

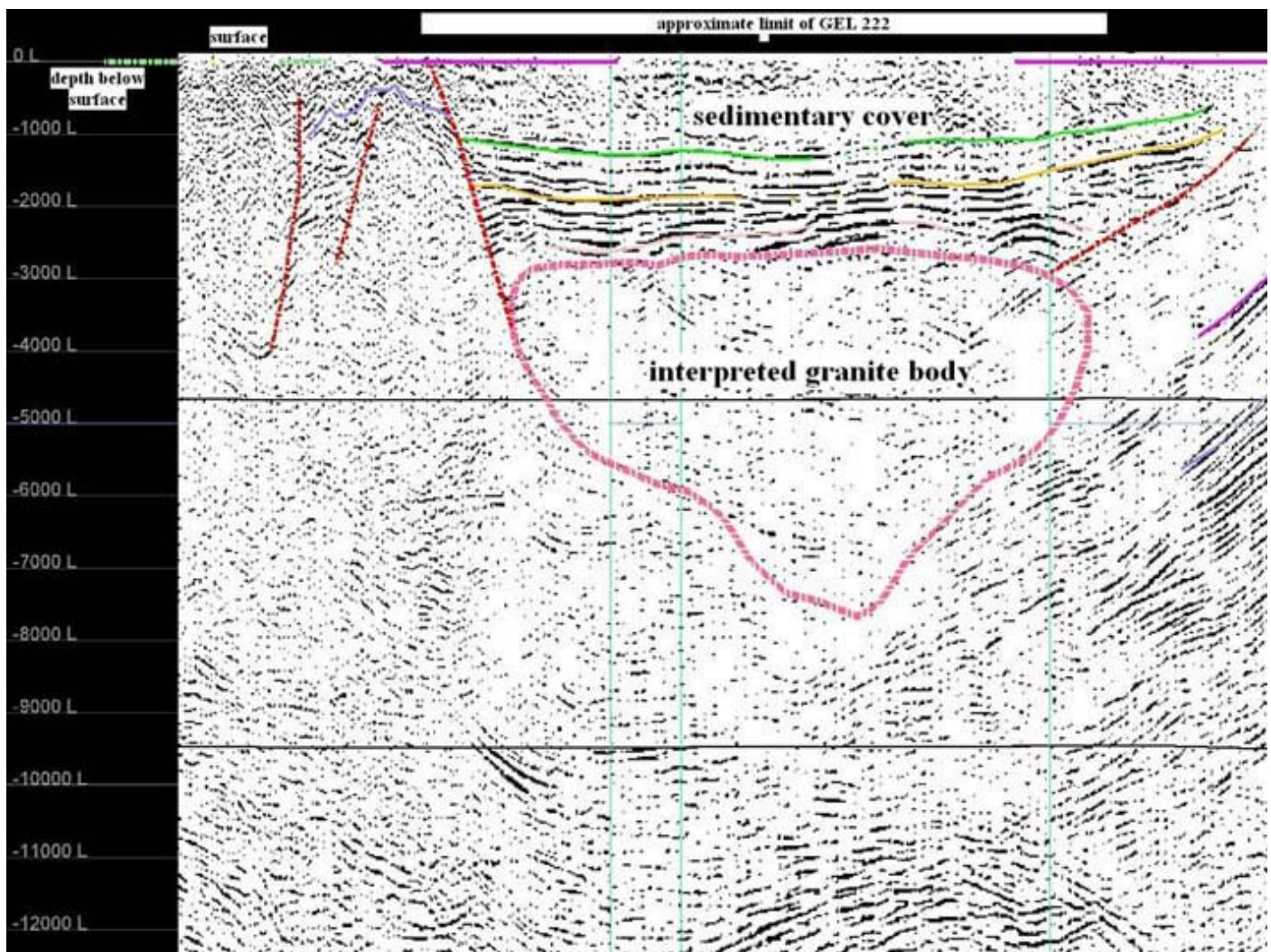
Australian Stock Exchange Announcement

23 March 2006

Frome Project – New Geothermal Exploration Licence

Geothermal Resources wishes to advise that it has been granted a fifth geothermal exploration licence, namely GEL 222, in the Frome Project area.

GEL 222 lies east of the other Frome Project GELs and is located roughly 80 km from the Broken Hill electricity grid. It covers a narrow trough of Neoproterozoic age Adelaidean sediments that lie along the faulted western flank of the Benagerie Ridge. This sedimentary trough and a large body of non-layered underlying basement, interpreted as granite, is clearly visible on the recently released data for the government funded seismic traverse (see diagram below).



The occurrence of such a large granite body, some 20 km across, lying beneath approximately 3 kilometres depth of dense insulating sediments, is a potentially ideal geological setting for development of a hot rock geothermal resource. The prospectivity is enhanced by the known relatively high uranium contents of outcropping granites in the region, which in turn implies an abnormally high heat generating capacity.

Geothermal Resources has been awarded a PACE grant of \$100,000 from the SA Government specifically for drilling several holes to around 500 metres to determine the subsurface heat flow across the Frome project area. This drilling is planned to commence early in the second half of the year, subject to availability of a sufficiently powerful RC drilling rig.

Bob Johnson, Ph.D, FAusIMM
Chairman

Enquiries should be directed to Dr Bob Johnson on (08) 83389292
21 March 2006 - The Offer has closed.

The company listed on the ASX on the 21st March under the code GHT