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FROME PROJECT DRILLING REACHES TARGET DEPTH

Geothermal Resources Limited (Geothermal Resources – ASX : GHT, 63.6% owned by Havilah Resources NL – ASX : HAV) is pleased to announce that geothermal drillhole **Frome 2 has been successfully completed to 500 metres depth** and casing run to ensure future unobstructed access of a temperature probe. This hole passed through various Tertiary and Cambrian formations before intersecting more than 150 metres of fine-grained flaggy siltstones and shales to the end of the hole. This rock formation is likely to extend many hundreds of metres deeper and is expected to be an ideal insulating cap rock above the granitic heat reservoir at depth interpreted from seismic data.

Frome 2 is the second in an eight hole drilling programme proposed for the Frome project area this year (see attached map). Each hole is planned to be drilled to approximately 500 metres depth for the purpose of taking bottom of hole standing water temperature measurements so that the temperature gradient and hence likely geothermal energy resource potential can be estimated.

The drill rig has now mobilized to Frome 3 drill site roughly 20 kilometers south of Frome 2.

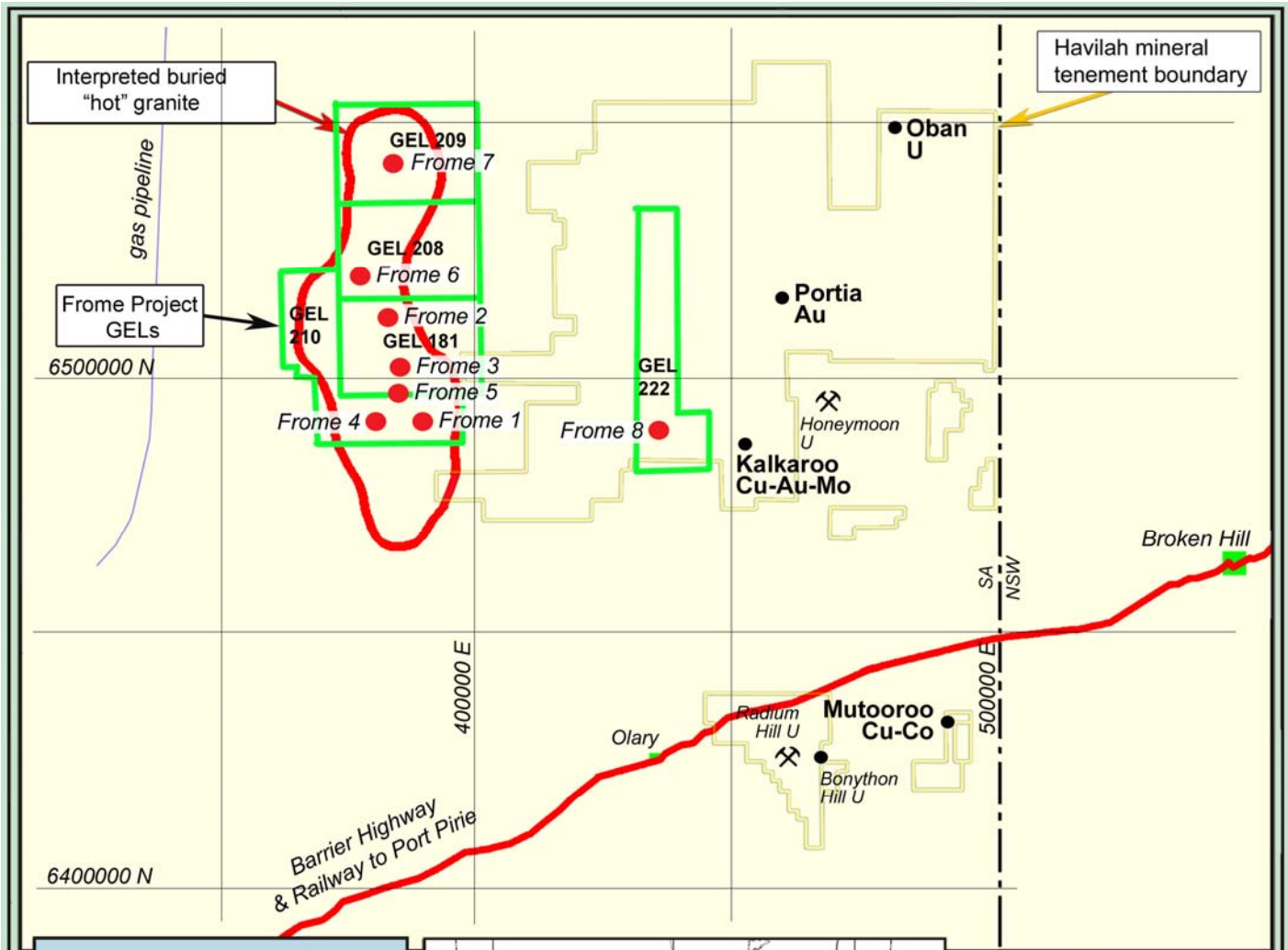
Frome 1 was drilled earlier in June and encountered drilling problems in extremely broken and porous Cambrian limestone formation and was temporarily suspended at 189 metres depth. It is planned to re-enter this hole following completion of Frome 3, and after cementing the broken section, continue drilling to 500 metres depth into the predicted underlying siltstones and shales. Frome 8 has already been drilled to 200 metres depth and is awaiting extension using the diamond drill.

This drilling is being supported by a \$100,000 PACE (Programme for Accelerated Exploration) grant from the State Government and also a \$2.4 million REDI (Renewable Energy Development Initiative) grant from the Commonwealth Government, which will match the Company's funding until completion of at least one deep hole into the predicted hot rock geothermal energy reservoir.

Dr K R Johnson
CHAIRMAN

The information in this report has been prepared by Dr Bob Johnson who is a member of the Australasian Institute of Mining and Metallurgy and Dr Chris Giles who is a member of The Australian Institute of Geoscientists. Drs Johnson and Giles are employed by the Company on consulting contracts. They have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration to qualify as Competent Persons as defined in the JORC Code 2004. Drs Johnson and Giles consent to the release of the information compiled in this report in the form and context in which it appears

Enquiries should be directed to Dr Bob Johnson, Chairman, on (08) 8338 9292



Frome Project

June 26, 2007