

ASX

ANNOUNCEMENT

8 May 2012

ASX : EHR

Earth Heat signs an exclusivity agreement with Alstom

Earth Heat Resources Limited (ASX-EHR) is very pleased to announce that it has selected Alstom Power, a division of the Alstom Group, to work on an integrated engineering, procure and construct ('EPC') solution for the Copahue Project in Argentina.

HIGHLIGHTS

- Alstom personnel visited the site at Copahue with Earth Heat representatives in April 2012;
- Investigation of the suitability of an Alstom solution for the power plant development is ongoing;
- Discuss and evaluate a full EPC contract if a technical solution is feasible;
- Earth Heat is expecting decisions to be taken mid-2012

Earth Heat has signed an exclusivity agreement with Alstom for the Copahue project in Argentina by which Alstom will develop a Geothermal power plant solution proposal. A decision will be made on the acceptability of the proposal by Earth Heat during mid-2012. No outcome is guaranteed and both parties are working diligently together on the agreed scope of analysis.

Earth Heat Managing Director Torey Marshall commented, "Alstom's reputation for excellence in the power industry, coupled with its geothermal headquarters in Mexico, and offices in Argentina make it a natural fit. It has undertaken multiple large projects in the sector, making it a high quality supplier for us. We remain active on the critical path projects needed to reach financial close and continue to look towards the next major event to put us on the physical countdown to constructing our first power station, contributing towards Argentina's renewable energy targets of 8% by 2016. "

About Alstom

Alstom is one of the world's leaders in power generation, power transmission and rail infrastructure and sets the benchmark for

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innovative and environmentally friendly technologies. Alstom builds the fastest train and the highest capacity automated metro in the world, provides turnkey integrated power plant solutions and associated services for all thermal (coal, nuclear, gas...) and renewable (geotherma, hydro, wind, solar...) energy sources. It offers a wide range of solutions for power transmission, with a focus on smart grids. The Group employs over 90,000 people in around 100 countries, and had sales of €21 billion in 2010/11.

*** Ends***

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