



## Sale of PEL 186

### Geothermal Resources

*Geothermal Resources Limited is exploring two geothermal projects in South Australia that are well located with respect to power grids and markets. The hot fractured rock (HFR) Frome project has an estimated inferred heat resource of 84,000 PJ based on temperature measurements in eight wells drilled by the Company, including two to approximately 1800m depth\*. Seismic surveying has confirmed optimum locations for two proof of concept wells to be drilled into the fractured granite heat source. The Penola-Robe project in the South East is primarily a hot sedimentary aquifer (HSA) play. Positive results from Panax Geothermal's nearby Salamander 1 well have validated the potential of this project. Ongoing seismic interpretation has already identified several optimum drilling targets.*

### Issued Capital

35.9 million ordinary shares  
2 million unlisted options

### Contact

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Geothermal Resources (ASX: GHT, referred to as Geothermal Resources or the Company; 58% owned by Havilah Resources NL, ASX: HAV), announces that it has agreed to sell its 100% interest in PEL 186 to Somerton Energy Limited, as advised in the attached ASX release by Somerton this morning.

The sale will raise \$200,000 cash for the Company, allowing it to maintain its geothermal exploration interests. The purchase agreement allows Geothermal Resources to acquire a 10% back in interest at a premium in order to maintain exposure to upside in the event of a discovery.

Neo Oil Pty Ltd and PEL's 186 and 187 were purchased for the issue of 50,000 Geothermal Resources shares two years ago. The original rationale for the acquisition was that in the event of a hydrocarbon discovery by a geothermal drillhole on GEL 214, Geothermal Resources would have ownership of it. With the difficulty of attracting a partner to assist with drilling on GEL 214, and substantial PIRSA commitments on the PEL, it was decided to sell PEL 186 to a group that had the funding and expertise to properly explore it.

Geothermal Resources plans to use some of the funds raised by the sale to look for other exploration opportunities that utilize the Company's expertise and offer the prospect of more immediate returns to shareholders.



## **ASX RELEASE**

**For Immediate Release on 4 November 2010**

Ref. SNE/042/10

### **Somerton Energy Acquires Otway Basin Tenement**

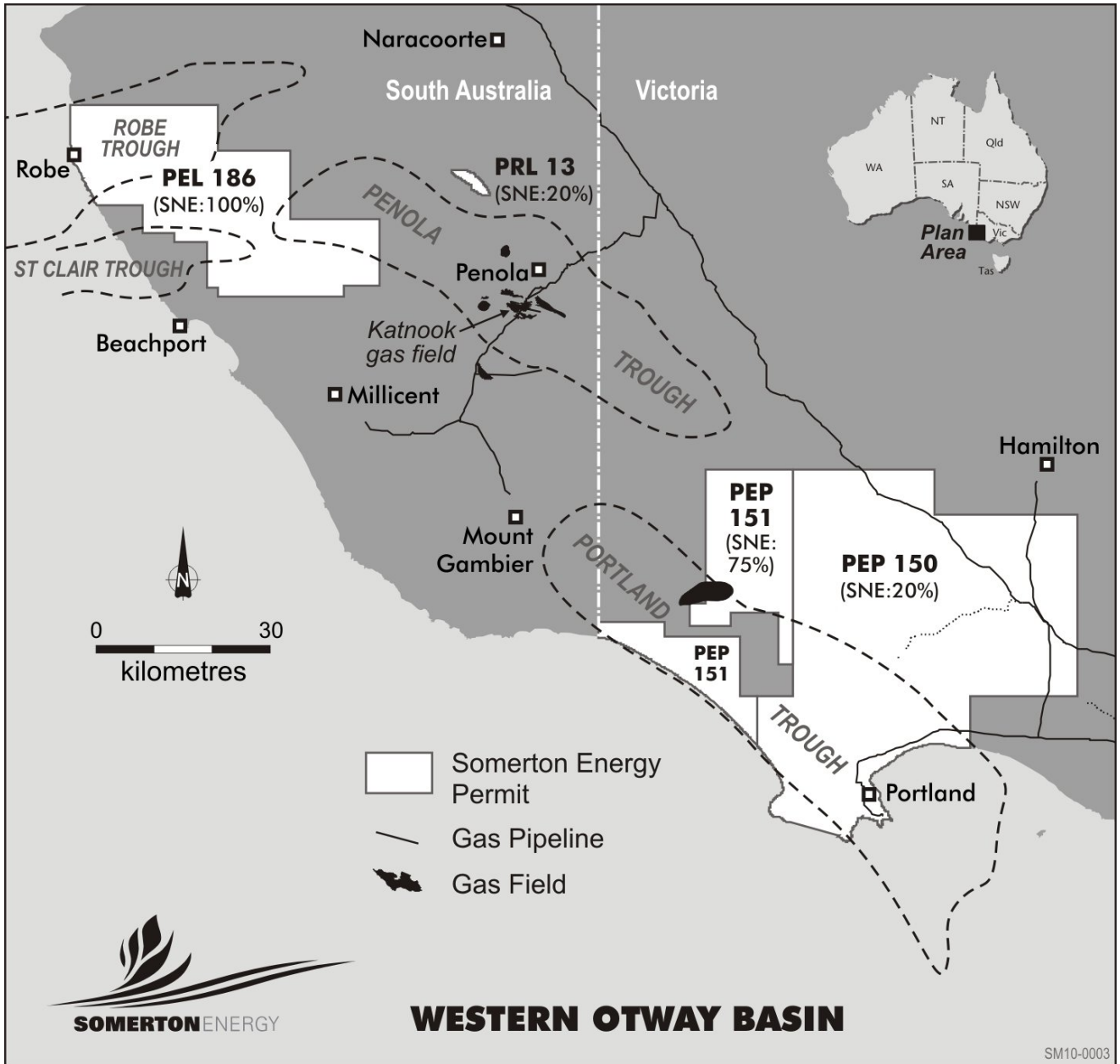
Somerton Energy Ltd (ASX:SNE) has agreed the principal terms of an agreement to acquire a 100% interest in the onshore Otway Basin petroleum exploration permit, PEL 186, in South Australia from Geothermal Resources Limited (ASX:GHT) for a cash payment of \$A200,000.

In accordance with Somerton's strategic alliance with Beach Energy Limited, Somerton will offer Beach a 66.67% interest in PEL 186 on the same terms as the transaction between Somerton and Geothermal. If accepted by Beach this will reduce Somerton's interest in the tenement to 33.33% and its cash outlay to \$66,667.

PEL 186 lies in the western Otway Basin and includes the western extension of the Penola Trough, which has yielded commercial gas discoveries in the Katnook area fields. Somerton considers the tenement to be prospective for a wide variety of oil and gas plays, but will particularly focus on evaluating plays with significant oil potential. Somerton plans to drill at least one petroleum exploration well in PEL 186 in 2011.

Somerton's Managing Director, Mr. Hector Gordon, said "The acquisition of PEL 186 represents the first step in the rebuilding of Somerton's Otway Basin exploration portfolio and provides the company with exposure to new exploration play types which are not present in our Victorian tenements.

We consider the Penola Trough has excellent potential for new oil and gas discoveries and we are aiming to put in place a drilling program of at least 3 wells for 2011. Further details on our plans will be announced once the portfolio is further enhanced".



For further information contact:

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