

Due Diligence and Valuation Report

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Fair share value bracket:	AU\$43.5c to AU\$88.1c ⁱ
Share price on date:	AU\$3.9c ⁱⁱ

Analyst Team

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Company:	Earth Heat Resources Ltd.
Ticker:	ASX: EHR
Headquarters:	Adelaide, Australia
Managing Director:	Mr. Torey Marshall
Website:	www.earthheat.com.au

Market Data

52-Week Range:	AU\$2.0c – AU\$ 9.5c ⁱⁱⁱ
Average Daily Volume:	1,000,596 ^{iv}
Market Cap. on date:	AU\$ 23.25MM ^v

Financial Forecast Data (in AU\$)

	'12E	'13E	'14E	'15E	16E	'17E	'18E
High profit/(loss) MM	(2.5)	55.1	64.5	55.0	71.9	86.3	89.1
High EPS AU\$	(0.43)	9.50	11.11	9.47	12.39	14.87	15.35
Low profit/(loss) MM	(2.5)	23.8	31.0	27.8	38.7	46.5	48.3
Low EPS AU\$	(0.42)	4.09	5.34	4.79	6.67	8.02	8.31

Fiscal Year (FY)

1st October – 30th September

Summary

Earth Heat Resources Ltd (EHR) is a renewable energy company, focusing on acquisition and development of green assets, predominantly in the geothermal energy segment for electricity generation and sale. The company's portfolio comprises of approximately 180MW of geothermal developments in Argentina, Africa and Australia.

In July 2010, the government of Argentina awarded the tender to EHR (Joint Venture) to develop a 30MW geothermal project in the Neuquen Province called Copahue. The Federal government could purchase the power in a price range of US\$120-US\$140/MWh when it becomes operational. The resource review (May 2011) indicated a 150% increase in the resource estimates. The resource has 99MW of measured electricity generation capacity (under the Canadian Geothermal Energy Association classification scheme). Encouraging results from the draft concept study and environmental impact assessment in

July was augmented by two letters of intent to enter into binding Power Purchase Agreements (PPA's). The two potential offtake partners are Loma Negra(10MWe) and Electrometalurgica Andina SAIC (30MWe). The latter of these two entities expressed a desire to become a financial Joint venture partner of EHR. Following announcements on potential offtake partners, and their high quality balance sheets, the Company signed, mandate agreement with the Inter-American Development Bank (IDB) to raise US\$134MM, US\$48MM of which has been committed by the bank directly. The project is expected to be commissioned in 2013.

The Management of Earth Heat is believed to have considerable confidence in obtaining the balance of project finance required, which could greatly reduce the need for future large equity capital raisings in order to bring the Copahue project into production (Stage 1).

Earth Heat has also entered into an agreement to explore and develop a major geothermal resource in the Djiboutian Rift Valley, with a total estimated capacity of 150MW (full field development). In May 2011 EHR entered into a Memorandum of Understanding (MOU) to jointly explore, bid for and secure geothermal project opportunities in the Middle East and Africa, with powerhouse Dubai based conglomerate Drake and Scull International.

In Kenya new project opportunities involving areas of high geothermal prospectivity are being pursued and the anticipated outcome of these negotiations is expected to be completed by early 2012. Kenya itself is the dominant country within the East African Rift in terms of geothermal prospectivity, installed capacity, and overall advanced stage of geothermal understanding. It is home to some of the world's largest geothermal fields, and projects

here therefore represent world class giant potential returns.

The company is currently in the process of listing on the Toronto Ventures Exchange.

Arrowhead believes that EHR has enormous growth potential with a lower than average

risk profile within the geothermal exploration sector. Based on intrinsic revenue capacity of the Copahue Project and Fiale Project, Arrowhead believes that EHR's fair share value lies in the AU\$43.5c to AU\$88.1c^{vi} bracket.

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Company Presentation

Earth Heat Resources, formerly Fall River Resources Limited, is an Australian based company focused on the acquisition and development of green assets for electricity generation and sale. EHR has transformed itself into a “New Energy” company in the past year and is focused on the geothermal energy sector. It has already secured exploration licenses in Australia, East Africa and Argentina with East Africa being the most strategic region.

EHR is transforming into a wholesale energy generating company. Its main projects in Argentina and Djibouti are in the development stage and are expected to take three to five years for completion. We believe that the company’s exploitation programs is expected to start generating revenues from FY2013 and until then it will continue spending on development work and incur losses.

The company’s potential projects attracted attention from Inter-American Development Bank which said it would invest up to US\$48MM as a lead investment and will arrange the syndication of \$86MM (with assistance from Earth Heat), taking advantage of the significant appetite for the project; and significant savings to the project. EHR is trying to position itself amongst the top tier of independent developers in the geothermal energy sector and be the first listed company in Australia to achieve this feat.

EHR’s Asset Portfolio^{vii}

EHR is pursuing exploration and development work at various locations. Its asset portfolio comprises three projects:

Australia - The Company held 11 Geothermal Exploration Licenses (GEL's) that were spread over area of 13000 KM². The Licenses were granted on May 2010.^{viii} The Company is consolidating and rationalizing its existing GEL portfolio in South Australia, by surrendering GEL 505 and Gel 506 and consolidating the balance of the GELs into 3 (subject to final approval from the state regulator).

Copahue Project – In May 2010, EHR signed a Heads of Agreement to farming to the Copahue Geothermal Development Project in Argentina. The project comprises an initial 30MW geothermal development, with the potential for significant expansion, possibly as high as 125MWe. 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 recent resource review of its Copahue Project indicated a 150% increase in resource estimates. The resource has 99MW of measured electricity generation capacity. This boosts its appeal as the resource is world class in terms of being vapor dominated, and the reservoir intersected at relatively shallow depths. EHR has completed its first phase concept study and EIA for an accelerated 15MW geothermal plant at the Company’s Copahue Project in Argentina. The second stage of the development at minimum would therefore be 15MWe, but given existing visible PPA demand for 40MWe, we believe the second stage could be considerably larger than the minimum. The company has signed letters of intent to enter into binding PPA's with Loma Negra and Electrometalurgica Andina SAIC for initial 10MW and 30MW respectively. EHR also signed a mandate agreement with the IDB for senior debt project financing of \$134m for the construction of Copahue geothermal power project.

Fiale project – This project, based in the small country of Djibouti in East Africa, is the most ambitious project of the company. Earth Heat will develop the project in three tranches of 50MWe under the terms of the MOU signed in October of 2010. At present the company is currently negotiating with Government and possible JV partners to initiate significant work on the project. We believe that the outcome of those discussions could yield exciting new dimensions to the project and will provide guidance as soon as any material agreement is entered into.

For more detail on Assets, see the [Assets and Projects](#) section of this report.

EHR's Portfolio and Company Premiums

- EHR's has a high quality projects portfolio with a potential to establish 180MW of geothermal power puts it in advantageous position. Further, being a green power company is an additional advantage.
- EHR is pursuing low risk projects which would potentially double or triple the cash flows with a projected IRR of more than 25%.
- EHR is developing a unique geothermal project in Argentina which would have an average purchasing price of US\$120/MW compared to Australian projects which yield US\$60-US\$85/MW
- Djibouti (where the company plans to develop 150MW geothermal power capacity) is a region with high potential. Djibouti is entirely reliant on diesel power generation that reportedly costs it up to 24 US Cents per KWh to generate; twice the potential price of Argentina and three times that of Australia. Geothermal energy provides a cost effective and environmental friendly alternative to it. Considerable expansion is underway in the country, with new infrastructure promoting additional state and private enterprise investment, projected to lift power demand strongly over the next 20 years.
- The geothermal projects have long life cycles of more than 30 years with low annual operating cost of about US\$30-\$50/MW
- The financing of both the projects is significantly easier than projects in Australia. The maturity of each allows senior debt financing to be pursued virtually immediately, which in turn reduces the dilution through equity raisings. In support of this, EHR has already produced a mandate to raise up to US\$134m for the senior debt portion of the Copahue development and is quite confident of obtaining the balance of the funding required to develop the first and second stages of the project.
- The company has a reputable management with demonstrable track records in growing a business. Mr. Torey Marshall, the current Managing Director of the business has a broad based technical knowledge in this field. He is a geologist and has under his belt a track record of successful execution of various exploration programs (some resulting in discoveries), in a number of different areas. EHR should significantly benefit from Mr. Marshall's former association with Phoenix Oil and Gas Ltd, Great Artesian Oil and Gas Ltd & QGC Ltd.
- With the Federal Government's announcement in July regarding the introduction of the carbon tax and trading system. The clean energy sector is now positioned to benefit most from this new policy.

EHR's Portfolio and Company Risks

- EHR is currently in a very initial stage of its lifecycle. All of its projects are in development stage with nearest implementation expected to occur in three to four years from now. Failure in planned execution remains a concern.
- There are significant risks associated with the financing of the project. All the projects need a significant development capital outlay during the installation of project. EHR depends on equity capital in initial stages of project development, availability of which depends on favorable test results and investor overall risk tolerance. EHR's prospects are significantly linked to identifying funding sources for its projects, which to some extent are alleviated by stable banking infrastructure at its region of operation. But, we believe for Copahue project more hybrid mezzanine is expected to come, after the mandate for US\$134M from IDB. In Djibouti the company is expected to de-risk by forming a new JV.

For a detailed risk assessment, please refer to the [Risk profile analysis](#) section.

EHR Corporate Strategy^{ix}

EHR is pursuing a strategy of positioning itself amongst the top tier of independent developers in the geothermal energy sector. It aims to harness the geothermal power particularly in emerging economies where it does not have to compete with existing and pre-established power projects and other renewable developers. The following steps have been undertaken by the company toward the accomplishment of its objective:

- Expects to commence bankable feasibility studies for Argentina in Q1 2012 for its stage 1 15MW project and commissioning of the project in 2013.
- The company is in talks for Joint Venture Partners for the Djibouti project.
- Finance the projects by using large special interest funder's operative in the regions it has significant developments, and further augmenting that senior debt funding with hybrid mezzanine facilities to enable final investment decisions to be made.
- The company is in the process of listing on the Toronto Ventures Exchange, which will significantly increase its access to investors in the space, and therefore increase its access to capital for future developments.
- Stable and systematic increases in expansions of existing projects, augmented by assembly of the next generation of development projects.

Geographical Strategy and Reach^x

Australia

Earth Heat Resources, formerly Fall River Resources Limited, entered the Australian Geothermal energy market through acquisition of Earth Heat Australia Pty Ltd, which held a strategic position with several geothermal exploration licenses in South Australia, and a significant pipeline of advanced overseas opportunities. EHR intends to be the first commercial geothermal electricity generation company in Australia. The Company is rationalizing its existing GEL portfolio by surrendering two GELs and the balance of the GELs consolidated into three.

Argentina

The company entered Argentina through a JV with a private Canadian entity, which provides for 87.5% share in the project earnings. The company intends to use the knowledge and experience from this Copahue project to implement it in other global projects. EHR with Loma Negra intend to develop a long term strategic relationship for the generation, supply and purchase of energy arising from and dedicated to their Argentinean projects. The PPA from Electrometalurgica Andina SAIC also mentions the intent to cooperate and amalgamate technical and professional skill sets to facilitate a direct investment of the customer, either in Copahue or in other energy projects developed by Earth Heat.

Djibouti

The company entered the African market through a JV with Djibouti Ministry of Energy and Natural Resources and Electricite' de Djibouti for Fiale geothermal development project, a major geothermal resource in the Rift valley in Africa.

Other East African Countries

After detailed analysis and research on geothermal, coal bed methane and alternative energy opportunities EHR believes that the African continent provides a leading area of interest for future expansion. Apart from Djibouti, the company is targeting power deficient countries of Kenya and Botswana in this region. In Kenya new project opportunities involving areas of high geothermal prospects are being targeted with an intention of new strategic JVs (expected to be announced in early 2012).

Key trends in Geothermal Energy market

The global geothermal power market has grown at a CAGR of 20% between 2005 and 2010 as per IGA estimates. The highest capacity addition occurred in US, Indonesia, Iceland, New Zealand and Turkey. IGA has forecasted that it is estimated to grow at a CAGR of 12% in the next five years reaching at a capacity of 18,500 MW from the current capacity of 10,715 MW. As of early 2010, nearly 200 projects were under way in 15 U.S. states—which could result in at least 7.8 GW of new capacity—and much more capacity is in project pipelines around the globe.

For more details, refer to the [Technologies and Markets](#) section

News^{xi}

- **Earth Heat Resources Limited Announces No Dividend for FY 2011:** On December 29, 2011, the company announced that its Directors have not recommended any dividend payment for fiscal year 2011 (period ended September 30, 2011).
- **Earth Heat Resources Ltd restated its Annual Report 2008, 2009 and 2010 for Canadian listing requirement:** On December 29, 2011, the company released its Annual report for 2008, 2009 and 2010 restated for the Canadian listing requirements.
- **Earth Heat Resources Provides Financing Progress Update:** On December 21, 2011, the company provided an update of finance activities of its Copahue project. As previously announced, the Senior Debt syndication process has commenced through the Inter-American Development Bank (IDB). The company is in the process of completing the full form Project Information Memorandum, in addition to providing information at the request of IDB, for syndication due diligence purposes. The formal bookbuild process is anticipated to be completed during early 2012 after which time commitments to fund are expected to be binding, subject to certain conditions precedent to financial close.
- **Earth Heat Resources Limited Issues New Ordinary Shares:** On December 15, 2011, the company announced that it has issued 20,000,000 ordinary shares at an issue price of AU\$ 0.03 per share. The shares are issued pursuant to special placement to sophisticated investors to raise funds for on-going overheads and activities associated with the Company's projects. The company intends to use the proceeds from the offering to fund on-going overheads and activities of its major projects including its 30MW geothermal power project at Copahue in Argentina.
- **Annual General Meeting of Earth Heat Resources Ltd:** On December 14, 2011, the company advises that the meeting date to be February 23, 2012 and have been released in Canada in order to comply with the Canadian meeting requirements as detailed in National Instrument 54-101.
- **Change of Auditor:** On December 14, 2011, the company announced that it has changed auditors, KS Black & Co, commencing with the audit for the financial year ended 30 September 2011 as they were not CPAB registered. The Company has now appointed Grant Thornton, Canadian compliant auditors and meets all of the Canadian requirements. The change of auditors will be submitted to the AGM in February 2012 for ratification by the shareholders.
- **Earth Heat Resources Announces Project financing of \$134 Million for Copahue Geothermal Power Project in Neuquen Province, Argentina:** On November 24, 2011, the company announced project financing of \$134m for the construction of Copahue geothermal power project in Argentina. IDB will directly invest up to US\$48m as a lead investment and will arrange the syndication of \$86m, taking advantage of the significant appetite for the project; and significant savings to the project.
- **Earth Heat Resources Limited Exercises Options into New Ordinary Shares:** On October 31, 2011, the company announced that it has issued 10,000,000 ordinary shares at an issue price of AU\$ 0.02 per share. The shares are issued pursuant to exercise of unquoted options.
- **Earth Heat Resources Provides Copahue Project Finance Update:** On October 26, 2011, the company provided an update on progress within the project financing aspect of the Copahue project, reporting that a number of letters of support and expressions of interest have been received from a variety investment banks, commercial, multi-lateral and private investor groups with respect to funding the project's Stage 1 and 2 developments. At this stage the company said it cannot disclose the names of the groups it is in discussions with.
- **Earth Heat signs letter of intent in Argentina:** On October 17, 2011, the company signed a letter of intent and heads of agreement for a power purchase offtake in Argentina with Electrometalurgica Andina SAIC. Initial allotment is 30MWe per annum with significant potential for further expansion. The parties intend to cooperate and amalgamate technical and professional skill sets to facilitate a direct investment of the customer, either in Copahue or in other energy projects developed by Earth Heat.

- **Earth Heat Resources Ltd - (EHR) - Change of Director`s Interest Notice:** On October 16, 2011, the company released Change of Director`s Interest notice stating that Raymond Douglas Shaw acquired 250,000 of shares for a Consideration \$7,600.00.
- **Earth Heat Resources Ltd - (EHR) - Change of Director`s Interest Notice:** On October 14, 2011, the company released Change of Director`s Interest notice stating that Torey Robert Marshall acquired 172,618 of shares for a Consideration \$5,010.44.
- **Earth Heat Resources Ltd - (EHR) - Change of Director`s Interest Notice:** On October 13, 2011, the company released Change of Director`s Interest notice stating that Norman Joseph Zillman acquired 1,832,000 of shares for a Consideration \$50,013.60.
- **Earth Heat Resources Provides Corporate Update:** On October 09, 2011, the company provided an update of its ongoing activities for its key projects in Argentina, Africa and Australia, reporting Progress in Argentina has been extremely positive, with the completion of a number of highly significant project milestones at the Company's Copahue Project - the completion of a resource review at Copahue resulted in a significant upgrade of approx. 150%; the Company continues to explore value-adding options for taking its Fiale Geothermal Project forward, in Djibouti; and the Company has been actively progressing the rationalizing of its existing Geothermal Exploration License (GEL) portfolio with Primary Industries and Resources of SA - this will result in the relinquishment of certain tenements and the consolidation of the number of GELs attributable to the Company.
- **Letter of Intent Signed to Sell/Purchase 10MWe Electricity in Argentina:** On October 05, 2011, the company announced the signing of a Letter of Intention & Heads of Agreement for a power purchase off take in Argentina with Loma Negra CIASA. There will be initial allotment of 10MW and 78.84 MWh per annum with potential for further expansion in the future. Loma Negra has extensive power needs in the operation and expansion of its leading industrial products businesses.
- **Earth Heat Resources' study of Argentinean geothermal:** On July 27, 2011, the company announced the receipt of a draft Concept Study by Auckland based consultants Sinclair Knight Merz (SKM). The study was commissioned to undertake concept screening for a viable technical solution of an initial exploitation of the Copahue geothermal resource in Neuquen Province, Argentina. An Environmental Impact Assessment (EIA) was completed separately as part of the process, by a local Argentinean group.
- **Concept study commences for accelerated 15MW plant:** On May 20, 2011, the company announced the commencement of the first phase concept study for an accelerated 15MW geothermal plant at the company's Copahue Project in Argentina. This plant size is well within the level of relative certainty ascribed to the existing drilling and reservoir information at Copahue, therefore serving as a 'fast track' target for Earth Heat. Given the substantial resource estimated at up to 190MWe, proper consideration of future expansions will be included as part of the study. The Company has engaged leading engineering firm Sinclair Knight Merz ("SKM"), to advise and assist in the design and construction of the geothermal plant. The feasibility study will be split into two successive phases: Phase A for a concept screening to agree on a viable technical solution (location, conversion technology, implementation, and first pass basic project economics). These services are expected to be provided within the next two months. And Phase B with feasibility detailing the agreed concept (engineering, costs, economics, implementation program, environmental etc) and integrating other project factors such as environmental, regulatory framework, electrical interconnection feed in tariff etc. Earth Heat intends to use this feasibility study to secure the financing needed to implement the development required to reach production from this first project.
- **Significant resource upgrade at Copahue:** On May 18, 2011, the company released the results of the resource Review by SKM of its flagship Copahue project in Argentina. The resources represented an increase of over 150% in total resources interpreted to be at Copahue, versus historical estimates and provides for significant additional scope of developments to meet the needs of power consumers in the Neuquen Province of Argentina.
- **Lapse of unquoted options:** On May 16, 2011, the company issued 20,000,000 unquoted options pursuant to an employment agreement have lapsed in accordance with the terms of the agreement.
- **Board changes and corporate update:** On May 12, 2011, the company continues its preparation to seek a North American listing. This listing will provide for greater investor recognition and access

to funding to develop its international portfolio of geothermal assets. As a preparative step for that listing, it has been agreed to simplify the existing board structure and accordingly Messrs David Sutton, Alex Rose-Innes, and Stephen Pearce have tendered their resignations from the board of EHR in support of these future plans.

- **Progress update:** On April 21, 2011, the company's Managing Director, Mr. Torey Marshall, made a presentation on the company's progress update stating that the company has made significant progress on its projects over the last month. The Socius Capital investment allowed the commencement of various studies related to the Copahue project in Argentina, namely: 1) Independent resource estimate – SKM well advanced and has provided an incomplete draft report; 2) engineering studies are due to commence in the next three weeks following the completion of the resource assessment; 3) commencement of the Environmental Impact Study (EIS) Phase 1; and 5) good progression of joint venture discussions with a number of parties expressing keen interest in the project.
- **Listing on Toronto Ventures Exchange:** On April 5, 2011, the company announced that arrangements are now in place for the company to be listed on the Toronto Ventures Exchange (TSXV) in addition to its current listing on the Australian Securities Exchange. EHR's managing director considers it to be an extremely important step for the company insofar as accessing the substantial depth of support in the investor and project financing markets that the TSXV offers and increasing overall shareholder value for the future. The company has commenced the production of the documents and approvals required to facilitate a TSXV listing. Whilst there is no formal timetable scheduled for completion of the dual listing, it is expected to be within the next three months.
- **Strategic agreement with Drake & Scull Water and Power (DSWP):** On March 16, 2011, the company signed a Memorandum of Understanding (MOU) with DSWP, based in UAE, to jointly explore, bid for, and secure geothermal project opportunities in the Middle East and Africa. The agreement comes after the company's announcement of its intention to tap into the markets of Djibouti and Vietnam in Africa and Asia.
- **World Renowned Geothermal Experts Engaged:** On March 08, 2011, the company announced that it had engaged the services of specialist consulting group Sinclair Knight Merz(SKM), for the provision of independent services principally relating to resource certification and integrated assessment. The initial scope of the project, being resource certification, is a very important step in the decision making process for the Copahue Phase 1 plant size. After the conclusion of the certification and the assessment, the company will move swiftly into the engineering concept which will involve the plant design. Ultimately, resource 'certainty', flows through into the actual ability to attract mezzanine and debt funding to a project, in much the same ways as 'JORC' or Petroleum reserve reporting does .Lenders generally have very high levels of 'certainty' that trigger the ability to drawdown on any syndicated and closed financial facility.
- **A\$5m Investment for Earth Heat:** On February 14, 2011, the company announced that Socius CG II, Ltd., a subsidiary of Socius Capital Group LLC, had executed an AU\$5M investment with the company. The company will predominantly apply the funds to the progress of Copahue project in Argentina, specifically beginning the feasibility process with environment surveys, front end and engineering and design, in addition to commercial aspects of development. Under the initial funding, the company receives AU\$2M and will issue 25,316,456 ordinary shares at 7.9c and 12,658,228 options exercisable at 7.9c. Earth Heat, at its election time may, at any time after 90 days or sooner by mutual agreement, call on another investment of AU\$2M. The final AU\$1M may be called at any time which is 90 days after the second investment, but prior to two years from the initial funding. The funding package compromises common stock of the company at market pricing with one 5 year option for every two shares held, exercisable at the same prices as the sale of common stock.
- **Earth Heat Strengthens Senior Management Team in Argentina:** On February 15, 2011, the company announced that it has appointed a number of key senior management and operational personnel based in Argentina, focused on progressing the Company's Copahue Project. Mr. Juan Carlos Grosso has been appointed Regional Manager, Dr Daniel Greco Project Development Manager, and Mr. Ubaldo Cosentino Regional Finance Manager. These senior appointments will allow Earth Heat to leverage long-standing in-country experience in the New Energy Sector and apply high caliber technical and commercial skills. The strengthening of our Argentinean team will ensure the ongoing operational success at the Copahue Project."

Listing Information

Earth Heat Resources Ltd is an Australian listed company (Australian Securities Exchange: EHR; ASX:EHR; EHR.AU) with headquarters in Adelaide, Australia, and an office in Canada

Contacts

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

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Major Shareholders

Equity Holder	Number of Shares	Percentage Holding
Mr. Torey Robert Marshall & Mr. Robert Marshall	69,191,307	11.60%
Mr. Raymond D Shaw & Ms Rita B Jones	67,839,641	11.50%
Mr. Norman Zillman & Mrs. Lorraine Zillman	66,408,294	11.14%
Rizk Investment Holdings Pty Ltd	63,414,628	10.64%
1147 Pty Ltd	21,750,000	3.64%
Washington H Soul Pattinson & Company Ltd	11,500,000	1.93%
Flexible Investments Super Fund Pty Ltd	9,700,000	1.62%
All Stated Secretariat Pty Ltd	9,000,000	1.51%
Planet Gas Limited	8,212,500	1.38%
Atua Pty Ltd	6,000,000	1.01%
Merrill Lynch (Australia) Nominees Pty Ltd	5,947,634	1.00%
Optex Exchange Pty Limited	5,064,330	0.85%
John Wardman & Associates Pty Ltd	5,000,000	0.84%
Mr. Thomas J Mann & Mrs. Catherine J Mann	5,000,000	0.84%
Mr. Jack N Mulready	5,000,000	0.84%

Source: Annual Report 2011

Management and Governance^{xii}

The management team at EHR comprises experienced professional with a proven track record. As a preparative step for the North American listing, it was agreed to simplify the existing board structure, as a result of which, Messrs David Sutton, Alex Rose-Innes, and Stephen Pearce tendered their resignations from the board of EHR.

Dr Raymond Shaw

Chairman

Dr Raymond Shaw is a geologist and geophysicist with more than 30 years' experience in the resources, energy sector including the oil, gas and coal industries. He commenced his professional career as a petroleum explorationist with Shell Development Australia in Perth, prior to working for various consulting groups including the Swiss based international consulting firm Petro consultants SA, as resident director based in Singapore and responsible for its Far East operations. Dr Raymond Shaw is also managing director of Bandanna Energy Limited, which holds large coal assts to tune of AU\$250 million.

Mr. Torey Marshall

Managing Director

Mr. Torey Marshall is a geologist with broad based technical and business development experience in the minerals, petroleum and geothermal sectors. This has resulted in the successful execution of various exploration programs (some resulting in discoveries), in a number of different areas. Having worked extensively as an exploration geoscientist, his skills have been considerably expanded to include senior management experience of various private and public (unlisted) companies. Mr. Marshall's has been associated with Phoenix Oil and Gas Ltd, PetroChina, Great Artesian Oil and Gas Ltd & QGC Ltd In the past.

Norman J Zillman

Non-Executive Director

Norman Zillman is a professional geologist (B.Sc. Geology and B.Sc.Hons. Botany University of Queensland) with more than 40 years experience in minerals, petroleum, coal, coal bed methane and geothermal exploration and production in Australia and international markets. Norm was also non-executive Chairman and a Founder of Blue Energy Limited (BUL), Hot Rock Limited (HRL) and a Director and Founder of Planet Gas Limited (PGS). Norm is a member of Australasian Institute of Mining and Metallurgy (Aust.I.M.M) and the Petroleum Exploration Society of Australia (PESA).

Mal Lucas-Smith

Company Secretary

Mr. Mal Lucas-Smith has over 40 years experience in finance, executive and non executive management, property development, corporate secretarial and administrative services. During that period he spent 12 years with State Bank of New South Wales and 18 years with the property finance and the property joint venture divisions of Australian Guarantee Corporation Limited, at the time a listed subsidiary of Westpac Bank.

Assets and Projects^{xiii}

Overview

The company has assets and projects in Australia, Argentina and east African countries. The flagship project of Earth Heat is, Copahue - Argentina, started with an agreement to generate initial 30MW with a right to earn up to 87.5% of the Project by funding various stages of development. The company has a similar quality opportunity in the Fiale Geothermal Development project, in Djibouti - A Joint Venture Agreement ('JV') has been signed with the Djibouti Ministry of Energy and Natural Resources and Electricite' de Djibouti. Further, in Australia the company has nine geothermal exploration licenses in an area of high heat flow which is known as the South Australian Heat Flow Anomaly ('SAHFA').

Copahue Project - Argentina

EHR's interest: Up to 87.5%

Asset Summary: In May 2010, Earth Heat signed a Heads of Agreement (HOA) for the Copahue Geothermal Development Project in Argentina, comprising of an identified initial 30MW 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.

Project Summary	
Initial Capacity	30MW
Estimated Project Cost	US\$ 100M - 200M
EHR's share	Up to 87.5%
Expected Project Life	30 years
Expected IRR	25%
Commissioning	2013

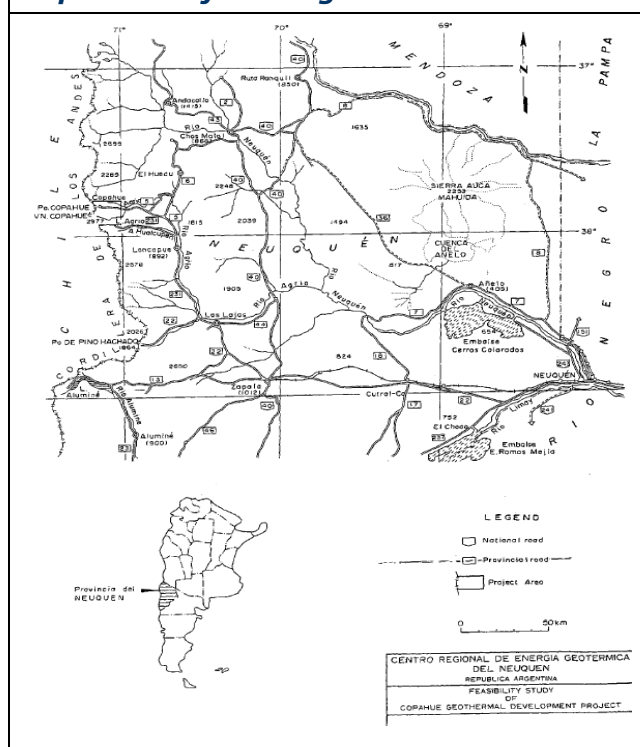
Location: The Copahue project area is located in the western part of Neuquén Province. The geothermal resource occurs on the North-East flank of the Copahue volcano, a young, historically active stratovolcano whose summit is on the international border. The caldera provides access into the Caviahue-Copahue area from more populated areas of Argentina to the east.

Regional geology: The Copahue geothermal system occurs within a volcanic terrane formed

by several stages of volcanic activity, the ages of which have been inferred to range from five million years ago to considerably earlier. The geology of the project area has been studied by several investigators and is discussed in detail (along with other aspects of the geothermal project) in a project feasibility report prepared by JICA and more recently by the Company.

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 1,414 m 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.

Copahue Project - Argentina



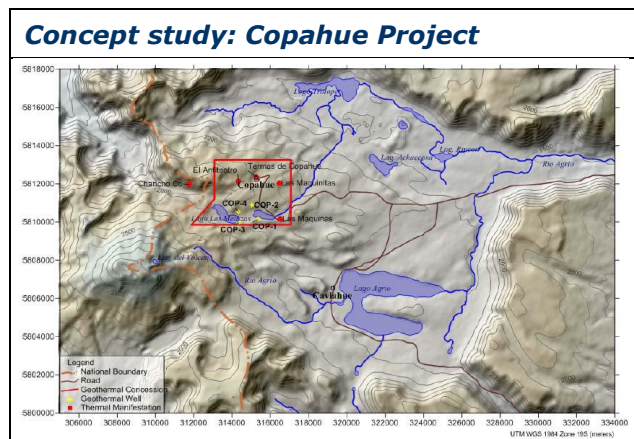
One of the wells (COP-1) was used to supply a pilot power plant, with a capacity of slightly less than one MW, for a period of several years. The most recent well (COP-4) was drilled to supply a district heating system at Termas de Copahue; a pipeline was constructed from the well field for this system which is no longer in use. Aside

from the spa at Termas de Copahue, there is no exploitation of the Copahue geothermal resource at present.

Recent developments: In July 2011, the company completed its concept study and stage one of the Environment Impact Assessment. The Concept Study, done by Auckland based consultants Sinclair Knight Merz (SKM), was commissioned to undertake concept screening for a viable technical solution of an initial exploitation of the Copahue geothermal resource.

Highlights of the Concept Study:

- Significant social and environmental benefits, best practice development possible based on the EIA;
- Pre-existing drilling provides opportunities for minimizing future production well risk; with only two production wells likely to provide requisite net 15 MWe power production with reserve for run-down.
- Location provides for suitable sites for power plant construction within close proximity to the four existing wells
- An organic rankine cycle (binary) power plant with air cooled condensers provides an effective method for geothermal power conversion however final design will depend upon the outcome of further studies
- The 15 MWe net produced by the power plant can be readily exported to the national grid by way of existing 33 kV line.
- Should an integrity check of the existing COP 4 well prove positive it may be utilized as the second producing well.



SKM recommended an air-cooled organic rankine cycle (binary) plant for the anticipated conditions. An ORC plant is expected to provide

good conversion efficiency at a reasonable capital cost. The first cost estimates are in line with global averages of \$3m to \$6m per MWe installed, but will be refined during subsequent studies. Further, EHR's internal electrical interconnection feasibility studies showed that the connection to the national transmission grid will be by constructing a short 33kv line to the Caviahue Township.

The results of the concept study and EIA was highly encouraging and the company received two letters of intent to enter into binding Power Purchase Agreements (PPA's). The two potential offtake partners are Loma Negra (10MWe) and Electrometalurgica Andina SAIC (30MWe). The company also signed a mandate from Inter-American Development Bank to raise US\$134m.

Highlights of the mandate of US\$134m from IDB:

- IDB to directly invest up to \$48m USD as a lead investment
- IDB to arrange with assistance from Earth Heat, the syndication of \$86m, taking advantage of the significant appetite for the Copahue project
- Significant savings to the project as a result of having this relationship with IDB, the largest financier of projects in the region
- Mandate for the raising of the funds successfully executed by IDB and Earth Heat

The mandate will enable the final parts of the funding and feasibility processes to be undertaken with clear parameters. It will also close the initial phase of the financing in line with previously announced plans; which will be subject to the completion of a Bankable Feasibility Study and the meeting of all the requirements and covenants of the senior lenders.

The LOI for PPA from Loma Negra is for an initial allotment of 10MW and 78.84 MWh per annum and has a potential for further expansion in the future. They intend to develop a long term strategic relationship for the generation, supply and purchase of energy arising from and dedicated to their Argentinean projects.

The LOI for PPA from Electrometalurgica Andina SAIC, for an initial allotment of 30MWe per annum, has a significant potential for further expansion. They together intend to cooperate

and amalgamate technical and professional skill sets to facilitate a direct investment of the customer, either in Copahue or in other energy projects developed by Earth Heat.

EHR in March 2011 had announced the resource estimates for the Copahue concession area, in terms of electricity generating capacity and stored heat in place represents an increase of over 150% of the historical estimates. The company is expected to do a resource review in Q1 2012.

Resource Classification	Generating Capacity (Mwe)	Stored Heat in Place (PJ)
Measured Resources	99	700
Inferred Resource (Vapor zone)	55	2500
Inferred Resource (Deep Liquid zone)	190	7300

The Copahue is a vapor Based Reservoir and was discovered by Steam at Surface. It is characterized by high temperature over 235°C at depth.

This reservoir has favorable chemical characteristics Reservoir thickness is estimated to be of 600m. Steam lies at depth of 600 – 900m below surface extending to at least 1400m depth.^{xiv}

On May 20th 2011 Earth Heat Resources announced that it has commenced the first phase concept study for an accelerated 15MW geothermal plant at the Company’s Copahue Project in Argentina.

Highlights of Agreement:

- Copahue comprises an identified initial 30MW geothermal development with possibilities for significant expansion
- Four geothermal wells drilled to a maximum depth of 1400m have previously demonstrated individual well capacity can exceed 7MW pa
- Hot, dry vapor (steam) reservoirs – with temperatures of 235°C at 600m, associated with the Copahue volcanic complex provide the geothermal heat source
- Development anticipated to provide first power production and revenue within 4 years
- Veracity of project previously demonstrated via historical drilling and small pilot plant

- Off take sales price for electricity supported by Argentinean Government stimulus package (up to US\$120 MWh)
- Earth Heat to have the right to earn up to 87.5% of the Project by funding various stages of development

A full pre-feasibility study completed by the Japanese international corporation shows that an area covering approximately 4 km around the pivot power plant had the potential to support an initial 30 MW power station, with individual wells capable of producing more than 7 MW.

A key element of the Copahue Project is that it has previously had a small scale geothermal pilot plant installed and operating, supplying a small nearby town in the 1990's. As a result, significant infrastructure is already in place at the site.

In an endeavor to support its renewable energy policy, the Argentinean government has agreed to guarantee the purchase price for electricity generated through geothermal technology at a rate between US\$120 – US\$140 MWh in comparison to Australian average price of US\$70 – US\$85 per MWh. Existing power lines running adjacent to the power plant provide potential to supply electricity to end users, including the mine operators, at a premium over and above the rate guaranteed by the government.

On a basic business model, this project may generate gross revenue in excess of US\$ 33m per annum for the initial 30MW base case, while over the 30 year project life; IRR in excess of 25% may be generated.

EHR is required to undertake a minimum expenditure of US\$15M during the first two years. Total project cost is estimated to be around US\$120M-\$140M

Work to date

The company has finished its first phase concept study for an accelerated 15MW geothermal plant and has engaged Sinclair Knight Merz (SKM, a leading engineering firm) to advise and assist in the design and construction of the geothermal plant.

Project schedule:

Stage	Status
Appoint world class local team	Done
Commissioning Independent Experts	Done
Resource Certification	Done
Environmental Impact Assessment (stage 1 of 2)	Done
Concept study on plant size and timeframes	Done
Power Purchase Agreements (PPA) letters of intent	Done
Feasibility Study subject to concept study	Jan/Feb 2012
Long lead items (plant & equipment)	Feb 2012
First site works	Mar 2012
Drilling	2012
Installation	2012/2013
Commissioning	2013

Africa – Fiale Project

Asset Summary: EHR entered into an agreement to explore and develop a major geothermal resource in the Rift valley in Africa. A Joint Venture Agreement ('JV') has been signed with the Djibouti Ministry of Energy and Natural Resources and Electricite' de Djibouti in relation to the Fiale Geothermal Development Project.

Location: The East African Rift, which extends some 1800km south through a number of countries such as Ethiopia, Kenya, Uganda, Tanzania etc.

Regional geology: Rift Valley is considered to be one of the most strategic geothermal opportunities within the Africa Rift Valley, Lake Assal is an area of recent volcanic activity, known from drilling in the 1980s and has recently come under intense focus of international geothermal power players.

The Fiale project constitutes two reservoirs; one reservoir consists of shallow high temperature liquids (120-140C) at around 600 – 900m, and a deeper very high temperature steam reservoir (over 350C) down to 2000m of depth.

The reservoir is characterized by thick reservoir, fractures that enhance permeability for better stem flow. ^{xv}The Fiale Project has had six wells

drilled to date and has shown highly promising results, particularly in terms of productivity. Temperatures have been recorded up to 359 degrees Celsius at 2000m (commonly >250C at 1000m).^{xvi}

Highlights of Agreement

- Binding term sheet signed for development of a large geothermal field in Djibouti
- The Fiale area is prospective for a development of up to 150MW in the initial instance
- EHR to develop the Fiale Project in three tranches, the first tranche being to develop and install a 50MW plant
- Accompanying Power Purchase Agreement ('PPA') to be agreed subject to full documentation
- Advancing discussions with a major international finance house on full funding for the development
- Two reservoirs, one shallow high temperature liquids (120-140C), and a deeper very high temperature steam reservoir (over 350C) down to 2000m
- Thick reservoir, fractures enhance permeability. Shallow Depth: 600 – 900m and Deeper Target : 1000 – 1500m
- Temperatures recorded of up to 359 °C at 2000m (commonly >250C at 1000m)
- Field characterized by fumaroles and free flowing hot vapor and steam
- Maximum productivity recorded to date of around 180tn/h
- Recently pre-feasibility study was completed

Management believes that the lack of energy resources in emerging African countries is seriously hindering development and growth in countries. Botswana, Kenya and Djibouti are amongst the countries identified as providing the greatest immediate opportunities for a major expansion in geothermal projects (in terms of potential installed capacity), and gas fired power generation.

The first tranche will involve four stages:

- **Stage 1:** To define a suitable area for development-This will include geological and geophysical review, engineering studies,

identification of drilling locations and tendering and permitting.

- **Stage 2:** Drilling Operations - This will involve drilling and evaluation of reservoir.
- **Stage 3:** Bankable feasibility study and debt financing
- **Stage 4:** Construction of plant capable of producing 50MW and commissioning

Recent developments: Six wells have already been drilled till April 2011, though by a previous operator with high MW resources identified in wells 1, 3 and 6; productive capacity of 6-10MW per well. By 2013 50MW capacity is planned to be online, giving an energy output of ~420,000 MWh, operating at a maximum efficiency of 98%. After the first tranche is fully operational, the exploitation program for the second tranche (50MW) will begin.

At present the company is negotiating with Government and possible JV partners to develop the mentioned project.

Australia

EHR's interest: 100%

Asset Summary: Earth Heat holds 100% interest in nine geothermal exploration licenses

('GELs') covering circa 13,000Km² in South Australia, in an area of high heat flow which is known as the South Australian Heat Flow Anomaly ('SAHFA'). These licenses were granted in May 2010.

Location: All of EHR's South Australian assets are located in an area of higher heat flow which is known as South Australian Heat Flow Anomaly (SAHFA). The natural radioactive decay of these rocks produces high heat flow. The location of the projects has additional advantage in terms of adjacent major roads and power corridors and accessibility round the year from Adelaide.

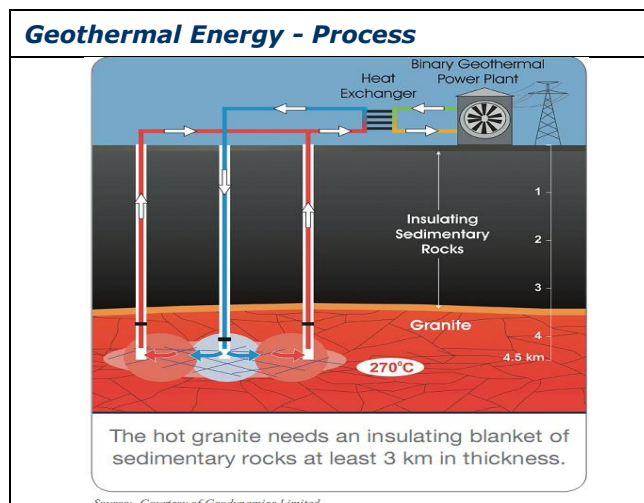
Recent developments: South Australian tenements were suspended for 12 months to July 2011, due to market deterioration for geothermal companies as a whole. The Company then consolidated and rationalized its existing GELs portfolio in South Australia, with Primary Industries and Resources of South Australia (PIRSA). This process resulted in GEL 505 and Gel 506 being surrendered on November 17, 2011, and the balance of the GELs consolidated into 3 (this is subject to final approval from the state regulator).

Technologies and Markets

Geothermal Energy - Sector Overview

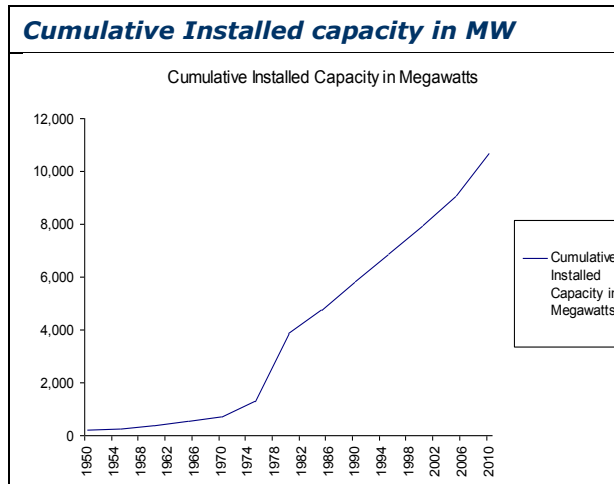
Geothermal energy is produced by extracting the natural, internal heat of the earth to create electricity. Heat is naturally generated in special granite rocks located deep below the Earth's surface and is trapped by layers of insulating sedimentary rocks. These are also known as Hot Dry Rocks (HDR), Hot Fractured Rocks (HFR) or Enhanced Geothermal Systems (EGS).

1. Wells are drilled to a depth of 3-5 kilometers below the surface to locate the heat-producing granite.
2. Water is then pumped down into the wells and through cracks in the rocks.
3. The water is heated to a temperature of up to 300°C and pumped back to the surface where the heat is used to drive a turbine and produce electricity.
4. The water used is then recycled.



Global growth patterns

In 2005, there was 8,933 MW of geothermal power installed capacity in 24 countries, generating 55,709 GWh per year of green power, according to the International Geothermal Association. As per IGA estimates, 10,715 MW generation capacity is on line in 2010 generating 67,246 GWh. This represents a 20% increase in geothermal power on line between 2005 and 2010.



IGA projects this will grow to 18,500 MW by 2015, which based upon the large number of projects under consideration appear reasonable if not conservative.

The increase in the installed capacity (MW) and the percentage growth for Top 5 countries is as follows

Rank	Countries	Increased MW's during 2005-2010
1	US	530
2	Indonesia	400
3	Iceland	373
4	New Zealand	193
5	Turkey	62

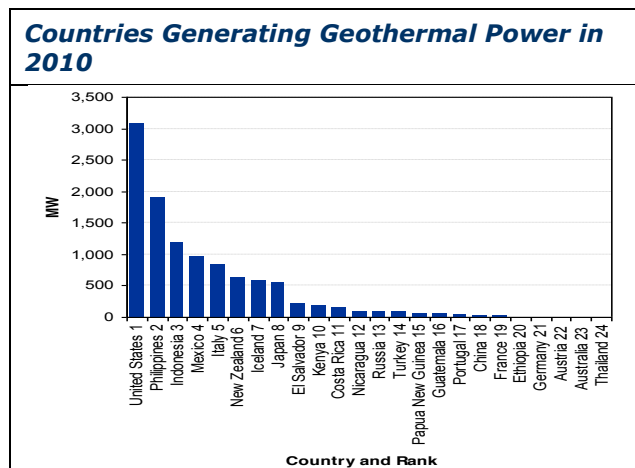
Source: Geothermal Energy: International Market Update, Geothermal Energy Association

Rank	Countries	% CAGR 2005-2010
1	Germany	96%
2	Papua-New Guinea	56%
3	Australia	49%
4	Turkey	32%
5	Iceland	23%

Source: Geothermal Energy: International Market Update, Geothermal Energy Association and Arrowhead Research

As of early 2010, nearly 200 projects were under way in 15 U.S. states which could result in at least 7.8 GW of new capacity and much more capacity is in project pipelines around the globe. As many as 70 nations had projects under development as of May 2010. At least 11 countries that did not have operating

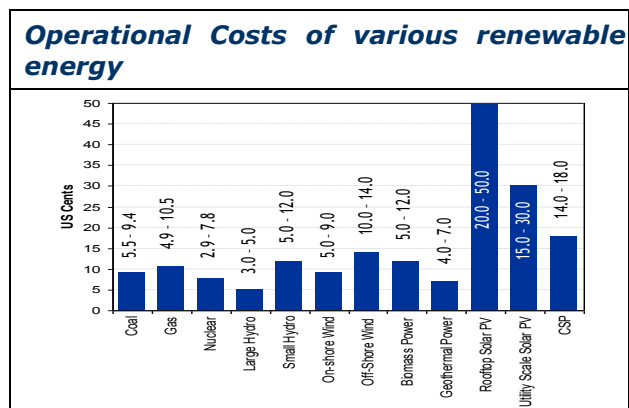
geothermal power plants by early 2010, all in Europe and the Americas, are projected to add capacity by 2015, with the global total reaching 18.5 GW. Additional projects are being planned or are under way in East Africa's Rift Valley, in Kenya and in Eritrea, Ethiopia, Tanzania, and Uganda.



Source: Geothermal Energy: International Market Update, Geothermal Energy Association

Low cost Advantage

With the recent development in technology geothermal energy is becoming more cost-competitive with conventional (except nuclear) and renewable sources (except large hydro) of energy. Geothermal power plants are characterized by high investments (exploration, drilling, and installation) but once geothermal power plant is built operational and maintenance costs are fairly low. This property of geothermal energy makes it highly desirable in the areas which are feasible.



Source: Renewable Global Status Report, 2010, PacifiCorp data and World Nuclear Association study

According to the Renewable Global Status Report, by 2009, over 85 countries had some kind of policy target, up from 45 countries in 2005. Many national targets are for shares of renewable in total electricity production, typically 5–30 percent, but range as high as 90 percent. Other targets are for shares of total primary or final energy supply (typically 10–20 percent), specific installed capacities of various technologies, or total amounts of energy production from renewable energy sources. Most recent targets aim for 2020 and beyond. Europe's target (20 percent of final energy by 2020) is prominent among OECD countries. Among developing countries, examples include Brazil (75 percent of electricity by 2030), China (15 percent of final energy by 2020), India (20 GW solar by 2022), and Kenya (4 GW of geothermal by 2030). Many targets also exist at the state, provincial, and local levels.

EHR Geothermal Markets

Australia:

Australia's geothermal resources are plentiful and fall into two categories: hydrothermal (from hot groundwater) and hot fractured rock. The Australian Geothermal Energy Association estimates Australia's industry could potentially provide up to 2,200 megawatts (MW) of electricity by 2020. The Australian geothermal industry is still in its development phase and the only working power station so far can be found in Birdsville Queensland. It uses hot water from the Great Artesian Basin and is rated at 120 kilowatts.

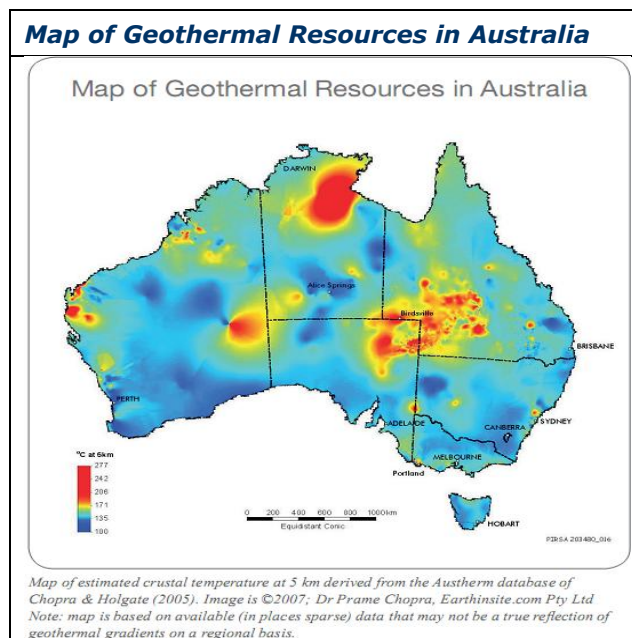
Currently approximately 48 companies nationally have applied for 400 licenses to work on geothermal exploration in Australia. Only a small number of geothermal companies have commenced drilling and exploration and several of these expect to have working hot rocks geothermal generators working within the next 2 – 5 years. Once fully established, geothermal energy will have the capacity to provide clean, continuous and reliable power to homes and businesses.

According to estimates from Geoscience Australia, hot rocks within five kilometers of the earth's surface contain energy sufficient to deliver 2.6MM years' worth of energy to Australia, based on the nation's total current energy supply. If just one per cent of this

energy could be tapped, it would be the equivalent of 26,000 times Australia’s annual power consumption.

The future success of geothermal power in Australia is dependent upon government policies to support the development and deployment of these emerging technologies. This funding will enable geothermal to set up infrastructure, such as grid connections and compete with more carbon-intense energy sources, like fossil fuels. Work needs to be undertaken to ensure that network access arrangements do not discriminate against more remote locations of this technology source. By 2050 geothermal energy could reduce Australia’s emissions by avoiding approximately 25% of today’s electricity generation emissions.

Outlook: The Government’s Renewable Energy Target (RET) of 20% by 2020 supports growth in Australia’s renewable energy sector by encouraging uptake of the cheapest available energy sources currently available (i.e. wind and biomass). In the longer term, carbon price will make carbon intensive fossil fuels more expensive and clean renewable energy attractive. However, base load renewable energy like geothermal misses out in the short term.

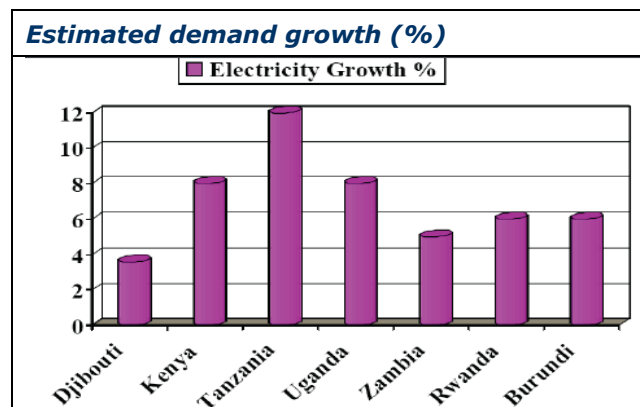


East Africa:

The potential geothermal capacity in East African countries is estimated to be 10,000 to 11,000MW by African Energy Commission. Djibouti’s potential capacity is estimated to be 230-860MW. East Africa is power deficient region with only 5-

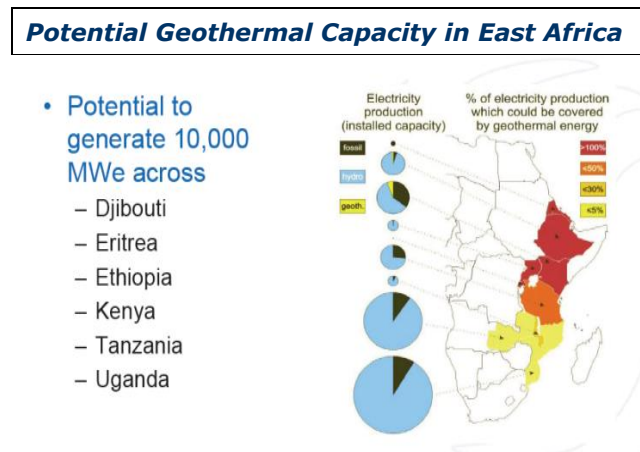
10% of rural households having access to electricity.

Estimated Demand Growth ^{xvii}



Electricity generation is dominated by hydro and thermal power plants. So far only Kenya (167 MW) and Ethiopia (7.2 MW) use geothermal energy in East Africa. There are plenty of untapped geothermal opportunities in this region.

Potential Geothermal Capacity in East Africa



However, there are certain challenges in geothermal energy development in East Africa. Some of those are listed below:

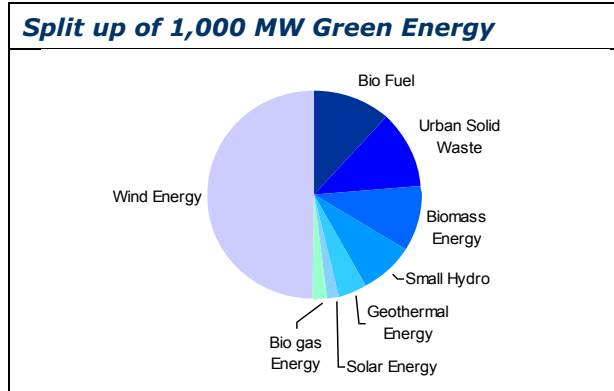
- High initial cost and lack of suitable financing mechanism;
- Risk associated with finance and investment;
- Inadequate human resource and technology expertise;
- Poor information and resource database; and
- Lack of appropriate institutional and coordination mechanism.

Argentina

Argentina has significant geothermal potential, mostly along the huge Andes mountain range, on the western border of the country but geothermal energy is not used for electricity generation as frequently as for other purposes like snow melting.

Natural gas with 50.8%, followed by 34.3% from oil, has the highest percentage of the total energy supply of Argentina. In 2002, the share of all renewable energy supply was 11.4% of the total energy supply which is not insignificant.

In 2009, the federal secretariat of energy launched the Green Program to make it compulsory for the wholesale electric market to purchase 1000 MW from renewable energy generators. Below is the composition of 1,000 MW.



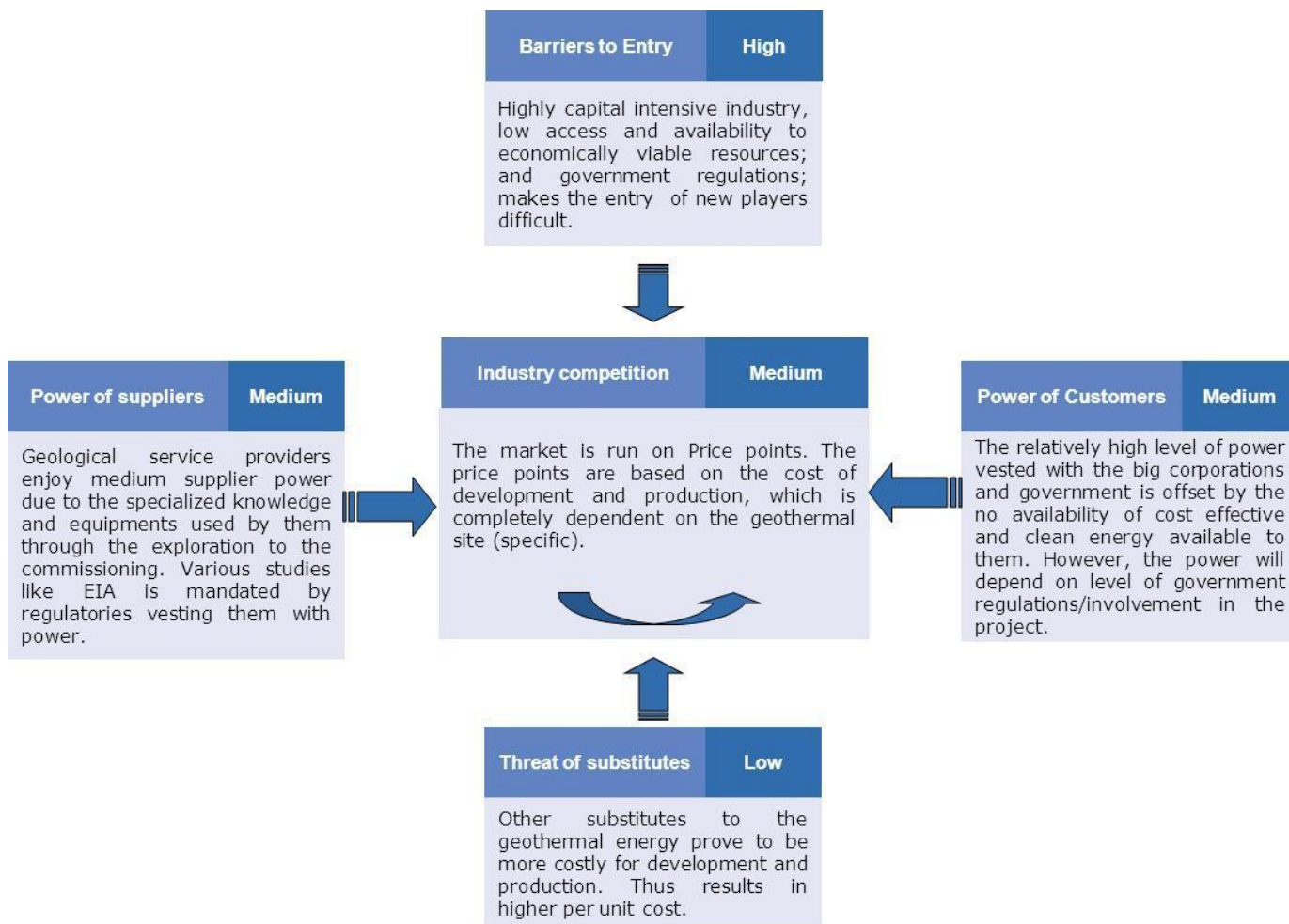
Source: The GENREN program, Argentina

Arrowhead believes EHR has enormous growth potential considering the demand condition in EHR's market and the penchant for green energy across the globe.

Porter’s Five Force Analysis for the Geothermal Industry in Argentina

Overview

Argentina has significant geothermal potential, mostly along the huge Andes mountain range, on the western border of the country. The country also has launched the Green Program to make it compulsory for the wholesale electric market to purchase 1000 MW from renewable energy generators.



Project Risk Profile Analysis

We believe that EHR has a very low risk profile compared to its peers in Australia. The Copahue project has a low project maturity and associated geothermal risk compared to its peers. The Copahue project has a full historic feasibility study, 4 deep wells, very high temp at shallow depth (235°C at 600m), transmission lines within 30m of old pilot plant and attractive guaranteed off take pricing. This is in sync with the company’s robust business model to pursue LOW RISK investments and convert them into MATURE projects capable of generating business value.

Peer Risk Analysis

We have evaluated the risk profile of the EHR compared with the geothermal players in Australia. We identified the risk as Low/Medium/High and assigned a score of 1/2/3 respectively based on the risk profile of the major projects pursued by the companies. The important risk categories considered for the study include

- Project Maturity Risk: LOW - Near feasibility; HIGH- Proof of Concept Stage
- Financing Risk: LOW - Near negotiations / lower exploration capex; HIGH - Funding need for exploration or no well known funding sources.
- Geothermal Type Risk: LOW - Volcanic ; HIGH - HDR/EGS
- Resource Characteristics Risk: LOW - High temperature at lower depths with high pressure; HIGH – Lower temperature at higher depths.

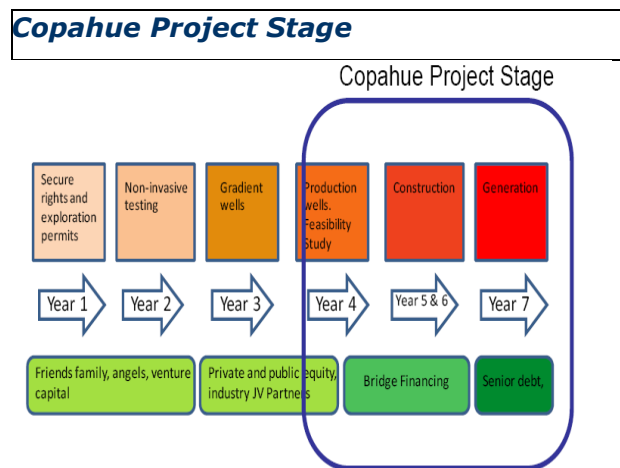
The individual risk parameters and the underlying rationale for the scores are discussed in the subsequent sections.

Peer Risk Profile

Com-pany	Total Risk Score	Project Stage Risk	Financing Risk	Geo-thermal Type Risk	Resource Characteristics Risk
EHR	1.12	1.2	1.0	1.9	1.0
GDY	1.8	1.8	2.0	1.0	3.0
GHT	2.5	2.7	3.0	3.0	3.0
GRK	2.6	2.6	3.0	3.0	2.0
GER	2.4	2.4	3.0	2.0	2.0
HRL	2	2.0	2.0	2.0	2.0

Com-pany	Total Risk Score	Project Stage Risk	Financing Risk	Geo-thermal Type Risk	Resource Characteristics Risk
KEN	2.6	2.6	3.0	3.0	2.0
PAX	1.3	1.3	1.0	2.0	1.5
PTR	2	2.0	2.0	2.0	2.0
TEY	2.4	2.4	2.0	3.0	3.0

Copahue Risk Assessment



Project Stage Risk –LOW

- Full feasibility study was completed by the Japanese International Cooperation Agency (JICA) in 1992. The recent concept study and EIA proved it to be a financially viable site.
- The Australian peers are mostly in the exploration and proof of concept stage. Most of the Australian peers are yet to prove sustainable production through pilot projects. There is currently no equivalent volcanic geothermal project in Australia comparable to Copahue project.

Financing/Capex Risk- LOW

- While the drilling cost is nominally about US\$1.7M to US\$3.0M for the Copahue project it is about US\$14M- US\$25M for HDR projects in Australia depending on the depth.
- The company has received letters of support for financing construction and development of Copahue (Argentina) from Inter American Development Bank and FMO (Netherlands Development Bank).

Geothermal Type Risk- LOW

- Dry steam vapor dominated reservoir with a natural reservoir. The production has been demonstrated by historical production of steam.
- The Australian projects need nominal fluids injected before extraction to sustain production.

Resource Characteristics Risk- LOW

World class vapor based reservoir discovered by steam at surface high temperature over 235°C at shallow depths with favorable chemical characteristics. It has a thick reservoir at least 600m thick at a shallow depth of 600 – 900m below surface extending to at least 1400m depth.

- The HDR projects in Australia require a reservoir to be created until a depth of 3000 to 5000m.
- The recent resource review of its Copahue Project indicated a 150% increase in total resources.

Djibouti Risk Assessment

Project Stage Risk –LOW

The pre-feasibility study was completed recently.

Financing/Capex Risk- MEDIUM

Although the Djiboutian (& East African), financings are not widely marketed the company has received significant expressions of debt finance (mezzanine and senior), interest from

- FMO (Netherlands Development Bank)
- DEG (German Development Bank)
- ADB (African Development Bank)
- IFC (International Finance Corporation)

Geothermal Type Risk- LOW

- A two reservoir field containing a shallow hot water reservoir suitable for a binary plant (approx 600m) and a deeper steam reservoir.
- Field characterized by fumaroles and free flowing hot vapor and steam

Resource Characteristics Risk- LOW

- Temperatures have been recorded up to 359 °C at 2000m (commonly >250°C at 1000m).

Risk Parameters – Definition ^{xviii}

Project Stage Risk

The different stages in a project are

- **Confirmation Stage:** Geothermal reservoirs are typically discovered by accident through mineral exploration or by visible surface evidence such as hot pools or geysers. Exploratory slim-hole wells are drilled to map the reservoir. The confirmation stage ends with an independent consultant’s report verifying the existence of the reservoir and the minimum MW it can support.
- **Drilling and Feasibility Study Stage:** At least three production size wells are drilled. These are 12 inches in diameter and 500 to 3,000m deep. Wells cost between US\$3M and US\$6M on each, depending on depth, site access, and earth conditions (rig and crew US\$65k-US\$80k per day for 45-90 days). This stage ends with a feasibility study by independent consultants. The study more practically defines the map, size, and flow rates and adds an economic feasibility assessment.
- **Construction Stage:** A positive feasibility study is the first domino that enables permitting, which enables a long-term 20 years or more) PPA with the local grid operator, which enables debt financing, which enables the equity financing. A geothermal plant will take 18 months to begin power generation after the drilling program is complete

We consider a project to be of lower risk profile if the drilling is complete and a feasibility study has been conducted as the uncertainty regarding the sustainability of the project reduces significantly.

Project Financing Risk

The financing risk of the projects are evident in both the exploration and construction phase.

The funding for exploration is generally available through private offering or JV partners or endowments provided by government. The funding is given to them in stages contingent upon the success of the previous phases.

The construction capital expenditure is availed through mezzanine and development banks depending up the geography and risk profile of the project.

We consider a project to be of lower risk profile if the feasibility study has been conducted and the exploration capital expenditure is low.

Geothermal Type Risk

Today only naturally occurring hot water & steam from hydrothermal sources is being utilized for power generation economically. Exploitation of other types of energy still requires technological advancements for techno-economic viability.

Geothermal power plants are divided into the following types depending on the different fluids from wells:

Superheated steam type: Dry steam resources are rare but are the simplest and least costly to develop. Naturally occurring steam can be used in a standard steam turbine to generate electricity. The steam produced from geothermal wells is fed directly to the steam turbine using insulated pipelines.

Hot water type: Liquid dominated resources are more common. If resource temperatures are fairly high (> 170C), the liquid can be partially flashed to steam in a tank maintained at a much lower pressure, for use in a steam turbine. If temperatures are moderate (100°C to 180°C), the heat in the liquid can be used to vaporize a secondary organic working fluid, and produce power using a binary cycle plant.

We consider a project to be of lower risk profile if it is based on a Dry steam vapor dominated natural reservoir compared to an Enhanced Geothermal System (EGS).

Geothermal Resource Risk

For a geothermal energy development project to be commercially viable, the parameters listed below have to lie within acceptable ranges.

- **Temperature:** Useful geothermal temperatures ranges from 100°C C for Geothermal Heat Pumps (GHPs) to more than 300°C for electricity generation. In general, the higher the temperature the

better the economics for generating electricity.

- **Energy Production Rates:** The amount of energy that can be economically extracted from geothermal the fluid's temperature, flow rate, and the energy conversion technique. The useful output per well can range from a few kilowatts for shallow low-temperature wells to tens of megawatts for deep high-temperature, highly productive wells.
- **Well Depth:** The deeper a geothermal well, the more it costs. However, wells as deep as 3,000m can be drilled economically, provided that the energy production rates from the wells are high. Well in use range in depth from 60 to 3,000 m.
- **Energy Transport:** Electricity can be transported over long distances. Thus, a geothermal power plant can serve distant customers. Hot water can be transported over moderate distances (typically 1 to 2km, put up to 50km if the system capacity is very large), depending on resource and end-use temperatures, terrain conditions, and local climatic conditions. Geothermal steam must be used within one to two kilometers of the production wells

We consider a project to be of lower risk profile if the temperature is high and available at lower depths.

Peer Valuation and Risk Profile

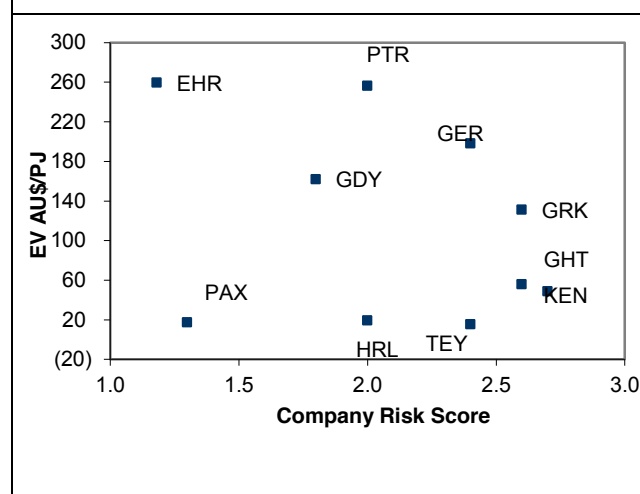
We have also evaluated the companies based on the value per geothermal resource and the risk profile.

Enterprise Value per Peta Joule of Resource has been used. AU\$/PJ has been used as a proxy for the valuation measure.

The Risk Profile has been assessed as a weighted blended score based on the project maturity risk (40% weightage), financing risk (20%), geothermal type risk (20%) and geothermal resource characteristic risk (20%).

The individual risk score have been provided in the risk profile table in the Peer Risk Profile table in the previous section.

Valuation Vs Risk Profile Chart



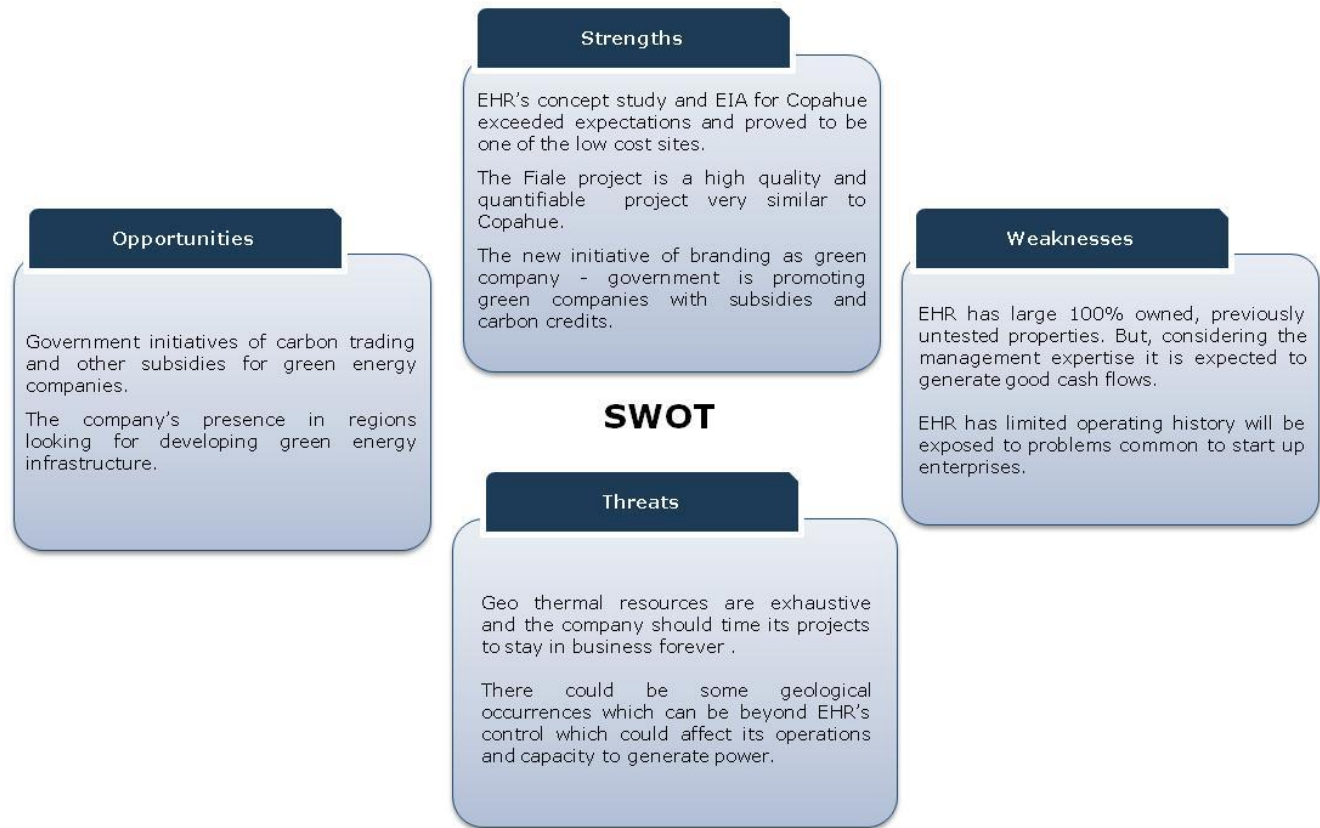
Valuation Vs Risk Profile

Company	Total Risk Score	Enterprise Value/ Resource (AU\$/PJ)	Enterprise Value (AU\$m)	Total Resource (PJ)
EHR	1.2	259.7	29.9	114,950
GDY	1.8	161.9	39.9	246,400
GHT	2.7	48.9	4.1	84,000
GRK	2.6	131.2	6.3	48,100
GER	2.4	198.1	4.3	21,500
HRL	2.0	19.5	5.7	292,000
KEN	2.6	56.1	2.3	40,842
PAX	1.3	17.3	5.8	332,000
PTR	2.0	256.6	9.8	38,041
TEY	2.4	15.4	1.5	95,160

The analysis clearly indicates our assertion that EHR commands a significant premium compared to its peers considering the low risk profile of its projects. We believe that EHR would move in to the next valuation bracket as it has moved into the final stage of implementing its geothermal projects.

Company	Ticker	Major Projects	Project Stage / description	Technical Details	EHR in comparison with peer
Earth Heat Resources	EHR	Copahue Project - Argentina	EHR has finished its first phase concept study for an accelerated 15MW geothermal plant at the Company's Copahue Project in Argentina. It is expected to commence bankable feasibility studies for Argentina by Jan/Feb 2012.	Temperature 230-250°C .Drilling has shown the reservoir to be at least 600 m thick, extending from about 600-900 m depth below the ground surface to at least 1,200 m	Received letters of support for financing construction and development of Copahue (Argentina) from Inter American Development Bank and FMO (Netherlands Development Bank).
Earth Heat Resources	EHR	Djibouti Project	In talks for JV partners.	Recorded up to 359 °C at 2000m (commonly >250°C at 1000m).	In talks for JV partners.
Geodynamics	GDY	Cooper Basin, Southern Australia	Development of a Commercial demonstration EGS geothermal power plan	278°C at 4,900m, 252°C at 4,350m and 130-150°C at 2,200m.	
Geothermal Resources	GHT	Frome , Southern Australia	Comprehensive project plan prepared for the Frome project proof of concept drilling.	185 to 190°C at 4000m depth.	Two drilling plans were cancelled due to the inadequate financing. At this stage company is looking for government help.
Green Rock Energy	GRK		Expects to secure funding in 2012 and build its first well by mid 2013.	125°C for HSA and 150°C for EGS @ max. depth of 5,000 m depth	Strong funding and a Strong contender for State and Commonwealth funding towards first 2 wells.
Greenearth Energy	GER	Geelong, Victoria	Demonstration Plant: Expected Commencement: H1 2012	150-180°C at 3000-4000 m depth	Strong Govt support: In late 2009 Greenearth Energy was awarded Australian Government (\$7m) and Victorian Government (\$5m+\$20m) grants for the GGPP totaling \$32m.
Hot Rock	HRL	Koroit, Victoria	Ready to drill 2 exploration wells by Nov 2012 at Koroit HSA resource.	Well temperatures range from 126°C to 152°C b/w 2400m to 3700m in VIC. 171°C at 4000m in Panax	
KUTh Energy	KEN	Tasmania, Queensland, Vanuatu	Slim hole drilling to commence Feb 2012 and production well by feb 2013.	150°C - 220°C- at minimum predicted depth to top-reservoir is 3200m at Mt Nicholas	
Panax Geothermal	PAX	Copper Basin - Australia , Indonesia, India	Currently pursuing three potential remediation options	(150-200°C at depth 3,500m to4,000m) - Penola Project	Awarded \$7 million GDP grant from Commonwealth Govt. for Penola
Petratherm	PTR	Paralana Project	Drill production well into the enhanced fractured reservoir.	Measured Temp. = 176°C at 3672 m; Extrapolated bottom hole temp. is 190 ±2 °C at 4000m depth. [Paralana 2]	Three major JV involved in its projects in Australia and Spain >awarded two major Federal government grants \$7m GDP and \$62.8m REDP for its Paralana project –enabling a forward development path for commercial demonstration
Torrens Energy	TEY	Parachilna	Intermediary 'Validation Drill - Treebeard 1A was completed.	Modeled temperatures of ~240°C at 4,500m were validated	To date Torrens Energy has spent \$9.72m on exploration, of which \$3.1m has been received from the Australian Government REDI (below) and PACE grants. In addition \$0.9m has been received from AGL on funding the Barossa Project resulting in net Company expenditure of approximately \$5.7m

SWOT Analysis



Value

The Fair Market Value for EHR shares stands between AU\$252.33MM to AU\$511.87MM.

The Fair Market Value for one of EHR publicly traded shares stands between AU\$43.5c to AU\$88.1c.

EHR Balance Sheet Forecast

CONSOLIDATED BALANCE SHEET	<i>all figures in '000 AU\$, unless stated differently</i>		<i>Low bracket estimates</i>				
<i>year ending September 30</i>	2012E	2013E	2014E	2015E	2016E	2017E	2018E
Total Current Assets	6,070	5,388	2,623	17,236	52,240	95,174	1,39,958
Total Non-Current Assets	15,623	35,102	53,932	67,135	70,897	74,534	78,049
TOTAL ASSETS	21,693	40,491	56,555	84,371	1,23,137	1,69,708	2,18,008
Total Current Liabilities	20,699	15,734	771	809	850	892	937
Total Non-current Liabilities	-	-	-	-	-	-	-
TOTAL LIABILITIES	20,699	15,734	771	809	850	892	937
Total Shareholders' Equity	994	24,757	55,785	83,562	1,22,287	1,68,816	2,17,071
TOTAL LIABILITIES and EQUITY	21,693	40,491	56,555	84,371	1,23,137	1,69,708	2,18,008

Important information on Arrowhead methodology

The principles of the valuation methodology employed by Arrowhead BID are variable to a certain extent, depending on the sub-sectors in which the research is conducted. But all Arrowhead valuation researches possess an underlying set of common principles and a generally common quantitative process.

With Arrowhead commercial and technical due diligence, the company researches the fundamentals, assets and liabilities of a company, and builds estimates for revenue and expenditure over a coherently determined forecast period.

Elements of past performance such as price/earnings ratio, indicated as applicable, are mainly for reference. Still, elements of real-world past performance enter the valuation through their impact on the commercial and technical due diligence.

We have also presented the comparables method based on market capitalization per resource of ton (AU\$/T) as a secondary measure of fair value, which, though is not central to the methodology applied towards building the fair value bracket, is presented here as additional information.

Arrowhead BID Fair Market Value Bracket

The Arrowhead Fair Market Value is given as a bracket. This is based on quantitative key variable analyses such as key price analysis for revenue and cost drivers or analysis and discounts on revenue estimates for projects, especially relevant to projects estimated to provide revenue near the end of the chosen forecast period. Low and high estimates for key variables are produced as a valuation tool.

In principle, an investor comfortable with the high brackets of our key variable analysis will align with the high bracket in the Arrowhead Fair Value Bracket, and, likewise, in terms of low estimates. The investor will also note the company intangibles to analyze the strengths and weaknesses, and other essential company information. These intangibles serve as supplementary decision factors for adding or subtracting a premium in investor's own analysis.

The bracket should be taken as a tool by Arrowhead BID for the reader of this report and the reader should not solely rely on this information to make his decision on any particular security. The reader must also understand that while on the one hand global capital markets contain inefficiencies, especially

in terms of information, on the other, corporations and their commercial and technical positions evolve rapidly. This present edition of the Arrowhead valuation is for a short to medium-term alignment analysis (one to twelve months). The reader should refer to important disclosures on page 31 of this report.

Information on the EHR valuation

EHR Valuation Methodology: The Arrowhead fair valuation for EHR is based on the discounted cash flow (DCF) method. Valuation is based on the Copahue and Fiale Project.

Time Horizon: The Arrowhead fair valuation for EHR is based on a DCF method. The time period chosen for the valuation is ~117 months (2012-2021). While revenue is expected to ramp up significantly during the 2014-2016, the later years are heavily discounted and have a marginal effect on valuation, which are included primarily to present a full project cycle situation.

Underlying Business Plan: EHR is pursuing a strategy to position itself amongst the top tier of independent developers in the geothermal energy sector. It aims to harness the geothermal power particularly in emerging economies where it does not have to compete with existing and pre-established infrastructure. Following steps have been undertaken by the company toward the accomplishment of its objective:

- Expects to commence bankable feasibility studies for Argentina in Q1 2012 for its stage 1 15MWe project and commissioning of the project in 2013.
- The company is in talks for Joint Venture Partners for the Djibouti project.
- Finance the projects by using large special interest funder's operative in the regions it has significant developments, and further augmenting that senior debt funding with hybrid mezzanine facilities to enable final investment decisions to be made.
- The company is in the process of listing on the Toronto Ventures Exchange, which will significantly increase its access to investors in the space, and therefore increase its access to capital for future developments.
- Stable and systematic increases in expansions of existing projects, augmented by assembly of the next generation of development projects.

Terminal Value: Terminal Value is estimated to depend on a terminal growth rate of 0%, representing the maturity, technology change and prospective competitiveness in the business.

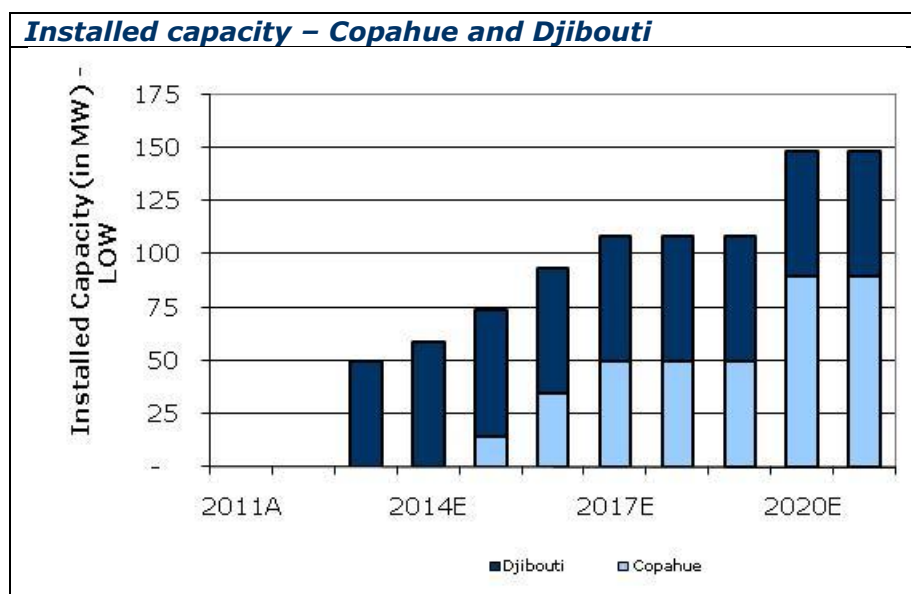
Prudential Nature of Valuation: This Arrowhead Fair Value Bracket estimate is a relatively prudential estimate, as it discounts the eventuality of the company acquiring and producing from any projects other than Copahue and Fiale before 2021.

Key variables in EHR revenue estimations

The key variables are the main quantifiable variables which influence the valuation of the company. Key variables can be exogenous (exchange rate, product price, etc.) or endogenous (production rates, costs of production) to the company performance. A low and high forecast is determined by Arrowhead for each variable. Each of the variables is considered independently for the purpose of this report because the final goal of the Arrowhead Due Diligence and Valuation Report is to state what the company is worth *at least* and *at most*.

Variable 1 – Geothermal Power capacity of both the projects

Based on company reports, Arrowhead forecasts that Argentina project will be online with an installed capacity of 15MW by 2015 (Stage 1), scaling up to 40MW in stage 2. In 4-5 years' time the project is expected to have installed minimum of 50MW capacity and in another 2 years is expected have a capacity of 100MW. The Tranche 1 operations at Djibouti with an installed capacity of 50MW will be online in 2013.



Copahue	2015	2016	2017-19	2020-21
Low	15.0	35.0	50.0	90.0
High	20.0	40.0	60.0	100.0

Djibouti	2013	2014	2015	2016
Low	50.0	59.0	59.0	59.0
High	59.0	65.0	65.0	65.0

Variable 2 – Operating Efficiency of the plants

We forecast that conversion efficiency would be 95% for both the projects at lower end of forecasts while a prudent high estimate would be 98%.

	Operating Efficiency
Low	95%
High	98%

Variable 3 – Price per MWh

We have forecasted a price range of US\$120 – US\$140 for Argentina project, as the government plans the removal of subsidies for consumers. Our forecast for Africa project is US\$100 at the lower end and US\$140 at the higher end.

Price per MWh	Copahue	Djibouti
Low	120	100
High	140	140

Variable 4 – Operating & Maintenance Cost

Based on company reports, Arrowhead forecasts the Operating and maintenance costs per MW to range between US\$30-35.

	2012
Low	30.0
High	35.0

Variable 5 – Currency movement between the AU\$/ US\$ pair

Arrowhead forecasts AU\$/ US\$ pair to trade at par for the valuation horizon, a comfortably low estimate, whereas a prudent high estimate would be 1.10. The company is expect its revenues in USD and bulk of the contractor costs would be priced in US\$ aside from country personnel expenses which would be priced in local currency.

	2012
Low	1.00
High	1.10

Analyst Certifications and Important Disclosures

Analyst certifications

I, Rashmi Shah, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security and the subject company.

I, Vishal Pasari, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security and the subject company.

Important disclosures

Arrowhead Business and Investment Decisions, LLC received fees in 2011 and 2012 from EHR for researching and drafting this report and for a series of other services to EHR, including distribution of this report and networking services. Neither Arrowhead nor its partners own any long or short positions on Earth Heat equity or other Earth Heat securities.

Aside from certain reports published on a periodic basis, the large majority of reports are published by Arrowhead BID at irregular intervals as appropriate in the analyst's judgment.

Any opinions expressed in this report are statements of our judgment to this date and are subject to change without notice.

This report was prepared for general circulation and does not provide investment recommendations specific to individual investors. As such, any of the financial or other money-management instruments linked to the company and company valuation described in this report, hereafter referred to as "the securities", may not be suitable for all investors.

Investors must make their own investment decisions based upon their specific investment objectives and financial situation utilizing their

own financial advisors as they deem necessary. Investors are advised to gather and consult multiple information sources before making investment decisions. Recipients of this report are strongly advised to read the information on Arrowhead Methodology section of this report to understand if and how the Arrowhead Due Diligence and Arrowhead Fair Value Bracket integrate alongside the rest of their stream of information and within their decision taking process.

Past performance of securities described directly or indirectly in this report should not be taken as an indication or guarantee of future results. The price, value of, and income from any of the financial securities described in this report may rise as well as fall, and may be affected by simple and complex changes in economic, financial and political factors.

Should a security described in this report be denominated in a currency other than the investor's home currency, a change in exchange rates may adversely affect the price of, value of, or income derived from the security.

This report is published solely for information purposes, and is not to be considered as an offer to buy any security, in any state.

Other than disclosures relating to Arrowhead Business and Investment Decisions, LLC, the information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete statement or summary of the available data.

Arrowhead Business and Investment Decisions, LLC is not responsible for any loss, financial or other, directly or indirectly linked to any price movement or absence of price movement of the securities described in this report.

Valuation

WACC

Risk-free rate	5.75% ^{xxix}
Beta	1.77 ^{xx}
Risk premium	4.5% ^{xxi}
Additional Risk Premium	0.0% ^{xxii}
Cost of Equity	13.7%
Terminal Growth Rate	0.0% ^{xxiii}

	Geothermal Power Capacity 2011-2021	Sale Price US\$/MWhr vehicles 2011-2021	AS\$/US\$ exchange rate
Max value	Please refer to the Key Variable Section		
Min value			

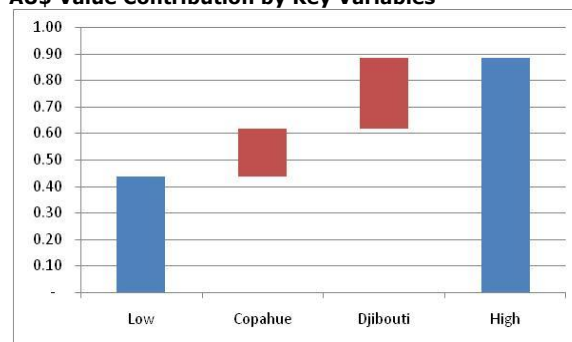
FCFE (High) Time Period -->	0.75	1.75	2.75	3.75	4.75	5.75	6.75	7.75	8.75
	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Net cash from operating activities	(2,357)	55,681	65,715	56,818	74,198	88,695	91,621	94,616	1,23,490
Capital Expenditure	(12,000)	(20,000)	(20,000)	(15,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Net Debt Addition	15,750	(10,500)	(5,250)	-	-	-	-	-	-
Free Cash Flow to Equity	1,393	25,181	40,465	41,818	68,198	82,695	85,621	88,616	1,17,490
Discount Factor	0.91	0.80	0.70	0.62	0.54	0.48	0.42	0.37	0.32
Present Value of FCF	1,265	20,109	28,417	25,825	37,037	39,494	35,959	32,729	38,159
FCFE (Low) Time Period -->	0.75	1.75	2.75	3.75	4.75	5.75	6.75	7.75	8.75
	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Net cash from operating activities	(2,307)	24,314	32,229	29,608	40,998	48,928	50,778	52,670	72,923
Capital Expenditure	(12,000)	(20,000)	(20,000)	(15,000)	(6,000)	(6,000)	(6,000)	(6,000)	(6,000)
Net Debt Addition	15,000	(10,000)	(5,000)	-	-	-	-	-	-
Free Cash Flow to Equity	693	(5,686)	7,229	14,608	34,998	42,928	44,778	46,670	66,923
Discount Factor	0.91	0.80	0.70	0.62	0.54	0.48	0.42	0.37	0.32
Present Value of FCF	629	(4,541)	5,077	9,022	19,007	20,502	18,806	17,236	21,735

In the model, the valuation is continued to the year 2021, from which point the terminal value is established. For all data see reference table below:

ARROWHEAD FAIR VALUE BRACKET

	High	Low
Terminal Value (TV)	8,84,405	5,06,202
Present Value of TV	2,52,597	1,44,577
Present Value of FCF + TV	5,11,591	2,52,051
+ Cash ^{xxiv}	282	282
Equity Value Bracket	5,11,873	2,52,333
Shares Outstanding (in '000) ^{xxv}	5,80,502	5,80,502
Fair Value Bracket	AUD 0.88	AUD 0.43
Current Market Price	AUD 0.04	AUD 0.04
Current Market Capital	22,059	22,059
Target Market Capital	5,11,873	2,52,333

AU\$ Value Contribution by Key Variables



Notes and References

- i Arrowhead Business and Investment Decisions Fair Value Bracket - AFVBTM. See information on valuation on pages 32 of this report and important disclosures on page 31 of this report.
- ii Source: Bloomberg as of 17-Jan-2012.
- iii 52 weeks to 17-Jan-2012. Source: Bloomberg as of 17-Jan-2012.
- iv 3 months to 17-Jan-2012. Source: Bloomberg as of 17-Jan-2012.
- v 3 months to 17-Jan-2012. Source: Bloomberg as of 17-Jan-2012.
- vi Arrowhead Business and Investment Decisions Fair Value Bracket - AFVBTM. See information on valuation on pages 32 of this report and important disclosures on page 31 of this report.
- vii Source: <http://www.earthheat.com.au/projects.php>.
- viii Source: May 2011 Half yearly Company report.
- ix Source: Earth Heat Progress on Key Issues.
- x Source: <http://www.earthheat.com.au/projects.php>.
- xi Source: <http://www.earthheat.com.au/asxannouncements.php>
- xii Source: <http://www.earthheat.com.au/boardandmanagement.php/> ASX announcement on Board Changes – May 2011.
- xiii Source: <http://www.earthheat.com.au/projects.php>.
- xiv Source: Investor presentation dated April 14th 2011.
- xv Source: Investor presentation dated April 14th 2011.
- xvi Source: Annual Report 2011.
- xvii Source: <http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01154037>
- xviii Source: Arrowhead estimate of 'Heat in Place' for both the projects based on volumetric method. It is a potential variable and is subject to the company publishing a competent person compliant number, as have their peers, for accurate comparison.
- xix Source: Bloomberg as of 11-Jan-2012.
- xx Source: Arrowhead BID estimate.
- xxi Source: Arrowhead BID estimate.
- xxii Source: Arrowhead BID estimate.
- xxiii Source: Arrowhead BID estimate.
- xxiv Source: Annual Report 2011.
- xxv Source: Annual Report 2011.