero Pilot Plant trial and Field Development Plan demonstrated the potential for significant energy efficiency improvements, cost benefits and carbon emission reductions through the integrated development of the geothermal resource at Habanero with a future gas development in the Nappamerri Trough.

The research project will examine some new and innovative ways of achieving these benefits building on the work undertaken during the Pilot Plant trial and drilling program at Habanero. This is an important first step in strengthening our engagement with Beach as potential customer and partner".

ASX Announcement



Nappamerri Trough Natural Gas Project

Beach Energy holds a 70% interest in Petroleum Retention Licences which cover the area of PEL 218 ("PRLs") and is the operator of the Nappamerri Trough Natural Gas Project partly comprising of those PRLs. Beach, as Operator, has drilled, completed and tested a number of exploration wells within the permits.

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 Friederike Graser, on +61 7 3721 7588.

A handwritten signature in dark ink, appearing to read "Geoff Ward", written in a cursive, flowing style.

Geoff Ward
Managing Director and Chief Executive Officer

— ends —

About Geodynamics

Geodynamics is the leading Australian geothermal exploration and development company. Geothermal energy has the potential to be a critical element of Australia's future power generation and Geodynamics is at the forefront of development.