



Geothermal Resources Limited

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ASX / Media Release

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Geothermal Development Project (GDP) Grant

Geothermal Resources Limited (ASX : GHT, 58% owned by Havilah Resources NL ASX : HAV) advises that it was not successful in its application for a GDP grant for its Frome Hot Fractured Rock (HFR) project in the northeast of South Australia.

Geothermal Resources congratulates the companies that were successful and looks forward to their positive contributions towards development of commercially viable geothermal projects in Australia.

Dr Bob Johnson, Geothermal Resources Chairman, said that the Commonwealth Government's tangible support of the high risk geothermal resources sector via REDI and GDP grants was commendable.

"We are extremely appreciative of the support received under the REDI grant, which has enabled us to bring the Frome project from a geological theory for HFR geothermal energy, to the proof of concept drilling stage, targeting a JORC compliant heat resource" he said.

"To date we have employed a variety of innovative drilling and logging methods that have allowed us to demonstrate the potential of Frome project on a comparatively small budget, and I expect this will continue.

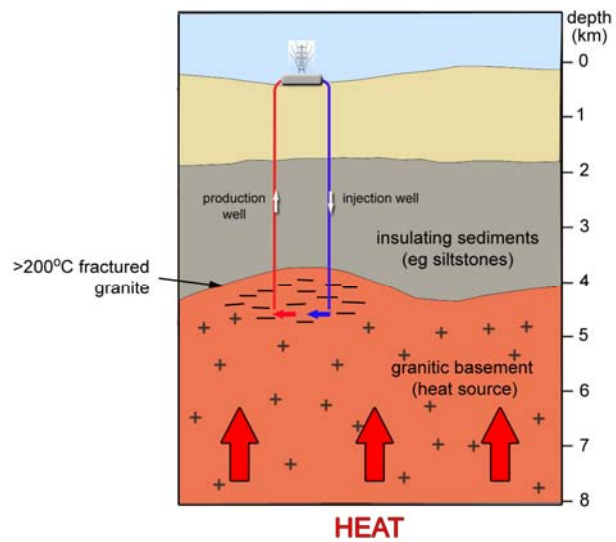
This year we also plan to advance our Penola-Robe Hot Sedimentary Aquifer (HSA) project in the South East of South Australia to the proof of concept drilling phase. Based on current geological knowledge, this project is no less prospective than the nearby Otway Basin HSA projects of three of our peers, namely Panax Limited, Hot Rocks Limited and Greenearth Energy Limited, all of whom are recipients of GDP grants.

Our determination to develop the potential of our two geothermal projects remains undiminished" he said.

Dr K R Johnson
CHAIRMAN

Enquiries should be directed to Dr Bob Johnson, Chairman, on (08) 8338 9292

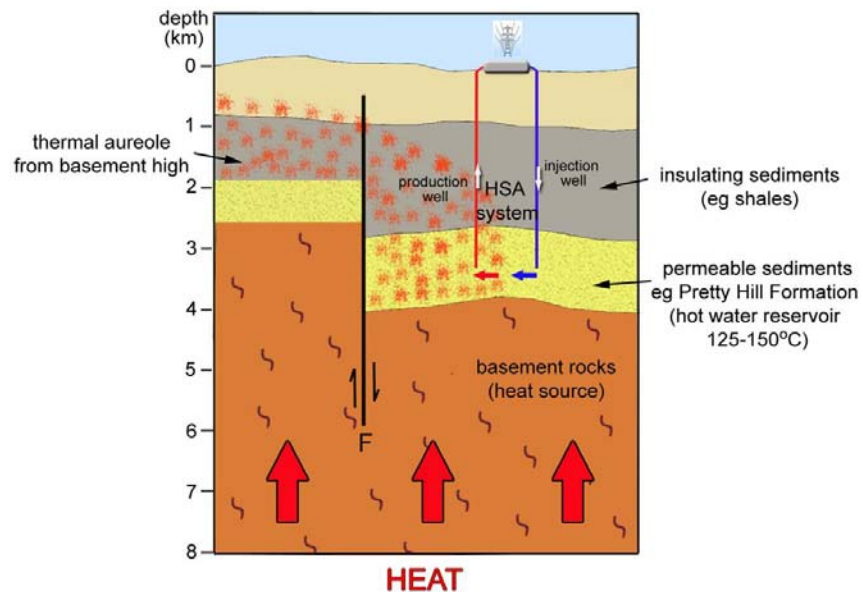
FROME PROJECT MODEL



Hot Fractured Rocks (HFR)

Enhanced Geothermal System - EGS
using a binary cycle power generator
designed for water at >200°C

PENOLA-ROBE PROJECT MODEL



Hot Sedimentary Aquifer (HSA) within thermal aureole of basement high