

Green Rock Energy Limited
ACN 094 551 336

NOTICE OF ANNUAL GENERAL MEETING

For an Annual General Meeting to be held on
Tuesday 16 November 2010 at 9.30 am
(Australian Western Standard Time) at
The Country Woman's Association of WA,
Level 2, 1176 Hay Street, West Perth,
Western Australia.

This is an important document. Please read it carefully.

*If you are unable to attend the Annual General Meeting,
complete the form of proxy enclosed and return it in accordance
with the instructions set out on that form.*

TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of the shareholders of Green Rock Energy Limited will be held at:

The Country Woman's Association of WA, Level 2, 1176 Hay Street, West Perth, Western Australia

on Tuesday 16 November 2010 commencing at 9.30 am (Australian Western Standard Time).

How to Vote

You may vote by attending the meeting in person, by proxy or authorised representative.

Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 9.30 am (Australian Western Standard Time).

Voting by Proxy

To vote by proxy, please complete and sign the form enclosed with this Notice of Annual General Meeting as soon as possible and either:

- Send the proxy by facsimile to the Company on facsimile number (08) 9482 0499 (International: + 61 8 9482 0499); or
- Deliver to Unit 6, 38 Colin Street, West Perth, Western Australia, 6005 Australia; or
- Post to PO Box 1177, West Perth, Western Australia, 6872 Australia.

so that it is received no later than 9.30 am (Australian Western Standard Time) on Sunday 14 November 2010.

Your proxy form is on the last page of this Notice of Meeting.

Green Rock Energy Limited

ACN 094 551 336

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Green Rock Energy Limited will be held in the Board Room, Level 2, The Country Woman's Association of WA, 1176 Hay Street, West Perth, Western Australia, commencing at 9.30 am (Australian Western Standard Time) on Tuesday 16 November 2010.

Capitalised terms used in this Notice of Annual General Meeting are defined in the glossary at the end of the Explanatory Memorandum.

AGENDA

ORDINARY BUSINESS

Annual Accounts

To receive, consider and adopt the annual financial report of the Company for the year ended 30 June 2010 and the reports by the Directors and Independent Auditor.

Short Explanation: In accordance with section 317 of the Corporations Act, the Company must lay the Annual Accounts (being the Financial Report, the Directors' Report and the Auditor's Report) before the Company at the Annual General Meeting.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to approve the following resolution as an **ordinary resolution**:

"That shareholders of the Company adopt the Remuneration Report for the financial year ended 30 June 2010 in the Company's annual financial report for the same period."

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Short Explanation: In accordance with section 250R(2) of the Corporations Act, the Remuneration Report must be put to a vote of the Company. In accordance with section 250R(3), the vote is advisory only.

Resolution 2 - Re-election of Mr. Adrian Larking as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr. Adrian Larking, being a Director of the Company, retiring by rotation in accordance with clause 13.2 of the Company's Constitution, being eligible

and offering himself for re-election, be re-elected as a Director of the Company.”

Short Explanation: The Constitution requires that at the Annual General Meeting, one third of the Directors for the time being shall retire from office. A retiring Director is eligible for re-election. Mr. Larking offers himself for re-election.

Resolution 3 - Change of Auditor

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That Deloitte Touche Tohmatsu be appointed as the Company’s auditor to replace Messrs Neil Smith, Christopher Nicoloff and Conley Manifis (former partners of PKF Chartered Accountants) following their retirement from PKF Chartered Accountants and having received approval by ASIC for their resignation as auditor and the consent of Deloitte Touche Tohmatsu to act as auditor of the Company.”

Short Explanation: The Company was given notice of the retirement of the audit partners of PKF Chartered Accountants and their subsequent appointment as partners of Deloitte Touche Tohmatsu. The appointment of Deloitte Touche Tohmatsu as auditor of the Company, to replace PKF Chartered Accountants, is supported by the Board but is required to be ratified by Shareholders at the Annual General Meeting.

Resolution 4 - Grant of Options to Mr. Richard Beresford

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 10.11 of and section 208 of the Corporations Act and for all other purposes, the Directors be and are hereby authorised to offer and issue upon acceptance to Mr. Beresford up to a total of 2,000,000 Options for no consideration, half vesting on 16 November 2010 with the balance vesting on 16 November 2011 and all expiring on 16 November 2014, exercisable at a price, rounded up to the next whole cent, which is 50% above the closing price of the Shares on the ASX on 16 November 2010 and otherwise granted on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this notice.”

Short Explanation: The Company has given notice by announcement to the ASX of its intention to issue 2,000,000 Options, each with an exercise price, rounded up to the next whole cent, which is 50% above the closing price of the Shares on the ASX on 16 November 2010 to Mr. Beresford (Managing Director) as a performance incentive and that this matter would be put before Shareholders for approval at their next general meeting. This is the first general meeting since the announcement by the Company.

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 5 by Mr. Beresford and any associates of Mr. Beresford. However, the Company need not disregard a vote if:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- it is not cast on behalf of Mr. Beresford or an associate of Mr. Beresford.

Resolution 5 - Grant of Options to Mr. Adrian Larking

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, the Directors be and are hereby authorised to offer and issue upon acceptance to Mr. Larking up to a total of 1,000,000 Options for no consideration, half vesting on 16 November 2010 with the balance vesting on 16 November 2011 and all expiring on 16 November 2014, exercisable at a price, rounded up to the next whole cent, which is 50% above the closing price of the Shares on the ASX on 16 November 2010 and otherwise granted on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this notice.”

Short Explanation: The Company has given notice by announcement to the ASX of its intention to issue 1,000,000 Options, each with an exercise price, rounded up to the next whole cent, which is 50% above the closing price of the Shares on the ASX on 16 November 2010 to Mr. Larking (Executive Director) as a performance incentive and that this matter would be put before shareholders for approval at their next general meeting. This is the first general meeting since the announcement by the Company.

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 6 by Mr. Larking and any associates of Mr. Larking. However, the Company need not disregard a vote if:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- it is not cast on behalf of Mr. Larking or an associate of Mr. Larking.

Resolution 6 - Grant of Options to Dr. Jörg Baumgärtner

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 10.11 and section 208 of the Corporations Act and for all other purposes, the Directors be and are hereby authorised to offer and issue upon acceptance to Dr. Baumgärtner up to a total of 500,000 Options for no consideration, half vesting on 16 November 2010 with the balance vesting on 16 November 2011, all expiring on 16 November 2014 and exercisable at a price, rounded up to the next whole cent, which is 50% above the closing price of the Shares on the ASX on 16 November 2010 and otherwise granted on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this notice.”

Short Explanation: The Company has given notice by announcement to the ASX of its intention to issue 500,000 Options, each with an exercise price, rounded up to the next whole cent, which is 50% above the closing price of the Shares on the ASX on 16 November 2010 each to Dr. Baumgärtner (Non-Executive Director) as a performance incentive and that this matter would be put before shareholders for approval at their next general meeting. This is the first general meeting since the announcement by the Company.

The Company will in accordance with section 224 of the Corporations Act disregard any votes cast on Resolution 7 by Dr. Baumgärtner and any associates of Dr. Baumgärtner. However, the Company need not disregard a vote if:

- it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- it is not cast on behalf of Dr. Baumgärtner or an associate of Dr. Baumgärtner.

General

To transact any business which may lawfully be brought forward.

Dated the 8th October 2010 by order of the Board

**Nigel Hodder
Company Secretary**

Notes:

- 1 Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- 2 A shareholder of the Company who is entitled to attend and vote at a general meeting of shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each must be appointed to represent a specified proportion of the shareholders voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
- 3 A proxy may but need not be a shareholder of the Company.
- 4 The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer of his attorney duly authorised.
- 5 The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the Registered Office of the Company at least 48 hours prior to the meeting. For the convenience of shareholders a Proxy Form is enclosed.
- 6 Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
- 7 For the purposes of section 1047E(2) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations, the Company determines that members holding ordinary shares at 5.00 pm (Australian Western Standard Time) on 14 November 2010 will be entitled to attend and vote at the Annual General Meeting.
- 8 Please note defined terms used in this Notice of Annual General Meeting have the meanings set out in the Glossary of the Explanatory Memorandum accompanying this Notice.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of each resolution contained in the accompanying Notice of Annual General Meeting of the Company.

The Directors recommend that Shareholders read this Explanatory Memorandum and its Annexure in full before making any decision in relation to the resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice of Annual General Meeting.

Annual Accounts

Shareholders will be given an opportunity to ask questions of the Directors and the Auditors in relation to the Annual Financial Statements and Reports of the Company for the year ended 30 June 2010 at the Annual General Meeting.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

Section 298 of the Corporations Act requires that the annual Directors' Report contain a Remuneration Report prepared in accordance with section 300A of the Corporations Act.

By way of summary, the Remuneration Report:

- (a) sets out the Company's policy and the process for determining the remuneration of its executive officers and Directors;
- (b) addresses the relationship between the remuneration of the Company's executive officers and the performance of the Company; and
- (c) sets out remuneration details for each Director and each of the executive officers of the Company named in the Remuneration Report for the financial year ended 30 June 2010.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. Pursuant to section 250R(3), the vote on this resolution is advisory only and does not bind the Board or the Company.

The Directors recommend that Shareholders vote in favour of Resolution 1.

2. RESOLUTION 2 - RE-ELECTION OF MR ADRIAN LARKING AS A DIRECTOR

Resolution 2 seeks approval for the re-election of Mr Adrian Larking as a Director with effect from the end of the meeting. The Constitution requires that at an Annual General Meeting of the Company one third of the Directors for the time being shall retire from office or, if their number is not a multiple of three, then the number nearest one-third (rounded upwards in case of doubt) shall retire from office.

Mr Larking retires from office in accordance with this requirement and submits himself for re-election.

3. RESOLUTION 3 - CHANGE OF AUDITOR

Resolution 3 seeks approval for the appointment of Deloitte Touche Tohmatsu to replace PKF Chartered Accountants as auditor of the Company.

The audit partners of PKF Chartered Accountants have obtained the consent of ASIC to resign as auditor. Ordinarily, ASIC will only consent to the resignation of an auditor if it occurs by resolution at an annual general meeting unless exceptional circumstances exist. In such cases ASIC has the power to allow the change of auditor to occur at a date other than that of the annual general meeting at which time the members have the opportunity to ratify the appointment.

The Directors have resolved on 14 July 2010 to appoint Deloitte Touche Tohmatsu as auditor of the Company subject to the ratification by members of the Company at this Annual General Meeting.

4. RESOLUTIONS 4, 5, and 6 – GRANT OF OPTIONS TO MR BERESFORD, MR LARKING, and DR BAUMGARTNER

The purpose of Resolutions 4, 5, and 6 is to authorise the offer, and grant upon acceptance the following Options:

Name	Number of Options	Vesting Date	Expiry Date
Mr Beresford	2,000,000	50% on 16/11/2010 50% on 16/11/2011	16/11/2014
Mr Larking	1,000,000	50% on 16/11/2010 50% on 16 /11/2011	16/11/2014
Dr Baumgartner	500,000	50% on 16/11/2010 50% on 16/11/2011	16/11/2014

All of the Options proposed to be granted pursuant to Resolutions 4, 5, and 6 will be exercisable at a price, rounded up to the next whole cent, which is 50% above the closing price of the Shares on the ASX on 16 November 2010.

The terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.

The grant of Options is designed to encourage the recipients to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

The number of Options to be granted to each of the Participating Directors has been determined based upon a consideration of:

- the remuneration of the relevant Participating Director;
- the Directors' wish to ensure that the remuneration offered is competitive with market standards. The Directors have considered the proposed number of

- Options to be granted will ensure that the relevant Participating Director's overall remunerations is in line with market standards; and
- incentives to attract and ensure continuity of service of directors who have appropriate knowledge and expertise.

Under the Company's current circumstances the Directors consider that the incentives to the respective Participating Directors, represented by these Options, are a cost effective and efficient reward and incentive for the Company, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

Shareholders should note that for the reasons noted above, it is proposed to grant the Options set out in this Explanatory Memorandum to Dr Baumgärtner, a Non-Executive Director, notwithstanding Box 8.2 "Guidelines for non-executive director remuneration" of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2010 Amendments which guideline provides that non-executive directors should not receive options.

In the event the Options are exercised, the following amounts will need to be paid to the Company

Mr Richard Beresford	Exercise price multiplied by 2,000,000
Mr Adrian Larking	Exercise price multiplied by 1,000,000
Dr Baumgartner	Exercise price multiplied by 500,000

Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving financial benefit to a related party of the public company unless either:

- the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Mr Beresford, Mr Larking and Dr Baumgärtner are considered to be related parties of the Company as they are Directors.

Resolutions 4, 5, and 6 provide for the grant of Options to Directors which constitute the giving of financial benefits to related parties and therefore require Shareholder approval.

Current Holdings

Set-out below are details of the Participating Directors' interests (including any indirect holdings held in the name of the respective associates of the Participating Directors) in the securities of the Company as at the date of this Notice:

Director	Shares	Options
Richard Beresford	1,716,667 ¹	1,300,000 ²
Adrian Larking	12,151,042 ³	4,000,000 ⁴
Jörg Baumgärtner	NIL	1,600,000 ⁵

Note:

1. 883,334 Shares are held by Clearer Sky Pty Ltd and 833,333 Shares are held by The Beresford Retirement Fund. Both entities are controlled by Richard Beresford.
2. 1,000,000 Options (each exercisable at 6 cents and expiring on 19 November 2012) and 300,000 Options (each exercisable at 8 cents and expiring on 18 November 2014) are held by Richard Beresford.
3. 12,151,042 Shares are held by PKA Investments Pty Ltd as trustee for the Larks Superannuation Fund. Adrian Larking is a director of PKA Investments and is a member of the Larks Superannuation Fund.
4. 1,000,000 Options (each exercisable at 15 cents and expiring on 26 November 2011) 1,500,000 Options (each exercisable at 6 cents and expiring on 19 November 2012) and 1,500,000 Options (each exercisable at 8 cents and expiring on 18 November 2014) are held by Adrian Larking.
5. 1,000,000 Options (each exercisable at 11 cents and expiring on 25 April 2011), 300,000 Options (exercisable at 6 cents and expiring on 19 November 2012) and 300,000 Options (exercisable at 8 cents and expiring on 18 November 2014) are held by Jörg Baumgärtner.

Information Requirements

For the purposes of Chapter 2E of the Corporations Act the following information is provided.

The related party to whom the proposed resolution would permit the financial benefit to be given:

Subject to Shareholder approval, the following maximum number of Options will be granted to the following related parties or their respective nominees:

Name of Related Party	Number of Options
Richard Beresford	2,000,000
Adrian Larking	1,000,000
Jörg Baumgärtner	500,000
Total	3,500,000

In respect of the 3,500,000 Options to be granted to the Participating Directors, the exercise price will be 50% above the closing price on the ASX of the Shares on 16 November 2010, rounded up to the next whole cent.

The Nature of the Financial Benefit

The proposed financial benefit to be given is the grant of Options for no consideration to the Participating Directors as set out above. The terms and conditions of the Options to be granted to the Participating Directors are set out in Annexure A to this Explanatory Memorandum.

Directors' Recommendation

Messrs Schneider, Larking and Baumgärtner (who have no interest in the outcome of Resolution 4) recommend Shareholders vote in favour of Resolution 4. Mr. Beresford declines to make a recommendation about Resolution 4 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed issue of Options to him individually.

Messrs Schneider, Beresford and Baumgärtner (who have no interest in the outcome of Resolution 5) recommend Shareholders vote in favour of Resolution 5. Mr. Larking declines to make a recommendation about Resolution 5 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed issue of Options to him individually.

Messrs Schneider, Beresford and Larking (who have no interest in the outcome of Resolution 6) recommend Shareholders vote in favour of Resolution 6. Mr. Baumgärtner declines to make a recommendation about Resolution 6 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed issue of Options to him individually.

Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors

The proposed ordinary resolutions would have the effect of giving power to the Directors to grant 3,500,000 Options on the terms and conditions set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.

The Company presently has 442,019,045 Shares and also the following unlisted Options on issue:

Number of Options on issue	Exercise Price	Expiry Date
500,000	7 cents	9 March 2011
300,000	15 cents	30 June 2011
1,000,000	11 cents	25 April 2011
2,050,000	15 cents	26 November 2011
6,100,000	6 cents	19 November 2012
5,550,000	8 cents	18 November 2014

If all the Options granted pursuant to Resolutions 4, 5, and 6 were exercised the effect would be to dilute the shareholding of existing Shareholders by 0.092% (assuming that no current Options are exercised).

The market price of the Shares during the period of the Options will normally determine whether or not Option holders exercise their Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Shares may be trading at a price which is higher than the exercise price of the Options.

The following table gives details of the highest, lowest and latest closing prices of the Shares trading on ASX over the last 12 months ending 7 October 2010:

Security	Highest Price	Date of Highest Price	Lowest Price	Date of Lowest Price	Latest Price on 7 October 2010
Shares	6.4 cents	10 November 2009	1.5 cents	17 June 2010	1.8 cents

Mr Beresford, Mr Larking and Dr Baumgärtner's base salaries per annum (including superannuation) and the total financial benefits to be received by them in this current period as a result of the grant of Options the subject of Resolutions 4, 5, and 6 are as follows:

Director	Base Salary p.a.	Superannuation p.a.	Value of Options*	Total Financial Benefit
Richard Beresford	\$206,422	\$18,578	24,920	249,920
Adrian Larking	\$206,422	\$18,578	12,460	237,460
Jörg Baumgärtner	\$45,872	\$4,128	6,230	56,230

Note: An explanation of how the value of Options is determined is noted below.

Value of Options

The Company's advisers have valued the Options to be granted to the Participating Directors using the binomial method of valuation. The value of an Option calculated by this method is a function of a number of variables. Their assessment of the value of the Options has been prepared using the following variables:

Variable	Input
Grant Date	5 October 2010
Spot Price	1.8 cents
Exercise Price	3.0 cents
Risk Free Rate	4.91%
Volatility	110%
Years to maturity	4 years
Vesting Dates	50% on 16/11/2010 and balance on 16/11/2011
Expected Dividends	Nil

For the purposes of this valuation the Company's advisers have assumed 5 October 2010 as the grant date. For the Share or spot price, the advisors have assumed 1.8 cents. For the exercise price the advisors have assumed 3.0 cents, being 50% above the spot price, rounded up to the next whole cent. It has also been assumed that a volatility level of 110% is appropriate. Based on the variables and the assumptions, it is considered that the estimated value of Options to be granted to the Participating Directors is 1.246 cents per Option.

Accordingly, the total value of the Options to be granted to each Participating Director is as follows:

Name of Related Party	Value of Options
Richard Beresford	\$24,920
Adrian Larking	\$12,460
Jorg Baumgartner	\$6,230
Total	\$43,610

The Directors do not consider that from an economic point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits forgone by the Company in granting the Options to the Participating Directors.

The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods commencing from 1 July 2005 means that, under AASB2 Share-based Payment, equity-based compensation will be recognised as an expense in respect of the services received.

Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolutions.

Listing Rule 10.11

Listing Rule 10.11 requires shareholders' approval by ordinary resolution to any issue by a listed company of securities to a related party. Accordingly, Listing Rule 10.11 requires Shareholders to approve the grant of Options to each of the Participating Directors under Resolutions 4, 5, and 6.

For the purposes of Listing Rules 10.13, the following information is provided to Shareholders:

- (a) The Options will be granted to Mr Beresford, Mr Larking, and Dr Baumgärtner and/or their respective nominees.
- (b) The maximum number of Options to be granted to Mr Beresford pursuant to Resolution 4 is 2,000,000, the maximum number of Options to be granted to Mr Larking pursuant to Resolution 5 is 1,000,000 and the maximum number of Options to be granted to Dr Baumgärtner pursuant to Resolution 6 is 500,00.
- (c) The Options will be allotted and granted on one date which will be no later than one month after the date of this Meeting or on such other date as approved by ASX.
- (d) The Options will be granted for no consideration.
- (e) No funds will be raised from the grant of the Options.
- (f) The terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.

If approval is given for the grant of the Options to the Participating Directors under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

GLOSSARY

In this Explanatory Memorandum and the Notice to the Annual General Meeting, the following terms have the following meanings unless the context otherwise requires:

ASX	means ASX Limited ACN 008 624 691, and where the context permits, Australian Securities Exchange operated by ASX Limited.
Board	means the board of Directors.
Company	means Green Rock Energy Limited ACN 094 551 336.
Constitution	means the constitution of the Company.
Corporations Act	means Corporations Act 2001.
Corporations Regulations	means Corporations Regulations 2001.
Director	means a director of the Company.
Listing Rules	means the Listing Rules of ASX.
Notice	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
Option	means an option to subscribe for one Share.
Participating Directors	means Mr Beresford, Mr Larking and Dr Baumgärtner.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.

ANNEXURE A

TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options the subject of Resolutions 4, 5, and 6 are as follows:

- a) Each Option entitles the holder to one (1) Share;
- b) the Options vest 50% on 16 November 2010 with the balance vesting on 16 November 2011;
- c) the Options are exercisable at any time after vesting on or prior to 5.00 pm (Australian Western Standard Time) on 16 November 2014 (Expiry Date) by completing an option exercise form and delivering it together with the payment for the number of Shares in respect of which the Options are exercised to the registered office of the Company;
- d) the exercise price per Option is 50% above the closing price of Shares on the ASX on 16 November 2010 rounded up to the next whole cent;
- e) an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- f) all Shares issued upon the exercise of the Options will rank pari-passu in all respects with the Company's then issued Shares. The Company will apply for quotation of all Shares issued upon exercise of the Options on ASX;
- g) there are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Option holders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue; and
- h) if at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules;
- i) the Options are not transferable except with the prior consent of the Directors; and

- k) notwithstanding clause (b), all Options may be exercised by the Option holder:
- (i) in the event a takeover bid (as defined in the Corporations Act) to acquire any Shares becomes or is declared to be unconditional, irrespective of whether the takeover bid extends to Shares issued and allotted after the date of the takeover bid or not; or
 - (ii) at any time after a change of control event (being a shareholder, or group of associated shareholders, being entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, in a general meeting, to replace all or a majority of the Board) has occurred; or
 - (iii) if a merger by way of scheme of arrangement under the Corporations Act has been approved by the Court under section 411(4)(b) of the Corporations Act.

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PROXY FORM

**APPOINTMENT OF PROXY
GREEN ROCK ENERGY LIMITED
ACN 094 551 336**

2010 ANNUAL GENERAL MEETING

I/We

of

being a member/members of GREEN ROCK ENERGY LIMITED entitled to attend and vote at the 2010 Annual General Meeting, hereby

appoint
Name of Proxy 1 Name of Proxy 2

of
Address of Proxy 1 Address of Proxy 2

or failing the person(s) so named or, if no person(s) is/are named, the Chair of the meeting or the Chair's nominee, to vote in accordance with the following directions or, if no directions have been given, at the Annual General Meeting to be held in the Board Room, Level 2 1176 Hay Street, West Perth, Perth, Western Australia on Tuesday 16 November 2010 at 9.30 am. (Australian Western Standard Time) and at any adjournment thereof.

Voting on Business of the Annual General Meeting

	For	Against	Abstain
Resolution 1 – Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Mr Adrian Larking as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Change of Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Grant of Options to Mr Richard Beresford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Grant of Options to Mr Adrian Larking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Grant of Options to Dr Jörg Baumgärtner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box. If you do not mark this box, and you have not directed your proxy how to vote, then if the Chair has an interest in the resolution other than as member, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution. The Chair intends to vote 100% of all open proxies in favour of each resolution.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM MAY BE HELD INVALID.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a poll and that your shares are not to be counted in computing the required majority on a poll.

*This Proxy is appointed to represent ____% of my voting right, or if 2 proxies are appointed Proxy 1 represents ____% and Proxy 2 represents ____% of my total votes.
My total voting right is _____ shares*

Signed this.....day of2010

By:

Individuals and joint holders Companies (affix common seal if appropriate)

Signature..... Director / Individual 1

Signature..... Director/ Company Secretary / Individual 2

Signature..... Sole Director and Sole Company Secretary

See over for Instructions for Completing 'Appointment of Proxy'

Instructions for Completing 'Appointment of Proxy' Form

- a. A shareholder of the Company who is entitled to attend and cast two or more votes at a general meeting of shareholders is entitled to appoint two proxies. When more than one proxy is appointed, such proxy must be allocated a proportion of the members voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
- b. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
- c. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - (i) Directors of the company;
 - (ii) a director and a company secretary of the company; or
 - (iii) for a proprietary company that has a sole director who is also the sole company secretary – that director

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

- d. Completion of a proxy form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
- e. Where a Proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.