

ASX ANNOUNCEMENT

April 22, 2013

Update

Earth Heat Resources Limited ('Earth Heat' or 'the Company'), wishes to update its announcement to the market in February 2013 that the Company has now a legally binding agreement whereby Geothermal One Inc ("G1") will assume all future direct Joint Venture obligations, as of 7 January 2013, and that both that both G1 and EHR will work together to dissolve its outstanding liabilities arising with Government as a result of the Copahue Project. In negotiating this agreement for EHR to withdraw from the Copahue Joint Venture Earth Heat has agreed to pay an amount of US\$125,000 consideration and provide a loan to G1 of a further US\$150,000.

Whilst it was disappointing that the Copahue Project could not be financed and consequently Earth Heat was forced to withdraw, the agreement with G1 allows Earth Heat to now entirely focus on introduction of new assets. At this time the Company is well advanced on entering into a legally binding option agreement which will deliver it access to what it believes to be a very significant petroleum sector opportunity.

Regrettably, and following negotiations with G1, it has come to the attention of the Company that one of its former Argentinean representatives of the Copahue Project has made accusations to third parties, including some shareholders, which the Company strenuously rejects as outlandish and baseless. Accordingly, it intends to respond with the full legal force available to it both in Australia and Argentine jurisdictions.

*** Ends***

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