

Australian Stock Exchange Announcement

20 July 2006

Award of \$2.4m REDI Grant from AusIndustry

Geothermal Resources Limited is pleased to announce that it has been successful in its Renewable Energy Development Initiative (REDI) Grant Application. The REDI Grant, awarded by the Australian Government Department of Industry, Tourism and Resources (AusIndustry) is for \$2.4m in support of our work (by a 50% matching contribution) on the Frome Project in South Australia.

This is excellent recognition by the Australian Government of the importance of developing renewable energy sources. The opportunity provided by buried hot rocks in developing greenhouse-gas free electricity could be critical in abating carbon dioxide emissions.

Bob Johnson, Ph.D, FAusIMM
Chairman

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