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Company Announcements Office
Australian Stock Exchange

By e-Lodgement

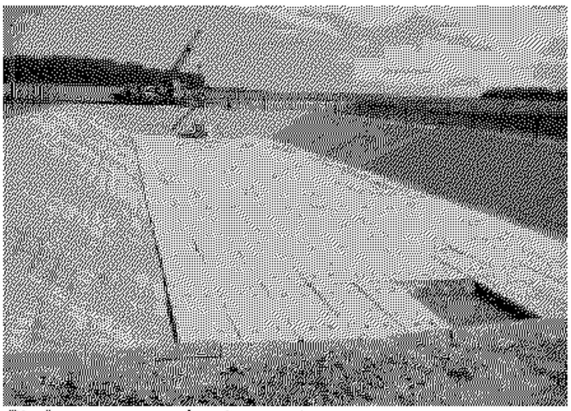
Production Testing to Commence at Green Rock Energy's Ortaháza Geothermal Project

The directors of Green Rock Energy Limited (ASX Code GRK) are pleased to advise that a drill rig has moved on site to commence a production testing program at the Ortaháza Geothermal Project, located in Zala County, in western Hungary. This testing phase of the Project involves re-entering two existing wells, drilled to around 3,000 metres into naturally hot water, and carrying out production testing to determine the flow rates of the hot geothermal water which can be produced from the wells.

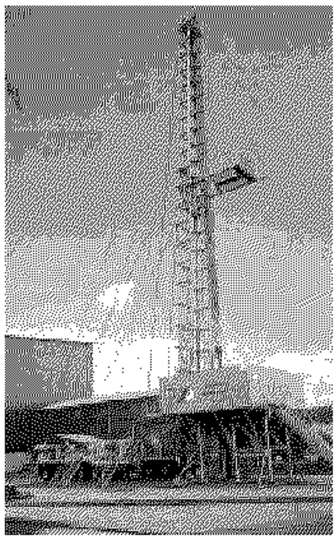
The drill rig is preparing the first of two wells, Ortaháza 3 and Ortaháza 5, to test the sustainable flow rate of hot geothermal water from natural underground reservoirs intersected by the well. The testing of the two wells is scheduled to be completed early in the 3rd quarter of 2007. Following the production testing a feasibility study will be completed for the development of a geothermal power plant and direct heat supply for industry.

The Ortaháza Geothermal Project is a joint venture between Green Rock Energy (32%), the Hungarian oil and gas company, MOL (36%), and Enex hf (32%). MOL, Hungary's largest company, is the operator of the Joint Venture. Enex is a leading Icelandic geothermal consulting and development company

The success of the testing phase is underwritten through the provision of Geological Risk Insurance from the Geothermal Energy Development Program, or GeoFund. This provides a refund to the Company of the major costs it will incur for this production testing if the water flow rates do not achieve the desired levels for electricity generation even if they are sufficient for the sale of direct heat to industrial and agricultural users. The Geofund is funded by the Global Environment Facility Trust Fund which was implemented jointly by the World Bank and the International Finance Corporation.



Pit for water production testing



IDECO drill rig

Green Rock Energy is positioning itself as a major developer of enhanced geothermal energy projects. In addition to the Hungary Geothermal Project, the Company is evaluating the major geothermal resource at Olympic Dam, in central South Australia, and has applications for additional geothermal leases in Australia.

Geothermal energy is the only renewable energy that can provide constant base load electricity independent of the weather.

Nigel Hodder
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