Quarterly Activities Report

for the three months ending 31 December 2009

29 January 2010

Highlights

- **$7 million Federal Government grant offered to Green Rock Energy for the Perth Urban Project**
- **Three new Permits granted in the Perth Basin**
- **Design for geothermal production testing of well in Hungary completed**
- **Consolidation of five Licence areas at Olympic Dam**

Green Rock Energy's activities for the quarter focussed on geothermal energy projects in hot sedimentary aquifers in Perth and Hungary which are near market and can be developed relatively quickly.

Investors & Media

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PROJECTS

Perth Basin

Perth Urban Geothermal Energy Project
Western Australia,
50% interest

In late December Green Rock Energy was advised by the Federal Government that its application for a $7 million grant from under the second round of the Government's competitive Geothermal Drilling Program was successful. The grant is to assist the Company to drill two wells to depths between 2,500 and 3,000 metres and carry out the flow testing of the recovered geothermal water for its Perth Urban Geothermal Energy Project. A major focus of the Company will be to secure a suitable drilling rig and obtain all necessary approvals to enable drilling for the Project to commence later this year.

This commercial demonstration project is designed to replace electricity powered compression chillers with geothermal powered absorption chillers to provide the air-conditioning needs of buildings in Perth Geothermal Exploration Permit No 1 which is held jointly with the University of Western Australia. Subject to proving commercial viability, the Company plans to power a significant proportion of the University of Western Australia's air-conditioning needs by geothermal energy in place of electricity.

Given success the Company plans to replicate and expand the concept on a much larger scale throughout Perth.

New Perth Basin Permits Offered

Western Australia,
100% interest

Green Rock Energy Limited has submitted its acceptance of the offer of two new Geothermal Exploration Permits covering the North Perth Metropolitan area and one new Permit in the Dongara region of the North Perth Basin. Green Rock Energy's Permits now cover the whole of Perth's northern coastal corridor between Perth and the new suburb of Alkimos where rapid residential, commercial and industrial growth is planned. This provides the Company with an unsurpassed potential customer base for geothermal energy. Recently the State government corporation LandCorp announced the Delfin Lend Lease Group as its preferred development partner for the new coastal city of Alkimos 40 km north of Perth.

The new Permit in the Dongara area abuts the six Permits already owned by Green Rock Energy. The Dongara region overlaps producing oil and gas fields and covers what the Company believes to be the most economically prospective hot sedimentary aquifers for electricity production in the Perth Basin, and in locations which could be commercialised quickly.

PROJECTS continued

Perth Basin Permits

Western Australia,
Varying % interest

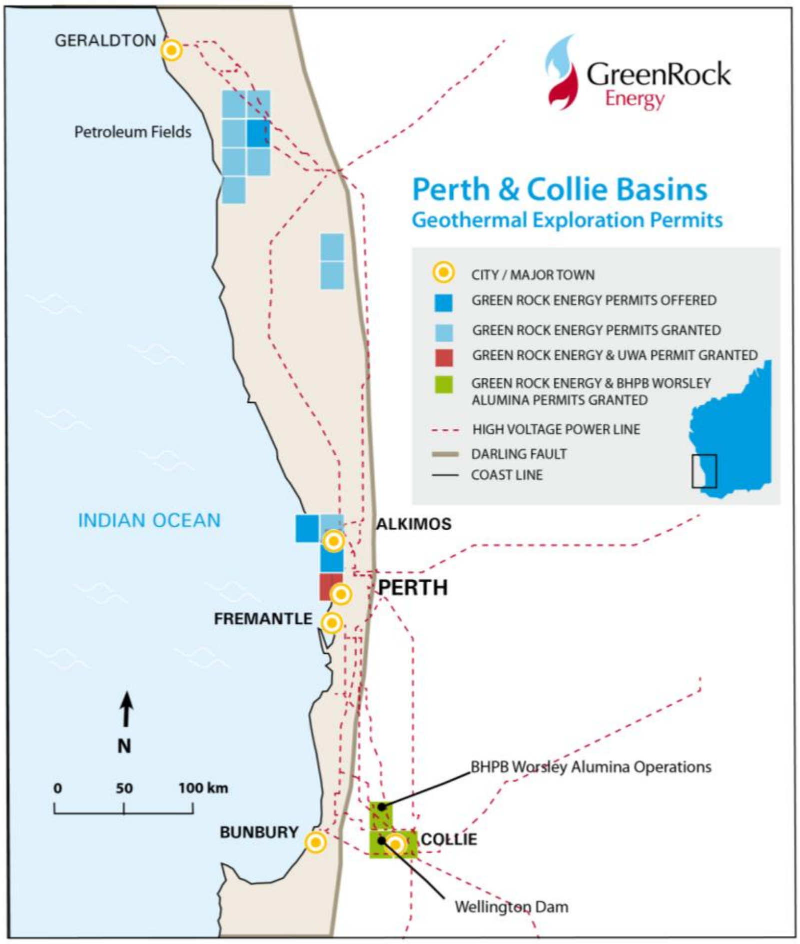

Figure 1: Map of the Perth and Collie Basins Geothermal Exploration Permits Granted and Offered

PROJECTS continued

Hungary

Geothermal Energy Project
Hungary, *50% interest through Central European Geothermal Energy kft*

Green Rock Energy holds a 50% interest in Central European Geothermal Energy (CEGE), a company which was formed with major Hungarian Oil and Gas Company (MOL) to explore for and develop geothermal energy in Hungary.

Work is focussing on recovering naturally hot geothermal water from sediments. A recent petroleum well which recovered hot geothermal water has been selected for testing for geothermal water production for electricity generation. This well was selected where production can be achieved in the shortest time frame and at lowest cost using the well and existing power technology. A well testing program was designed for CEGE by Green Rock Energy's director, Dr Baumgärtner. Application for the approvals required to carry out the testing are underway. Given success with the testing of this well a second well will be drilled and the electricity produced from the wells will be sold into the nearby power grid under Hungary's feed in tariff system, which does not require a power purchase agreement.

Olympic Dam Geothermal Energy Project

South Australia,
100 % interest

Green Rock Energy has been advised by the Government authority in South Australia that five contiguous Geothermal Exploration Licence areas GELs 128, 129, 161, 162 and 163 held at Olympic Dam have now been consolidated into one Licence area which is now known as GEL 128.

ABOUT GREEN ROCK ENERGY

Green Rock Energy Limited is an Australian company focused on developing commercially sound renewable geothermal energy projects. The Company has projects in Australia and Europe and is a member of the Australian Geothermal Energy Association and sponsor member of the International Energy Agency's Geothermal Implementing Agreement.

Board of Directors:

Adrian Larking	Managing Director
Alan Knights	Executive Director
Jörg Baumgärtner	Non-Executive Director
Richard Beresford	Non-Executive Director
Scott Spencer	Non-Executive Director

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