



**Geothermal Resources Limited**  
63 Conyngham Street  
Glenside 5065 South Australia  
phone 61 8 8338 9292  
fax 61 8 8338 9293  
email [info@geothermal-resources.com.au](mailto:info@geothermal-resources.com.au)  
ABN 45 115 281 144

The Manager  
Companies Announcements Office  
Australian Stock Exchange Ltd  
10<sup>th</sup> Floor, 20 Bond Street  
SYDNEY NSW 2000

19 December 2007

Dear Sir / Madam,

### **Results of Annual General Meeting and Chairman's Address**

Geothermal Resources Limited wishes to advise that the three resolutions put to the Annual General Meeting today were approved.

In accordance with section 251AA of the Corporations Act 2001 details of proxy votes received are as follows :

**Resolution 1** – adoption of remuneration report  
For : 3,200,462 Against : 22,000 Abstain : 272

**Resolution 2** – re-election of Dr Keith R Johnson as a director  
For : 2,614,824 Against : 0 Abstain : 607,950

**Resolution 3** – re-election of Dr Chris W Giles as a director  
For : 2,786,236 Against : 0 Abstain : 436,498

The Chairman's address is attached below.

Yours faithfully

GEOTHERMAL RESOURCES LIMITED  
Bob Johnson, Ph.D, FAusIMM, Chairman

# **GEOHERMAL RESOURCES LIMITED**

## **CHAIRMAN'S ADDRESS TO AGM**

**19 December 2007**

### **FORWARD DIRECTION AND STRATEGY**

Dear Shareholders

Geothermal Resources has achieved a major milestone this year by drilling its first exploration holes and establishing that the Frome project has a very high temperature gradient, equivalent to the hottest parts of the continent.

Our whole philosophy was based on an interpretation that the deeply buried highly radiogenic granites in the area would generate abundant heat. This was a theoretical approach, supported by the limited observed geochemical and geophysical data and our knowledge of the geology of the Curnamona Craton.

We also established in this programme that location is vital, as there are regional gradients prevailing where the thermal gradient is not as strong. Targeting of the gravity lows (where the granites are intruded) is, we believe, a critical geological element to access the high temperatures. The high temperatures translate to optimal efficiency in power conversion and directly affect the economic matrix that will determine which geothermal projects get developed. Early in the New Year we will be drilling some additional shallow holes to refine the position of the deep test wells.

Our investigation work in the Crower area in the Southeast of South Australia has also proved fruitful. Studies of bottom-of-hole temperatures of old oil wells in the area, and temperature profiling of deep water bores also reveal above average geothermal gradients. Again our initial theoretical targeting has been supported by this work and in 2008 we will be drilling shallow exploratory holes in the area to determine the hottest site for deep drilling. The Crower region is very close to the National Electricity Grid and is a prime target if the temperature gradients we expect at depth are achieved.

One of the major issues is the permitting process for geothermal wells which are presently treated in the same way as oil and gas wells. This presents major work challenges for even the shallow 500 metre holes which are more akin to the mineral holes which Havilah drills every day of the week.

The engineering risk is whether fracturing of the reservoirs can be achieved with satisfactory flow between adjacent wells. On the production side, that is, making

electricity, good progress has been made overseas with commercial off-the-shelf heat exchange generators being produced both in Europe and the USA. The implementation risk, once the flow is established, is relatively low. These heat exchange units are efficient and not excessively expensive.

It is very important that we aim to generate electricity at sensible and competitive prices, so we can participate in changing the energy usage pattern in Australia. We have an added incentive with the nearby Kalkaroo and Honeymoon projects where significant amounts of electricity will be consumed when they are in production. It will be a short step to provide power to these mines and get Geothermal Resources into a commercial situation. In that way we can make a positive impact on the greenhouse gas emission problems facing the planet.

We would like to thank the Federal Government for their support via the REDI Grant we received, and also the PIRSA PACE funding received during the year for the Frome Project. We look forward to the new Labor Government in Canberra honouring their commitment to supporting geothermal exploration. The open commitment to reducing greenhouse emissions is commendable.

We are planning a busy year in both the Frome and Crower regions. As we get closer to mapping the temperature picture in the earth, we will be able to move to the next step of deep drilling and bring this concept to reality.

Your directors are committed to this goal.

K R Johnson, Ph.D  
CHAIRMAN