



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
ABN 45 115 281 144

ASX / Media Release

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UPDATE ON HAVILAH RESOURCES NL TAKEOVER OFFER FOR GEOHERMAL RESOURCES LIMITED

KEY POINTS

- Havilah extends takeover offer period to 28 November 2011.
- Havilah takeover offer declared unconditional on 4 November 2011.
- All Geothermal Directors' have accepted the takeover.
- Havilah completes \$5 million share placement to MMG Exploration Pty Ltd.
- Havilah's relevant interest in GHT is now 85.46%.
- Geothermal's independent director reaffirms recommendation to accept Havilah's takeover offer.

Geothermal Resources Limited (ASX:GHT) (**Geothermal**) refers to the off-market takeover offer made by Havilah Resources NL (**Havilah**) to acquire 100% of the shares in Geothermal that it does not already hold.

By way of an update to Geothermal's shareholders, the Board advises that:

1. Havilah announced today that it is extending the offer period. The offer will now close on 28 November 2011. All other terms and conditions of the offer remain the same.
2. Havilah's offer was declared unconditional on 4 November 2011. As a result, the offer is no longer subject to the Defeating Conditions set out in section 13 of the Bidder's Statement, and those Geothermal Shareholders who have accepted and who may accept the offer will be issued their consideration (being 1 Havilah share for every 4 Geothermal shares held) at the relevant time specified in the Bidder's Statement.
3. The offer consideration remains 1 Havilah share for every 4 Geothermal shares held by accepting shareholders.
4. As at 5.00pm (AEST) on 9 November 2011, Havilah had a relevant interest in 85.46% of Geothermal shares. Havilah has advised in its Bidder's Statement dated 4 October 2011 that it will proceed to compulsory acquisition of any outstanding Geothermal shares in accordance with the Corporations Act if it comes to hold a relevant interest in 90% or more of Geothermal shares.
5. As a vote of confidence in the offer, all Geothermal Directors have accepted Havilah's offer in respect of all of the Geothermal shares they hold. In addition, all Geothermal Directors have now exercised their options to subscribe for Geothermal Shares, and intend to accept Havilah's offer in respect of the Geothermal shares issued upon such exercise.

6. Havilah also announced today that it has completed the \$5 million placement of 4,000,000 Havilah shares at an issue price of \$1.25 per share to MMG Exploration Pty Ltd (**MMG Placement**). As outlined in Geothermal's Target's Statement dated 5 October 2011, a key reason for Geothermal's independent director, Mr Martin Janes, recommending that shareholders accept Havilah's offer was that a successful merger would result in Geothermal shareholders benefiting from being a shareholder in a larger company with significantly greater resources. The completion of the MMG Placement has confirmed this position.

Geothermal's independent director, Mr Martin Janes, reaffirms his **recommendation that shareholders ACCEPT Havilah's offer**, subject to there being no superior proposal, and no material adverse event (as defined in the Target's Statement) having occurred. In view of Havilah having a relevant interest in 85.46% of Geothermal shares and the deterrence that is likely to represent to any other potential bidder for Geothermal, it is Mr Janes' view that the likelihood of another bidder emerging with a superior proposal is very remote.

Please note that as a result of Havilah's extension of the offer, acceptances must now be received by Computershare Investor Services **no later than 7pm Adelaide time on 28 November 2011**.

A copy of Havilah's Bidder's Statement dated 4 October 2011 and Geothermal's Target's Statement dated 5 October 2011 is available to download at www.asx.com.au. Geothermal shareholders are encouraged to read the Bidder's Statement and Target's Statement in their entirety and seek independent advice from your financial, taxation and other professional advisers prior to making any decision in respect of Havilah's offer.

If you have any questions about Havilah's offer or how to accept the offer, please contact Havilah's Offer Information Line on +61 8 8338 9292.

Yours sincerely
Geothermal Resources Limited

Ken Williams
Deputy Chairman