

27 January 2010

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

BOOST to Geothermal Portfolio – Grant of 5 new GELs

The Directors of Fall River Resources Limited (the “Company” ASX : FRV) are pleased to announce that it now has **5 further GELs** in South Australia, following the transaction involving the acquisition of all the issued share capital of Earth Heat Limited (completed on Friday 22nd of January 2010). This brings the total number of Geothermal Exploration Licences (GELs) now held 100% by the Company through its wholly owned subsidiary Earth Heat to **Eight**.

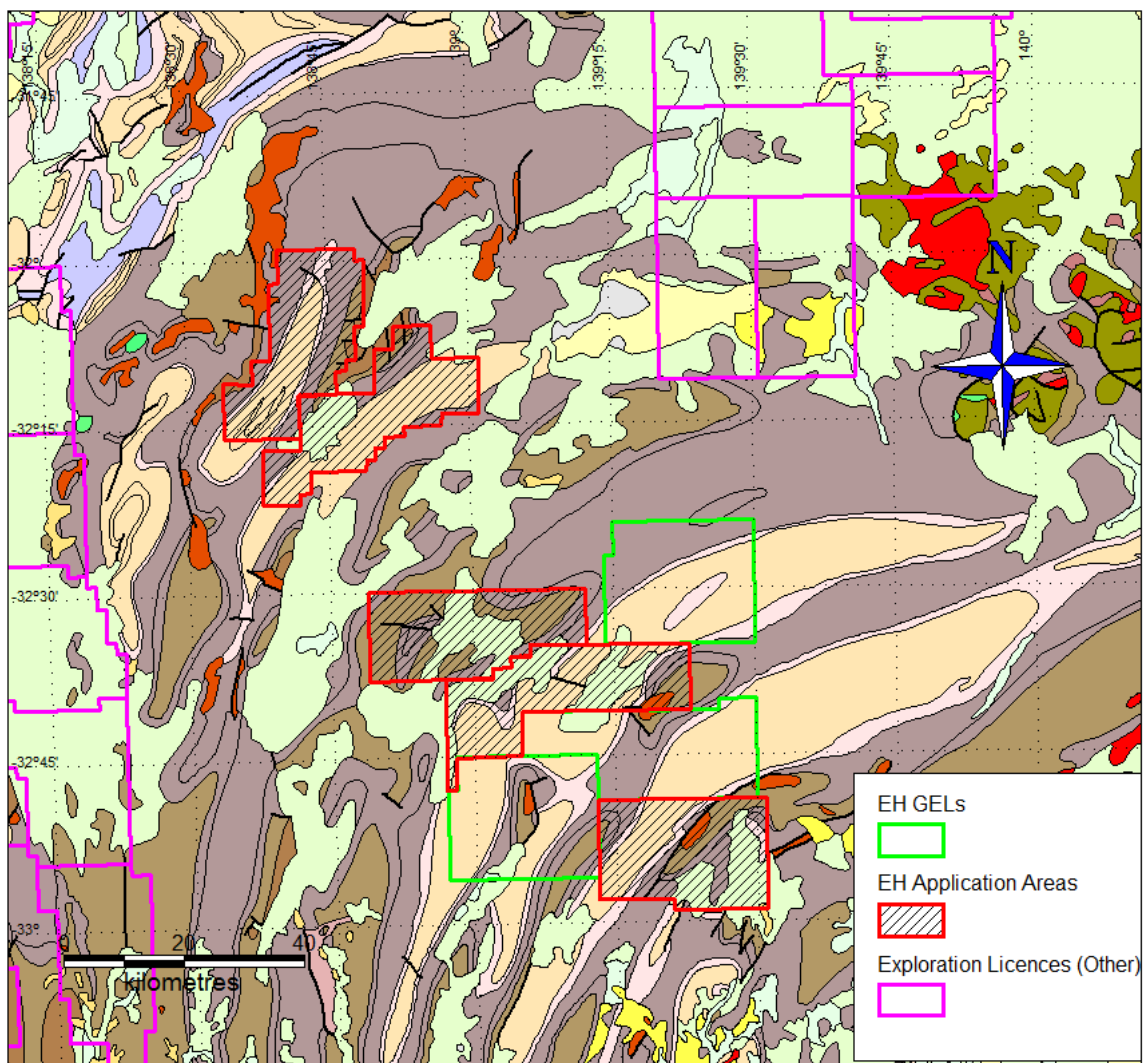
Earth Heat had applied for these 5 additional GELs, however, and at the time of the Independent Expert’s Report and valuation, they were only applications to which no value was ascribed. Given that Earth Heat’s three pre-existing GELs in the same region were independently valued at between \$4.2 and \$5.1 million, as part of the transaction, these additional GELs imply a significant boost in the value of the Company’s geothermal assets.

Mr Torey Marshall, newly appointed Director said “This is a great example of the early accretive value adding of the Earth Heat transaction to Fall River shareholders”.

“The acquisition of Earth Heat, and in particular its South Australian geothermal assets, will form a very strategic part of the Company’s future plans once a thorough review of its other activities has been completed by the Board”, Mr Marshall added.

The image below shows the location, in red, of the applications *which have now been granted* and their relationship to the initially granted areas. All GELs held by the Company fall within the well known and defined ‘South Australian Heat Flow Anomaly’ (‘SAHFA’), being successfully explored by ASX listed companies such as Torrens Energy Ltd, Petrathern Ltd, Geothermal Resources Ltd, Planet Gas Ltd and a number of other private entities.

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The image above shows in red and green, the largely contiguous GELs that Fall River Resources, through its wholly owned subsidiary Earth Heat Ltd, now holds.

The tenements controlled by the Company are listed below.

Australia (SA)	Tenement/ Application	Area (approx)	Interest % of EH
Waroonee	GEL 339	499 km ²	100%
Paratoo	GEL 338	496 km ²	100%
Mt Grainger	GEL 337	499 km ²	100%
	GEL 503	496 km ²	100%
	GEL 504	491 km ²	100%
	GEL 505	456 km ²	100%
	GEL 506	454 km ²	100%
	GEL 507	462 km ²	100%