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FROME 12 DRILLING TERMINATED AT 1761.2 METRES

Geothermal Resources Limited (Geothermal Resources – ASX : GHT) advises that Frome 12 has been terminated at 1761.2 metres depth for reasons convenient to both Geothermal Resources and the drilling contractor. Coring was proceeding slowly in the massive granite and with 290 metres of continuously cored granite there was little reason to continue with the drillhole.

The contractor co-operated by leaving the drilling rods in the hole for five days, which allowed Geothermal Resources to obtain reliable bottom of hole temperature readings using its own temperature probe. The drill rig's wireline system was used to lower the temperature probe module down the hole.

A bottom of hole (1761.2 metres) temperature of 93.5 °C was recorded on Thursday 4th December 2008, four days after drilling ceased. Preliminary indications are that **the temperature gradient in Frome 12 is very similar to that in Frome 3 indicating that a temperature approaching 200 °C could be achieved at depths of 4 km.** Exact details of the geothermal gradient in the cover sediments and the granite will be released once all the temperature data recorded for Frome 12 has been fully analysed and evaluated.

Samples of the granite will be submitted for uranium, thorium and potassium analysis in order to evaluate its theoretical heat generating capacity. In general the granite shows a good degree of subhorizontal fracturing, which is positive for its ability to host an exploitable geothermal reservoir.

This drilling is being supported by a \$2.4 million REDI (Renewable Energy Development Initiative) grant from the Commonwealth Government that will match the Company's funding.

Geothermal Resources is 63.6% owned by Havilah Resources NL, 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 projects are well located with respect to existing power grids and end user consumers.

Dr K R Johnson
CHAIRMAN

The information in this report has been prepared by Dr Bob Johnson who is a member of the Australasian Institute of Mining and Metallurgy and Dr Chris Giles who is a member of The Australian Institute of Geoscientists. Drs Johnson and Giles are employed by the Company on consulting contracts. They have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration to qualify as Competent Persons as defined in the JORC Code 2004. Drs Johnson and Giles consent to the release of the information compiled in this report in the form and context in which it appears

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

