

ASX ANNOUNCEMENT

October 5, 2011

Letter of Intent Signed to Sell/Purchase 10MWe Electricity in Argentina

Earth Heat Resources Limited (ASX-EHR) is very pleased to announce the signing of a Letter of Intention & Heads of Agreement for a power purchase off take in Argentina with Loma Negra CIASA.

HIGHLIGHTS

- Initial allotment of 10MW and 78.84 MWh per annum with potential for further expansion in the future
- Power to be supplied from a Geothermal power project in Argentina
- Subject to satisfaction and waiver of certain conditions precedent, the parties will enter into a binding power purchase agreement (PPA)
- Parties developing a long term strategic relationship for the generation, supply and purchase of energy arising from and dedicated to their Argentinean projects
- Loma Negra has extensive power needs in the operation and expansion of its leading industrial products businesses
- Underscores the strong demand for power in Argentina - a market where EHR is extremely well positioned

EHR Managing Director Torey Marshall commented, "The Company has been busily lighting the path for our shareholders and investment community and aligning itself with strong respected partners within Argentina. Our ability to provide clarity on power consumption and power generation for both companies is a building block for the future development of EHR projects in Argentina. We are looking forward to expanding our relationship with Loma Negra, as well as introducing more strategic partners interested in taking firm positions in output from our Geothermal projects".

Earth Heat Resources Ltd
Registered Offices

Australia

Level 7, Ferrari House,
28-30 Grenfell St,
Adelaide SA 5000

p +61 8 8212 0579

f +61 8 8212 2230

ABRN 86 115 229 984

Canada

711-675 West Hastings Street,
Vancouver, BC, Canada,
V6B 1N2

p +1 604 685 2222

f +1 604 685 3764

www.earthheat.com.au

About Loma Negra

Loma Negra Compañía Industrial Argentina S.A. is an Argentine manufacturer and the country's leading maker of cement, concrete, and lime.

*** Ends***

For further information please contact:

Torey Marshall, Managing Director	+618 8212 0579
Victoria Thomas, Six Degrees Investor Communication	+613 9674 0347

Earth Heat Resources Ltd
Registered Offices

Australia

Level 7, Ferrari House,
28-30 Grenfell St,
Adelaide SA 5000

p +61 8 8212 0579

f +61 8 8212 2230

ABRN 86 115 229 984

Canada

711-675 West Hastings Street,
Vancouver, BC, Canada,
V6B 1N2

p +1 604 685 2222

f +1 604 685 3764

www.earthheat.com.au