



ASX RELEASE

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KUTh Team commences Vanuatu exploration program

KUTh Energy Limited through its wholly owned subsidiary KUTh Energy (Vanuatu) Ltd landed its team in Port Vila on 15th November to start a 3D Magneto-Telluric (MT) resistivity survey of a possibly substantial conventional geothermal resource in its northern most tenement on Efate Island, Vanuatu.

The survey plans consists of 68 MT sites at 500-1,000 m spacing and 75 AMT stations at 100-250 m spacing. It is expected that the MT data obtained from the survey will reveal the location, depth and size of a geothermal reservoir that is contributing fluid to a 2 km² thermal area containing hot springs and warm ground. The AMT (audio magneto-telluric) data are expected to map the shallow parts of the thermal aquifers leading to the hot springs. The KUTh team has so far measured temperatures of 100.0 °C at 0.5 m depth in warm ground, and spring water temperatures up to 61.5 °C, consistent with legacy data.

The heat source for the geothermal system is thought to be a sub-volcanic intrusive up to 9 km wide and probably much younger than 300,000 years old which is apparent in regional airborne magnetic data obtained by the Australian Government-funded Vanuatu Mineral Exploration Initiative in 1994.

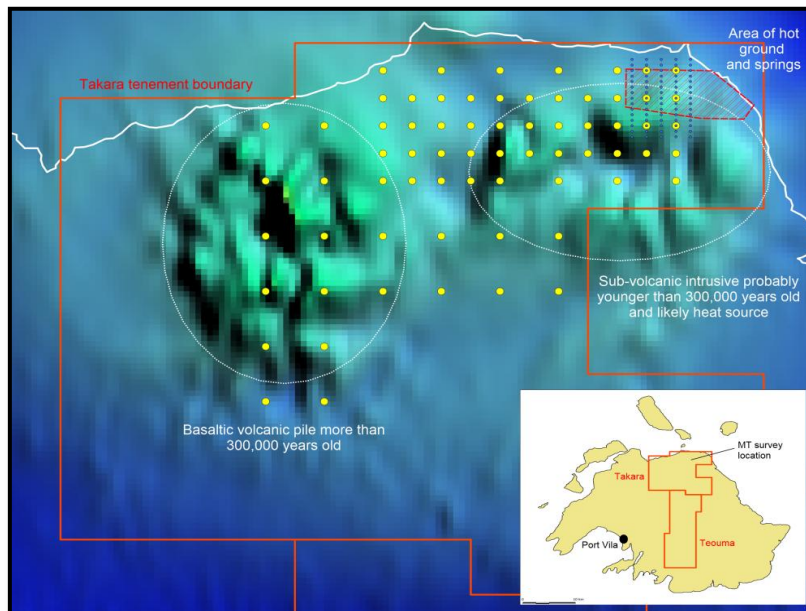


Figure 1 Location and plan of KUTh's MT survey in northern Efate, Vanuatu. Yellow dots are planned MT stations while small blue dots indicate planned AMT locations.

A successful MT survey should allow KUTH to develop a production drilling program that, following confirmation of a geothermal resource, will allow the construction of geothermal power plant to supply base-load electricity to Vanuatu's capital Port Vila and other parts of Efate, replacing a major part of the current diesel generation. The survey is planned for completion by mid December and results should become available during Q1 2010.



Figure 2 Spring water temperature evident from the thermometer and also from the poor decision of the crab to seek relief in these waters.

In related news the company continues to engage closely with the government and potential funding/donor agencies to review funding options which may be available to assist in the commercialisation of the geothermal exploration program. KUTH management attended meetings in Port Vila on 16th November called by the Minister of Finance to discuss the project and explore various ways in which government and international donor agency support may be able to contribute to the project. KUTH has been fortunate to date to have the full support of key stakeholders in the project and realises the importance of having ongoing dialogue with such stakeholders to facilitate the ultimate delivery of a successful geothermal energy project in Vanuatu.

As part of the ongoing dialogue with the Port Vila power company the KUTH team met with the Chairman and General Manager of UNELCO and with the Energy Regulator in November to ensure proper briefings on progress and next step action items related to the

Memorandum of Understanding were being followed through. To date KUTH, has enjoyed a strong spirit of cooperation from these important stakeholders.



Figure 3 David McDonald (right), KUTH Managing Director and Philippe Mehrenberger (left), General Manager of UNELCO Vanuatu Ltd formally sign the Memorandum of Understanding.

Ends

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