



**Company Announcements Office
Australian Stock Exchange**

By e- Lodgement

31 July 2007

(ASX Code : GRK)

**Quarterly Activities Report
for the period ended 30 June 2007**

HIGHLIGHTS

- CSIRO study confirms the rock stresses at the Olympic Dam Geothermal Energy Project are likely to be ideal for a heat exchange reservoir
- Preparations underway for mini hydro-fracture at Olympic Dam
- Ortaháza wells in Hungary suspended for possible future direct heat use
- Claim for refund of Ortaháza expenditures from World Bank
- Site selection for 2nd Hungary project commenced
- Submission made to Federal Parliamentary Committee enquiry into Renewable Energy

ACTIVITIES

During the quarter, Green Rock Energy progressed its activities in Hungary and Olympic Dam to develop low emission base load electricity from geothermal energy resources.

Hungarian Joint Venture (32% interest)

The Joint Venturers were busy during the quarter with site selection for the Joint Venture's next geothermal energy project in Hungary. The Company's hydro-geologist provided major input into this process. This selection involves choosing a site with suitable geothermal water temperature and chemistry, reservoir potential and reservoir flow characteristics. The task of site selection in Hungary is greatly assisted by the abundance of relevant seismic and well data available from Hungarian Oil & Gas company, MOL, which has drilled and owns over 5,000 petroleum wells in Hungary, many of which discovered suitable hot water.

A claim was initiated by the Joint Venture for a refund from the World Bank Group's Geofund technical risk insurance of a substantial proportion of the funds expended in preparing and carrying out the Ortaháza production testing. Under the contract with the World Bank group, the refund is payable by the end of the next quarter following the World Bank obtaining a report from an independent expert organisation attesting to the quantum of eligible expenditures which can be claimed. This claim followed the joint venturers electing to suspend the Ortaháza 3 and Ortaháza 5 wells for possible future production for direct heat uses after water flows from the wells proved insufficient for commercial electricity production. The Company expects a refund of around A\$1.5 million within the next few months.

Olympic Dam Geothermal Project, (100%) Australia

In preparation for the Company's mini hydro-fracture program to be carried out in the existing well Blanche No 1 in the next few months, the CSIRO, Australia's premier scientific and industrial research organisation, delivered an encouraging report on in-situ stress modelling in the hot granites drilled by that well. This analysis was based on drill core, drill logs, drilling operational data, laboratory tests and previous modelling by the CSIRO. The key results reported by CSIRO analysis were:

- It is likely that both the maximum and minimum principal horizontal stresses are higher than the vertical stress in granite intersected in Blanche No 1 well
- This implies that the hydraulic fracture orientation and fluid flow in a stimulated zone are likely to be in a sub-horizontal direction
- This is an ideal situation for generating an optimal heat exchange reservoir that would allow a maximum distance between the injection and production wells.

These results will be followed-up and quantified by the planned mini hydro-fracture program to be carried out in the next few months. The mini hydro-fracture will involve pumping water into the hot granites already drilled in Blanche

No 1 to generate fractures at various depths. The data obtained will provide more accurate measurements of the geological stress conditions which will be used for the design of the two deeper production and injection wells and fracture stimulation program. The deeper wells will be used to establish a water circulation system to recover heat from the hot granites.

CORPORATE ACTIVITIES

Submission to Federal Parliamentary Committee

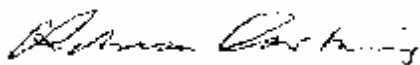
In June the Company made a submission on the costs, benefits and implications of the utilisation of geothermal energy to the Commonwealth Parliament House of Representatives Standing Committee on Industry and Resources for its case study into renewable energy sectors in Australia. This submission which is posted on the Company's website (www.greenrock.com.au) emphasised the substantial potential for well located resources in Australia to provide emission free, renewable base load electricity.

Issue of Options to Director

The Company resolved, subject to approval of the shareholders, to issue 1,000,000 ordinary share options to Dr Jörg Baumgärtner who joined the Board as a non-executive director in April. Dr Baumgärtner, is one of the leading exponents on developing and producing geothermal energy from Engineered Geothermal Systems (EGS) or Hot Dry Rocks.

Meetings

During the quarter the Company held its last board meeting for the 2006/07 year and Hungarian Joint Venture meeting in Unterhaching near Munich in Germany where the European Geothermal Congress was convened and at which the Hungarian Joint Venture delivered a paper on its joint venture activities.



Adrian Larking
Managing Director

For further information contact Adrian Larking on:

Phone: + 61 (0)8 9482 0401

Mobile: +61 (0)4 1792 7767

Email: alarking@greenrock.com.au