

Quarterly Activities Report

for the three months ending 30 June 2009

31 July 2009

Highlights

- ▶ **Western Australia's first Geothermal Exploration Permits awarded to Green Rock Energy**
- ▶ **Substantial Inferred Geothermal Resource in Perth Permit**
- ▶ **Green Rock to submit application for Commonwealth Geothermal Drilling Program Funding**

Green Rock Energy's initial focus is on geothermal energy projects which are near infrastructure and power lines and which have a short development time. These are the Perth Project, Hungary and Olympic Dam. The first two are in hot sedimentary aquifers where hot thermal waters are known from previous petroleum wells and water bores and the latter is at a major market with a high voltage transmission line connected to the national power grid.

Investors & Media

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OVERVIEW

Inferred Geothermal Resource Estimate

Work carried out during the quarter enabled Hot Dry Rocks Pty Ltd, a leading Australian geothermal consulting company, to report that the Perth Permit, covering 143 square kilometres, is estimated to contain Inferred Geothermal Resources of 30,000 PJ of stored heat (equivalent to 950,000 MWth yrs) for the purpose of a district cooling project. This stored heat is more than sufficient to supply the energy requirements of many direct heat projects in the Perth Metropolitan area including district heating, water desalination and purification of waste water by distillation.

An inferred geothermal resource is one of the essential requirements to qualify for the grant of funding under the Commonwealth Government's Geothermal Drilling Program.

Geothermal Drilling Program Funding

Activities and studies were progressed to enable to the Company to submit an application for funding under the second round of the Commonwealth Government's Geothermal Drilling Program. Under this Program applicants may apply for a grant by August 4 of up to \$7million per project. Green Rock Energy intends to submit an application in respect of the Perth Project. The Company should know by mid-October if its application has been successful.

Work carried out which assisted with this task included evaluation of existing seismic data, a gravity survey near the proposed well sites, compilation of temperature measurements taken in existing petroleum wells and water bores, re-measurement of temperatures in deep water bores and planning for both shallow drilling for temperature measurement and a vertical seismic profile to confirm heat flows and depths of target horizons.

Initial well design and well site selection and planning drilling down to depths of up to 3,000 metres was undertaken and discussions progressed with drilling companies to secure a suitable drilling rig.

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PROJECTS

Perth Basin

Geothermal Exploration Permits

Western Australia,
varying % interest

On 30 July 2009 Green Rock Energy was granted the first four Geothermal Exploration Permits to be issued in Western Australia. The Permits in the Perth Basin comprise one in the Perth Metropolitan area (GEP 1, "Perth Permit") held jointly with the University of Western Australia and three others held 100% by the Company. One is the Alkimos area (GEP 2) about 40 km north of Perth where Land Corporation proposes to develop a new carbon neutral suburb of around 60,000 people and the other two are in the Eneabba area north of Perth (GEP 3 & GEP 4).

Green Rock Energy has been given an extension of another month to obtain the grant of title to the other Permit areas under application by it in the Perth and Collie Basins which have been offered to the Company.

Olympic Dam

Geothermal Energy Project

South Australia,
100 % interest

No activities were carried out at the Olympic Dam Geothermal Project during the quarter. The Geothermal Exploration Licences (GELs) continued under voluntary suspension while amendments to the Petroleum and Geothermal Energy Act proceeded through the South Australian Parliament. The amendments will enable the Company to consolidate the five GELs and renew a contiguous area to cover the most prospective parts of these GELs. It was agreed with the government regulators to continue suspension of the Licences while the amendments were enacted and associated regulations are brought into effect. The legislative amendments were passed by the Parliament of South Australia on Wednesday 15 July 2009 and the government regulators have advised Green Rock that the associated regulations are expected to be promulgated by the end of September 2009.

Hungary

Geothermal Energy Project

Hungary, *50% interest*

Green Rock holds a 50% interest in Central European Geothermal Energy, a company which was formed with major Hungarian Oil and Gas Company (MOL) to explore for and develop geothermal energy in Hungary.

Title has been granted to CEGE in areas identified by CEGE as some of the most prospective areas for geothermal energy in Hungary near existing power transmission lines. Work continued on well selection for the first project which will be in the west of Hungary. This Project area was selected where production could be achieved in the shortest time frame and at lowest cost using existing wells and technology.

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ABOUT GREEN ROCK ENERGY

Green Rock Energy Limited is an Australian company focused on developing commercially sound renewable geothermal energy projects. The Company has projects in Australia and Europe and is a member of the Australian Geothermal Energy Association and sponsor member of the International Energy Agency's Geothermal Implementing Agreement.

Board of Directors:

Adrian Larking	Managing Director
Alan Knights	Executive Director
Jörg Baumgärtner	Non-Executive Director
Richard Beresford	Non-Executive Director
Scott Spencer	Non-Executive Director

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