
NEWS

• **RELEASE** •

Friday 23 February 2007

**GEOTHERMAL RESOURCES TURNS UP THE HEAT WITH
NEW “HOT ROCKS” TEST PROGRAM NEAR BROKEN HILL**

Activity in the search for Australian ‘hot rocks’ energy is set to continue its strong growth with the announcement today of a drilling program about to start on a new South Australian prospect near Broken Hill.

Geothermal Resources Limited (ASX code : “GHT”) said it was ready to commence the first round of shallow geothermal gradient drilling on its Frome Project, 120 kilometres west of Broken Hill in SA’s northeast.

Geothermal’s imminent drilling program follows hot on the heels of positive developments announced earlier this week by Petratherm and Geodynamics on the SA geothermal energy front.

Drill holes on the Frome Project will be sunk to 500 metres depth for the purpose of taking water temperature measurements.

“These bottom of hole temperature measurements will allow us to estimate the likely geothermal gradients in the region and give us the confidence to drill a deep hole right into the very bosom of the hot rock source at three kilometres depth,” Geothermal’s Chairman, Dr Bob Johnson, said today.

“All of our geological models predict that we have an ideal setting for a hot rock geothermal energy generator – evidence for high heat producing granites buried beneath kilometres of insulating sediments,” Dr Johnson said.

“Our challenge ahead is to determine just how hot these hot rocks are, and whether we can set up a heat exchanger circulating hot water system in them,” he said.

“We are very fortunate to have a \$2.4 million Commonwealth Government REDI grant to help us in this high risk endeavour. We are explorers and are used to managing exploration risk and we intend that with the help of this grant we will see the project through to proof of concept stage over the next two years.”

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Dr Johnson said a major advantage for Geothermal was its proximity to major power grids at Broken Hill and a further potential market if Havilah's large copper mining development at Kalkaroo proceeded.

"Also, we have a large prospective ground position, within which there are likely to be "super hot spots" above more localized highly uranium enriched granite phases, which we aim to find" he said

Geothermal Resources is 63.6% owned by Havilah Resources, and holds extensive tenements over two prime hot rock geothermal projects in South Australia, namely the Frome project near Broken Hill and the Crower project in the South East.

Both of the Company's projects are well located with respect to existing power grids and end user consumers.

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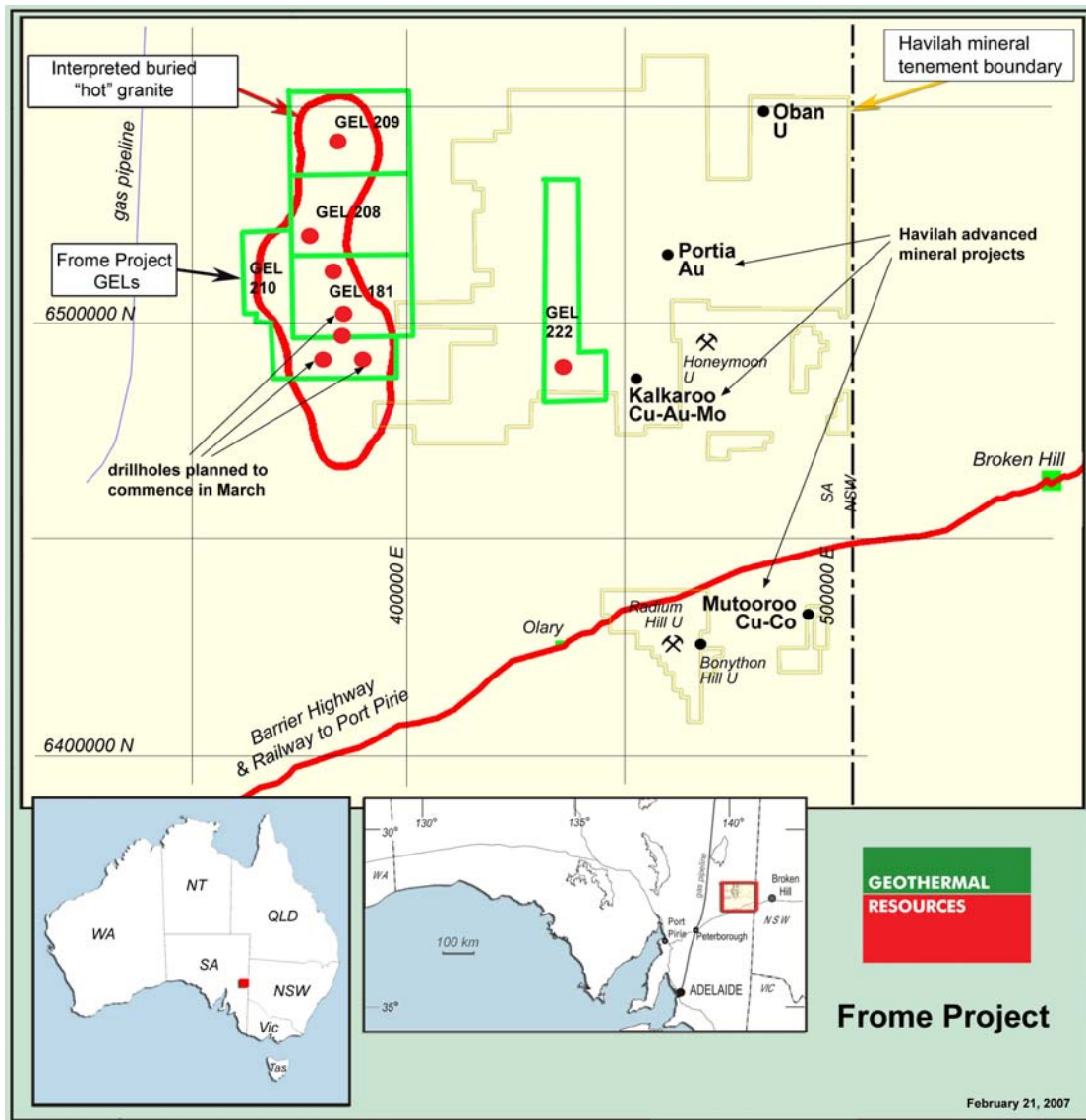
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Map showing location of Frome Project geothermal exploration licences (GEL's) and the initial eight proposed drillhole locations. The first three holes planned to commence in March are indicated by the arrows.