



**Company Announcements Office
Australian Stock Exchange**

By e-Lodgement

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(ASX Code: GRK)

**Quarterly Activities Report
for the period ending 31 March 2007**

HIGHLIGHTS

- Short term production testing carried out at Ortaháza, Hungarian geothermal project
- Hot temperatures confirmed beneath Olympic Dam mine
- \$3.7 million successfully raised by rights offer to shareholders
- Dr Jörg Baumgärtner, a management board member of the European Soultz hot dry rock project, and leading international expert on geothermal energy, appointed Non-Executive Director

ACTIVITIES

During the quarter, Green Rock continued to develop its strategy to identify and develop low emission, base load, renewable geothermal energy resources. The Company has progressed its activities in Hungary and Olympic Dam.

Hungary

Short term production testing of geothermal water was undertaken at the Ortaháza project in Hungary where Green Rock holds a 32% interest in a joint venture to develop geothermal energy. Two wells, Ortaháza 3 and Ortaháza 5, were re-entered for testing. The Ortaháza No 5 well was also deepened by 200 metres in the reservoir section to prepare the well for production testing after suspending Ortaháza No 3 well due to stuck drill string.

Testing of Ortaháza 5 well produced good temperatures and chemistry of the geothermal water and yielded water flow rates useable for direct heat sales but below what is needed for

commercial production of electricity. The testing also proved that acid stimulation can be used in future projects to increase the attainable flow rates in similar fractured carbonate reservoirs.

Preliminary indications are that the flow rate was insufficient for electricity production under current conditions but the Company is continuing with its evaluation of the test results to decide if any further work can be improved. In the meantime the joint venture has decided to retain its funds, including the refund of expenditures it expects from the World Bank Geofund geological risk insurance, for the next project rather than proceed to the testing of the previously planned injection well Ortaháza 3.

Green Rock will claim a refund of a substantial proportion of the \$2.2 million expended by it on this project in preparing and carrying out the production testing. This refund is expected to be paid by the end of September this year from the Geofund geological risk insurance which was provided to the Project by the World Bank group.

The Joint Venture is now in the process of technical evaluation of other prospects in Hungary to select the location for the next project where higher geothermal water flow rates can be expected.

Australia

With the agreement and co-operation of BHP Billiton, Green Rock measured the temperature in several deep mineral holes drilled during the quarter by BHP Billiton to around 2,300 metres depth at the Olympic Dam mine, only a few kilometres away from Green Rock's Blanche No 1 well. Temperatures and the geothermal gradient were marginally higher than Blanche No 1 well confirming the heat anomaly of the Olympic Dam area.

Having drilled Blanche No 1 to nearly two kilometres Green Rock has proven the granites are hot. The drilling by BHP Billiton confirms the heat anomaly should also extend over the wider geothermal leases also held by Green Rock.

The Company is now at the next step which is to establish the water circulation system capable of producing enough geothermal energy to power an electricity generation plant. Since the end of the quarter Green Rock has entered into a contract with Australia's premier scientific and industrial research organisation, the CSIRO, to carry out the mini-fracture stimulation of the granite at various depths in its Blanche No.1 well. This is now scheduled for around September this year when the designated high pressure pump becomes available.

The mini-fracture stimulation program will involve pumping water into the hot granites already drilled in Blanche No 1 to generate fractures in the hot granite at various depths. The data obtained will provide details about the geological stress conditions which will be used to design the two deeper production and injection wells and the associated fracture stimulation program to establish a water circulation system between the two wells to recover heat from the hot granites.

It will be the first mini-fracture stimulation program for geothermal energy carried out anywhere in Australia. This innovative approach to geothermal exploration in Australia has the potential to significantly lower costs and risks for Green Rock by providing key input information which will be used for the optimal design and conduct of the subsequent deeper drilling and fracture stimulation program. This will enable more accurate design and costing of the deep wells and fracture stimulation program than has been possible for others who have had to drill to much greater depths before intersecting the top of their targeted hot reservoir rocks.

CORPORATE ACTIVITIES

New Non-Executive Director – Dr Jörg Baumgärtner

Green Rock is fortunate to have Dr Jörg Baumgärtner join the Board as a non-executive director effective from 25th April, 2007. Dr Baumgärtner, who is based in Germany, is one of the leading experts in the World on developing and producing geothermal energy from Enhanced Geothermal Systems (EGS) or Hot Dry Rocks.

Dr Baumgärtner is CEO of BESTEC GmbH, a geothermics and drilling company actively involved in several European geothermal projects. BESTEC is currently finalizing the surface installations for the Landau geothermal power plant in the Rhine Graben, Germany, which includes the installation of an Ormat organic Rankine cycle power plant to be used for electricity generation.

Dr Baumgärtner is a member of the management board of the GEIE Exploitation Minière de la Chaleur in Soultz sous Forêts, France. This company is running the Soultz Enhanced Geothermal System project which is the foremost EGS project in Europe with contributions from French, German and British participants. Dr Baumgärtner has been closely involved in the management of all aspects of this project including the drilling, hydro-fracture stimulation and chemical stimulation of the hot granites at depths down to 5 kilometres. This is very similar to the work program for Green Rock's Olympic Dam Project. His experience from the European Soultz sous Forêts project in France extends to the use of micro-seismic technologies and use of chemical tracers to monitor the development of the fracture network in the granites for development of a sub-surface circulation system. This experience will be very useful for Green Rock's Olympic Dam project.

Dr Baumgärtner replaces Mr Hugh Warner who resigned from the Board effective 16 February 2007.

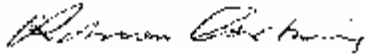
Equity Raising

Green Rock raised \$3.7 million during the quarter via a renounceable rights issue to shareholders. This was in addition to the sum of \$0.3 million raised in December by placement to professional investors. The funds will be used for production testing of the Ortaháza Geothermal Project in Hungary, ongoing evaluation of the Olympic Dam Geothermal Project, evaluation and due diligence of additional geothermal projects in Hungary and elsewhere and for general working capital. Both the rights issue and the placement held included one free attaching new option for every two new shares issued, exercisable at ten (10) cents on or before 18 April 2008.

Industry Round Table for the Geothermal Industry

In March, Adrian Larking, Green Rock's Managing Director, participated in an Industry Round Table for the Australian Geothermal Energy Sector at Parliament House, Canberra. The Round Table was convened by the two Commonwealth senior Ministers, the Hon. Ian MacFarlane, Minister for Industry, Tourism and Resources and the Hon. Malcolm Turnbull, Minister for the Environment and Water Resources. The Ministers stressed their desire to see geothermal energy as a low emission technology contribute substantially to Australia's energy production. They stressed that the Government's particular attraction to geothermal energy is predicated on its ability to generate base load electricity unlike other types renewable energy. This Roundtable was followed by a workshop in Parliament House with input from geothermal proponents and key Commonwealth science organisations, CSIRO and Geoscience Australia, to provide the Government with ways to assist the industry go forward to develop Australia's vast geothermal energy potential. The Company will continue to participate in this process.

This process has the potential to improve regulation of the geothermal industry and access to government incentives for the geothermal industry and to remove roadblocks to the development of geothermal energy in Australia. Success with this can help to pave the way for the geothermal industry to achieve its enormous potential to contribute substantially to Australia's generation of base load electricity.



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