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**Company Announcements Office
Australian Securities Exchange**

By e-Lodgement

Green Rock awarded two grants by WA Government for exploration drilling

Highlights

- **The WA Government has awarded Green Rock \$295,000 in matching funding for two geothermal exploration drilling projects**
- **This funding will help Green Rock meet its development and commercialisation objectives in the Perth metropolitan area (for cooling and heating) and the North Perth Basin (for power generation)**
- **Of the 62 grants offered in the 2010-11 program, Green Rock has been awarded the only two for geothermal drilling**

Green Rock Energy is pleased to advise that it has been notified that both of its applications for the Co-Funded Drilling Grant under the WA Government's Exploration Incentive Scheme have been successful and that formal written notification of this offer will follow.

The Co-funded Industry Drilling Program provides co-funding of up to \$150,000 per project or \$200,000 for a single deep hole for exploration drilling in under-explored greenfield or frontier areas. Under this Program Green Rock had applied for two grants for drilling in the Perth Basin, being \$145,000 for the Alkimos Project in Green Rock's 100% owned Permit GEP 2 in the Perth metropolitan area and \$150,000 for the Urella Fault Project in Green Rock's 100% owned Permits GEP 3 and GEP 4 in the North Perth Basin.

In the 2010-11 program, 62 projects will share a total of \$5.3million in co-funding. Green Rock understands it was the only geothermal company to be a recipient of this grant. When announcing the successful applicants yesterday Western Australia's Mines and Petroleum Minister Norman Moore said "It is encouraging to see two geothermal projects are among the successful applicants, demonstrating support for alternative energy sources".

Alkimos – Perth metropolitan area

The grant for the Alkimos Project is for the drilling of two holes each to around 500 metres deep in GEP 2 to determine heat flows by measuring temperature gradients and thermal conductivities. It is also intended to acquire vertical seismic profiles to better locate the tops and bottoms of aquifers known to produce geothermal energy further south in Green Rock's GEP 1 permit in Perth which includes the UWA Project. This information will assist the Company to better estimate temperatures and potential geothermal heat resources from sediments at greater depths below the Alkimos Permit.

Alkimos is to be developed over the next few years by Landcorp with the aim of being carbon neutral. In February Delfin Lend Lease was announced as the preferred developer of the first phase of the Alkimos development which will grow to a population of 60,000. Green Rock aims to provide a large part of the cooling and heating needs of the Alkimos development from geothermal energy to be produced directly from hot sedimentary aquifers beneath the GEP 2 permit.

Urella Fault area – North Perth Basin

The Urella Fault Geothermal Drilling Project in the Eneabba region is designed to map heat flow distribution in Permit GEP 3 and GEP 4 by taking precision temperature measurements in 11 shallow drill holes. The Urella location lies in part of the North Perth Basin where the base of the Yarragadee Formation lies below 3,000 metres. Green Rock considers that at these depths the permeability of sandstone reservoirs and water temperatures are likely to be high enough for electricity generation.

Nigel Hodder
Company Secretary

Investors & Media

P: + 61 8 9482 0402
F: + 61 8 9482 0499
Email: info@greenrock.com.au