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**Company Announcements Office
Australian Stock Exchange**

By e-Lodgement

**QUARTERLY REPORT ON EXPLORATION ACTIVITIES
for the PERIOD ENDED 30 JUNE 2006**

Green Rock Energy Limited is focusing on the evaluation, development and management of geothermal energy projects with an emphasis on hot dry rock (“HDR”) or otherwise known as enhanced or engineered geothermal systems (“EGS”).

The Company’s principal project is the evaluation and development of a 400MWe+ geothermal power plant on its geothermal exploration licence areas in central South Australia. The Company is reviewing other geothermal projects, within Australia and internationally with the objective of acquiring a portfolio of commercial geothermal projects.

OLYMPIC DAM GEOTHERMAL ENERGY PROJECT

The Olympic Dam Geothermal Energy Project is located within 10 kms of BHP Billiton’s Olympic Dam copper and uranium mine and only 5 kms from a 275kV and a 132 kV power transmission line connected to the Eastern Australian power grid. The geothermal licence area has the potential to support a power plant with a capacity up to 1,000MWe. This would make the project a world scale geothermal power producer. Any power produced in excess of BHP Billiton’s requirements could potentially be supplied to the Eastern Australia electricity grid.

Preliminary analysis, following the drilling of a 1.9 km deep exploratory diamond hole in the 2nd half of 2005, indicates that a 400MWe geothermal power plant at Olympic Dam has the potential to have in excess of a 40 year commercial life and costs towards the bottom end of the electricity production cost curve.

During the quarter the Company prepared for a down-hole mini hydraulic fracturing (“mini-frac”) program in the exploratory geothermal well, Blanche No.1, planned to be undertaken by CSIRO. The mini-frac program will provide an understanding of the magnitude and direction of the ambient stress field and fracturing properties of the hot granites. This information will assist in the design of the hydraulic fracture stimulation program for the two deeper production wells planned for later this financial year.

The next and final stages in the pre-development evaluation of the Olympic Dam Geothermal Energy Project are the drilling of two deep production wells, the establishment of the underground permeable reservoir connecting the wells and testing of the water circulation through the reservoir. This is planned to commence early in 2007.

OTHER GEOTHERMAL ENERGY PROJECTS

Applications for geothermal exploration leases have been lodged over other prospective geothermal energy areas in South Australia.

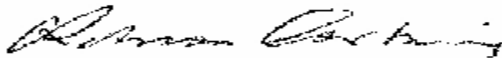
In addition to the Australian geothermal projects, the Company is evaluating the acquisition of a selective portfolio of geothermal energy projects in Europe, New Zealand, and the USA that will provide a near term cash flow.

CORPORATE ACTIVITIES

Green Rock Energy has been admitted as a non-country member of the Geothermal Implementing Agreement (GIA), established under the auspices of the International Energy Agency. The GIA provides broad international cooperation between member countries in geothermal R&D and seeks to overcome barriers to the development of geothermal energy utilization.

During the quarter Green Rock Energy participated in an international workshop on reservoir fracture stimulation conducted by the GIA at the Soultz sous Forets EGS project in France, and another conducted by the Enhanced Geothermal Innovative Network for Europe on the technological success of fracture stimulation and micro-seismic monitoring of the major EGS geothermal projects being carried out in Europe. Several European countries have attractive economic incentives for exploitation of renewable energy including geothermal energy. The Company is evaluating the possible participation in a European project

During the quarter the Company has been working with RFC Corporate Finance Limited, a Sydney based resource and energy focused investment bank, to determine the optimum means of funding to complete the evaluation of the Olympic Dam Geothermal Energy Project and the potential international projects.



Adrian Larking

Managing Director