

ASX

ANNOUNCEMENT

8 March, 2012

ASX : EHR

Mobilisation of Crews

Earth Heat Resources Limited ('Earth Heat' or 'the Company') has mobilised its independent technical experts, Sinclair Knight Merz ('SKM') to site at Copahue.

Highlights

- Commencement of field program
- Personnel onsite in a matter of days
- Geology, confirmatory geochemistry
- Civil engineering and siteworks
- Topographic studies

Earth Heat Managing Director, Torey Marshall commented, "On the heels of our recent capital raising, the Company has been able to mobilise its crews to be onsite in the shortest conceivable period of time. We are now beginning the first phase of the field program which will support the commencement and efficient completion of the Bankable Feasibility Study. We have chosen to break up our work program to provide maximum effect for the funds of the Company, and to quickly progress the critical civil engineering aspects to the Copahue Stage 1 development. Over the coming weeks, the Company will commission additional essential tasks that need to be completed to achieve a mid-year Final Investment Decision."

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 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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