



ASX RELEASE

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TASMANIA'S FIRST INFERRED GEOTHERMAL RESOURCE A POWERFUL ALTERNATIVE AT 260,000 PJ

KUTh Energy Limited (ASX: KEN) is pleased to announce the results of an independent assessment of the company's Charlton-Lemont geothermal play, part of KUTh Energy's main Tasmanian tenement, SEL 26/2005.

The assessment, released today, estimates an Inferred Geothermal Resource of 260,000 petajoules (PJ) and is the first Inferred Geothermal Resource identified for Tasmania. The assessment was conducted by geothermal consultants Hot Dry Rocks Pty Ltd (HDRPL), in accordance with the Australian Geothermal Reporting Code. In establishing a resource estimate, HDRPL estimated the total heat energy contained within the target rock zone, for which a realistic chance exists for economic extraction.

The estimation of an inferred resource for KUTh Energy's Tasmanian tenements represents the culmination of geological and geophysical inputs gathered over the past two years as part of the company's comprehensive, purpose-designed geothermal exploration program across eastern Tasmania. The completion of KUTh Energy's surface heat flow program was announced earlier in the week, building on a series of data and survey results released in recent months. Together, these inputs provide detail regarding the geothermal energy potential of the tenement area.

The Charlton-Lemont geothermal play represents KUTh Energy's first Inferred Geothermal Resource, and the company has identified additional target zones that will be the subject of future resource analysis in the Tasmanian project. All areas are within competitive proximity to transmission infrastructure. This initial resource will be the focus of the company's project application to the Australian Government's Geothermal Drilling Program (GDP) in the next month, under which grants of up to \$7 million are available for drilling deep geothermal wells.

While recognising that the project is at an early stage of resource assessment, the results of the independent assessment are encouraging for KUTh Energy's plans to generate baseload electricity, adding to Tasmania's renewable energy portfolio and government renewable energy targets. Just 1% of the inferred geothermal resource would be sufficient to generate a constant flow of 280 MW of electricity over a 30 year period, enough to power hundreds of thousands of homes and help Tasmania maximise the potential of the Basslink Interconnector to supply green energy to the National Electricity Market.

A full copy of the assessment is available at www.kuthenergy.com

The information in this Statement that relates to Geothermal Resources has been compiled by Dr Graeme Beardsmore, an employee of Hot Dry Rocks Pty Ltd. Dr Beardsmore has over 15 years experience in the determination of crustal temperatures relevant to the style of geothermal play under consideration, is a member of the Australian Society of Exploration Geophysicists and abides by the Code of Ethics of that organisation.

Dr Beardsmore is a Competent Person as defined by the Australian Code for Reporting of Exploration Results, Geothermal Resources and Geothermal Reserves (2008 Edition). Dr Beardsmore has consented in writing to the public release of this Statement in the form and context in which it appears.

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