

# ASX ANNOUNCEMENT

February 14, 2011

## \$5m AUD Investment for Earth Heat

Earth Heat Resources Limited ('Earth Heat' or 'the Company'), an ASX listed New Energy Company (ASX :EHR) is pleased to announce that Socius CG II, Ltd., a subsidiary of Socius Capital Group LLC, has executed a \$5 million investment agreement with the Company. Socius, based in New York and Los Angeles, has an impressive record of making investments in clean technology and other emerging growth companies.

The Company will predominantly apply the funds to progressing the Copahue project in Argentina, specifically beginning the feasibility process with environmental surveys, front end engineering and design, in addition to commercial aspects of development.

Under the initial funding, the Company receives \$2m AUD and will issue 25,316,456 ordinary shares at **7.9c** and 12,658,228 options exercisable at 7.9c, representing the closing bid price of the stock on Friday.

The Company, at its election may, at any time after 90 days or sooner by mutual agreement, call on another investment of \$2 million AUD. The final \$1 million AUD may be called at any time which is 90 days after the second investment, but prior to two years from the initial funding. The price of both subsequent investments is based on the last trading price before the respective notification is given.

The funding package comprises common stock of the Company at market pricing with one 5 year option for every two shares held, exercisable at the same price as the sale of common stock. The options can be purchased by the company at the request of Socius using an agreed formula (Black-Scholes) in shares.

Earth Heat Managing Director Mr. Torey Marshall said, "This funding agreement, which is based on current and future share value, is an overwhelming vote of confidence by Socius in Earth Heat's future growth prospects. Socius' decision to fund follows closely on the heels of the independent New York based Arrowhead research which values Earth Heat at between 36c to 96c. Socius have used their own research and analysis to determine that the Company was a worthwhile investment. The capital the Company receives will allow us to further progress our primary projects."

### Earth Heat Resources Ltd

Registered Offices

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Socius Capital LLC is a private investment fund focused on emerging growth companies. It is a passive investor that uses its own proprietary research to identify promising companies, and has completed approximately \$300 million of transactions since 2009. Many of these companies have completed follow on financings with Socius.

\*\*\* Ends\*\*\*

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