



**Company Announcements Office
Australian Stock Exchange**

by e- Lodgement

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**Quarterly Activities Report
For the period ended 30 September 2007**

HIGHLIGHTS

- External expert assessment confirms potential of the Olympic Dam Geothermal Energy Project
- Acquisition of three geothermal exploration leases in the Cooper Basin
- Appointment of three renewable energy specialists

ACTIVITIES

Olympic Dam Geothermal Energy Project (100% interest)

During the quarter, GeothermEx. Inc., a major US based international geothermal consulting company, undertook an assessment of the potential per-well productivity for the Olympic Dam Geothermal Energy Project. The assessment, based on the conditions encountered in the hot granites in the Company's Blanche No 1 exploration well, drilled to 1,930 m depth, estimated the potential net power capacity of each production well could be as high as 7.6MWe.

This assessment follows on from the tectonic analysis undertaken of the Blanche No 1 well by the CSIRO in the June quarter, which confirmed the stress regime in the Olympic

Dam hot granites is likely to be ideal for generating an optimal heat exchange reservoir.

The next step in the evaluation process is the mini hydro-fracture (“mini-frac”) in Blanche No 1 to measure the magnitude of principal stress directions. The data from this mini-frac, now planned for December due to delays in obtaining a suitable drilling rig, will be used in preparation for the drilling of the deep geothermal wells and fracture stimulation program to establish an engineered underground reservoir connecting the wells. Determination of the actual power productivity of each production well will require flow testing of this stimulated reservoir.

The Olympic Dam Geothermal Energy Project, wholly owned by Green Rock Energy, is located in South Australia within 10kms of BHP Billiton’s Olympic Dam mine and only 5kms from a 275kV and a 132kV power transmission line connected to the Eastern Australian power grid.

Patchawarra Geothermal Energy Project (100% interest)

Green Rock Energy was granted three geothermal exploration licences covering 1,483 sq kms of land over the Patchawarra Trough in the Cooper Basin, South Australia. The Patchawarra Trough contains thick, deep aquifers which have the potential to contain high temperature water flows suitable for conventional geothermal energy production.

The next step is the target selection within the tenements. Given success with the subsequent evaluation and testing, the development of the project will be in conjunction with the construction of a high voltage electrical transmission line linking the Cooper Basin to the national grid.

Hungary (32% interest)

The Hungarian joint venture is finalising the selection of the 2nd geothermal project. The process, being undertaken by a combined team of structural geologists and hydrologists from all three joint venture companies, includes the evaluation of drilling and seismic data in the development of the tectonic models, to identify the location that contains all the required ingredients for a commercially viable project.

Towards the end of the quarter, the claim for a refund of the major portion of the expenditure incurred on the Ortaháza project was lodged with the World Bank, manager of the Global Environmental Facility Trust Fund.

CORPORATE

Specialist Consultants

Green Rock Energy utilises the services of a limited number of specialists to provide the Company with the best available knowledge and expertise without the significant cost and administration that would come with direct employment. During the quarter the Company appointed three leading renewable energy consultants, Roy Baria, Ian Campbell and Jeff Harding, to assist the Company in identifying, evaluating and developing commercially based geothermal energy projects in Australia and overseas. They bring knowledge and operational experience obtained at the highest levels in their different fields of renewable energy.

Share Capital

During the quarter the Company raised \$1.3 million through the placement to professional investors of 12 million shares at 11c per share. The funds were raised to support the Company's working capital pending the receipt of the claim from the World Bank and IFC implemented, Global Environmental Facility Trust Fund.

The number of shareholders has increased from 500 in January this year to 2,100 at the end of September.

Geothermal Industry Association

Green Rock Energy has been participating in the formation of an Australian industry association, the Australian Geothermal Energy Association ("AGEA"), to assist the geothermal industry and to liaise with government. AGEA was officially registered early this month.

Annual General Meeting

The Company's 2007 Annual General Meeting is to be held at 2.30 pm (Australian Western Daylight Time) on Monday 26 November 2007 at The University Club of Western Australia, Hackett Drive, Crawley, Perth, Western Australia.

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