



ASX Announcement

Company Announcements Office
Australian Securities Exchange

By e-lodgement

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(ASX Code GRK)

Placement by Cygnet Capital to raise up to \$2 million for Green Rock

On 9 January 2012 Green Rock announced that it had elected to withdraw its rights issue in light of both a low take up of shareholders' entitlements and Cygnet Capital's termination of the Underwriting Agreement relating to the rights issue. All application proceeds received by the Company have been refunded to shareholders.

Following Cygnet Capital's termination of the Underwriting Agreement and given current capital market conditions, the Board has considered the timing and extent of the Company's capital requirements particularly in view of its cost reduction initiatives announced on 4 January 2012 including the restructuring of the executive Directors' employment arrangements.

Cygnet Capital has now confirmed that it has received commitments for \$500,000 through a first tranche Placement to sophisticated investors of 100 million GRK shares at 0.5c/share, a 28.6% discount to the closing price of 0.7c/share on 30 January 2012.

Subject to approval at a Shareholders' Meeting to be held on a date to be notified, Cygnet Capital will use best endeavours to raise a second tranche Placement to sophisticated investors of \$1 million and up to \$1.5m at its discretion at 0.5c/share.

All capital raised by Cygnet Capital will attract a 6% fee being \$120k plus GST if the total raising of \$2m is achieved. On completion of the placement Green Rock will issue to Cygnet Capital or its nominees 40 million options exercisable at 1.2c/share before 31 January 2015.

The funds raised through this Placement will be used to progress the Company's priority projects;

- The 15% interest in EP 417, the potential interest in the adjacent Seven Lakes SPA and other opportunities that may emerge under the Area of Mutual Interest Agreement with New Standard Energy in the Canning Basin, WA

- The alliance with Pacific Hydro for geothermal power generation in the Mid West of WA and the Great Artesian Basin in SA, and in particular the pursuit of Government and joint venture funding for the Mid West Geothermal Power Project
- The geothermal joint venture with MOL in Hungary

Other new hydrocarbon opportunities will be pursued that could create value for Green Rock's shareholders. The Board continues to examine all means of progressing these activities in a low cost manner.

Nigel Hodder
Company Secretary

Investors and Media

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