

ASX Announcement

19 January 2010

New Geothermal Permits complete Green Rock Energy's Perth Basin Portfolio

Green Rock Energy Limited has been formally offered two new Geothermal Exploration Permits covering the North Perth Metropolitan area and one new Permit in the Dongara region of the North Perth Basin.

Green Rock Energy's Permits now cover the whole of Perth's northern coastal corridor where rapid residential, commercial and industrial growth is planned. This provides the Company with an unsurpassed potential customer base for geothermal energy.

"The new Permits are the final building blocks in our very prospective portfolio in the Perth Basin" said Managing Director Adrian Larking. "We can now prioritise and target the best opportunities to commercialise over the next two to four years".

The Company's current focus is the development of the UWA Geothermal Energy Project, which is designed to demonstrate the commercial use of medium temperature geothermal resources, in particular the replacement of electricity powered compression chillers (that produce cold water for air-conditioning) with geothermal powered absorption chillers.

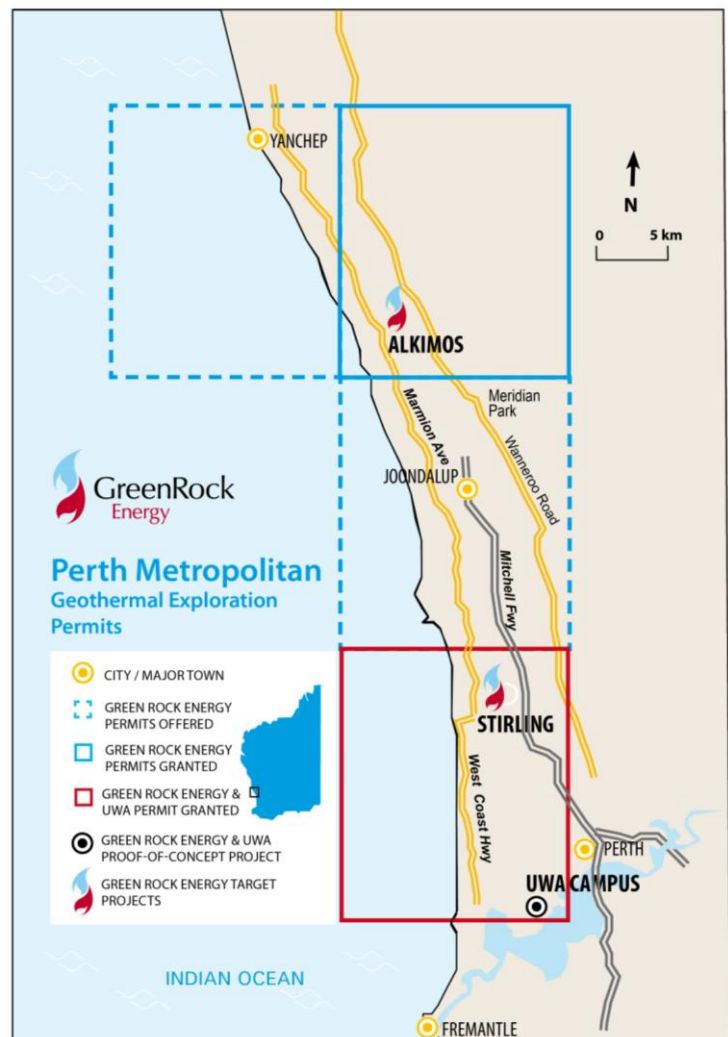


Figure 1: Map of Green Rock Energy's Perth Metropolitan Permits.

ASX Announcement

New Geothermal Permits complete Green Rock Energy's Perth Basin Portfolio
19 January 2010



Green Rock Energy has been offered a \$7 million grant under the Federal Government's Geothermal Drilling Program to fund the Company's UWA Geothermal Energy Project, which is planned for the Crawley Campus of the University of Western Australia. Following its completion, the objective is to replicate the concept throughout Perth's northern corridor which includes the Stirling City Centre Project, a high density combined residential and commercial project with a planned 30,000 population 6.5 kms north-west of the Perth CBD and Alkimos, a 60,000 population residential and commercial centre being prepared as a carbon neutral development 40 kms north of the Perth CBD. These two Projects alone would result in a reduction in electricity generation demand by around 50MWe if geothermal district heating and cooling were fully installed. The new Permits significantly expand the Company's potential customer base.

Heating and cooling are typically a building's largest energy loads, accounting for more than 50 per cent of the energy consumed in most commercial buildings, nearly all of which are presently powered by fossil fuels and fossil fuel generated electricity. District heating and cooling is the production and delivery of thermal energy, in the form of reticulated hot and chilled water, to multiple buildings, for space and process heating and cooling from a central plant eliminating the need for separate systems in individual buildings. It is a reliable, efficient, low-maintenance, cost-effective way to provide climate control without on-site hot water boilers, heaters, chillers, or air conditioners.

Major residential, commercial buildings and complexes, such as shopping centres, hospitals, airports, apartment buildings, data centres and cold storage facilities are ideal sites for the application of this technology. Many large commercial and government buildings and building complexes in Australia are already using district heating or cooling powered by electricity, or gas, using fossil fuels, rather than geothermal energy.

The additional Permit in the Dongara area abuts the six Permits already owned by Green Rock Energy. The Dongara region overlaps producing oil and gas fields and covers what the Company believes to be the most economically prospective hot sedimentary aquifers in the Perth Basin, and in locations which could be commercialised quickly.

Work carried out to date by Green Rock Energy in the Dongara area has confirmed a geothermal heat flow extending above 100mW/m² with estimated temperatures in excess of 160°C at 3km to 4km depth. Green Rock Energy is aiming to prove sufficient geothermal energy can be recovered from its Permit areas in the north Perth Basin to produce well in excess of 100 MW of electricity.

About Green Rock Energy

Green Rock Energy 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, the Australian Geothermal Energy Group and is a sponsor member of the International Energy Agency's Geothermal Implementing Agreement and supporter of the Western Australian Geothermal Centre of Excellence.

Nigel Hodder
Company Secretary

Investors & Media

Adrian Larking
Managing Director

W: +61 (0)8 9482 0401 M: +61 (0)417 927 767 E: alarking@greenrock.com.au

ASX Announcement

New Geothermal Permits complete Green Rock Energy's Perth Basin Portfolio
19 January 2010

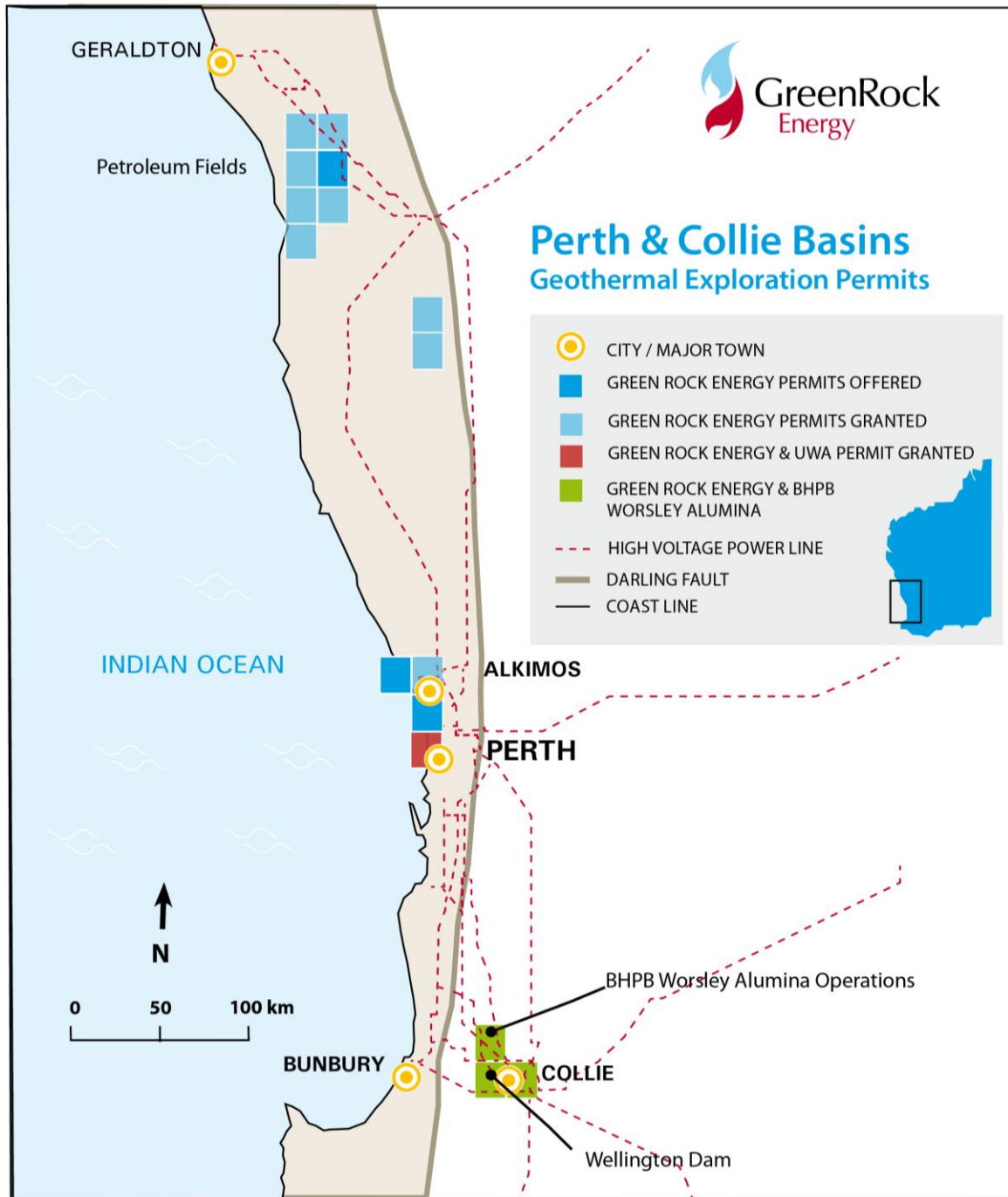


Figure 2: Map of Green Rock Energy's Western Australian Geothermal Exploration Permits