

ASX Announcement

22 June 2010

Green Rock and The University of Western Australia agree terms for UWA Geothermal Project

Green Rock is pleased to announce a significant milestone towards the first major geothermal project in Australia where the energy will be used directly to cool and heat commercial buildings.

Green Rock and The University of Western Australia have signed an agreement which defines the terms under which Green Rock will develop the project at UWA's Crawley Campus in metropolitan Perth, subject to regulatory approvals and operational requirements.

The agreement contains the key terms of:

- an Access Agreement under which Green Rock will implement the Project at the Crawley Campus including site preparation, drilling two wells, testing sustainable water flow and site rehabilitation. The first well is planned for early 2011
- an Offtake Agreement for UWA to pay Green Rock the value of the electricity replaced by the direct use of geothermal energy over the 20-year life of the Project
- an Operations and Maintenance Agreement under which UWA will operate and maintain the absorption chiller and associated plant to be installed and owned by Green Rock

The agreement also enables Green Rock to acquire UWA's 50% interest in the Geothermal Energy Permit GEP1 (covering 143 km² of Perth's north west inner metropolitan area) and offer it to other parties to invest in the UWA Project and follow-on projects such as the QEII Medical Centre and Stirling City Centre. Although UWA will be passing on its interest in the Permit under the agreement, it will be remaining on the title of GEP1. Green Rock is in discussions with possible partners who see the huge potential for using the geothermal resource under Perth to cool and heat commercial buildings and replace electricity from the grid.

Green Rock is also currently in discussion with the Commonwealth Government to finalise a funding agreement under the Geothermal Drilling Program for \$7 million from the Government in matching funding for the Project at UWA.

A further announcement will be made in due course.

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Company Secretary

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