

# ASX ANNOUNCEMENT

January 16, 2012

ASX : EHR

## New Research on Company Website

Earth Heat Resources Limited ('Earth Heat' or 'the Company') would like to direct investors to new research available on the Company website.

**Earth Heat Managing Director, Torey Marshall commented,** "The flow of information for our shareholders has been consistent over the last 12 months against the backdrop of not only economic turbulence, but also a sector that has not seen strong progress from an investor perspective. Ultimately the output for projects the Company invests in is electricity, thus the business is a utilities model of wholesale power generation. The term 'geothermal' refers to the fuel source, in a similar way as 'gas fired' or 'coal fired' does. The commercial output is the same product; electricity. Power projects that involve geothermal as a fuel source have the benefits of front end vertical integration, where the fuel source is controlled by the company who builds the power station itself. In this respect it has protections in commodity price changes which can offer very attractive post financing margins. The valuation methodologies of utilities businesses are generally well understood, and can be applied to projects that the Company has under its control. The direction Earth Heat has taken provides for considerable debate in terms of value, and I encourage our existing shareholders and interested potential investors to read and research the basics of a green utilities business starting with the new research report posted on our website on the Company."

For further information please contact:

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### *About Copahue*

Earth Heat signed a Heads of Agreement to farm-in to the Copahue Geothermal Development Project in Argentina in May 2010, which comprises an identified initial 30 MW geothermal development with the potential for significant expansion. Development of Copahue is anticipated to provide first power production and revenue within four years and Earth Heat has the right to earn up to 87.5% of the Project by funding various stages of development.

The Copahue project area is located in the western part of Neuquén Province, approximately 300 km from the provincial capital and just a few kilometres from

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the Chilean border. The geothermal resource on which the project is based occurs on the North-East flank of the Copahue volcano a young, historically active stratovolcano whose summit is on the international border. It is also situated within a broad caldera that is inferred to have formed by activity that pre-dates that of the Copahue volcano.

The project area has been the site of geothermal exploration and development activities since the 1970s. This work has included a number of superficial and shallow exploratory surveys (geology, geochemistry, geophysics and temperature gradient drilling).

Four deep wells, reaching depths of as much as 1,414m have also been drilled in the area. These wells have demonstrated the presence of a commercially exploitable, vapor-dominated geothermal reservoir within at least a part of the project area.

Through the Course of 2011, EHR has increased the resources by 150%, completed an EIA, a pre-feasibility study and most recently signed Letters of Intent for offtake of the power to be produced well in excess of stage 1 and 2 development.

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