



ASX Announcement

Company Announcements Office
Australian Securities Exchange

By e-lodgement

4 May 2011

(ASX Code GRK)

Pro-Rata Non-Renounceable Rights Issue

Pursuant to the announcement made by Green Rock Energy Limited on 17 March 2011 concerning an intention to offer eligible shareholders the facility to acquire fully paid ordinary shares in the capital of the Company through a Pro-Rata Non-Renounceable Rights Issue (**Rights Issue**), shareholders are advised that a letter giving information of the Rights Issue will be posted to them today. A sample of this letter is attached and is for information only.

Shareholders are informed that the Prospectus for the Rights Issue was lodged with ASIC and ASX on 2 May 2011 and can be viewed on the ASX website (www.asx.com.au) or on the Company's website (www.greenrock.com.au).

Any queries regarding entitlement or participation in the upcoming Rights Issue should be directed to Nigel Hodder on (08) 9482 0402.

A handwritten signature in black ink, appearing to read "Nigel Hodder", with a horizontal line drawn underneath it.

Nigel Hodder
Company Secretary

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GreenRock
Energy

Green Rock Energy Limited

ABN 59 094 551 336

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4 May 2011

Dear Shareholder

INFORMATION FOR SHAREHOLDERS – PRO-RATA NON-RENOUNCEABLE RIGHTS ISSUE

As you may be aware, Green Rock Energy Limited ACN 094 551 336 ("**Company**") will shortly be offering to you an opportunity to acquire fully paid ordinary shares in the capital of the Company ("**Shares**") pursuant to a pro-rata non-renounceable rights issue to shareholders of up to 169,006,348 new fully paid ordinary shares ("**Shares**") in the issued capital of the Company ("**New Shares**") on the basis of one (1) New Share and one free attaching option to acquire a Share ("**Option**") ("**Attaching Option**") for every three (3) Shares held by you at 5.00pm AEST on 11 May 2011 ("**Record Date**"), at an issue price of \$0.018 per New Share, to raise up to \$3,042,114 ("**Rights Issue**"). This offer will be made pursuant to the prospectus dated 2 May 2010 ("**Prospectus**") and if you wish to participate in the Rights Issue, you will need to complete and return the Entitlement and Acceptance Form that will accompany the Prospectus.

A copy of the Prospectus has been lodged with ASX and is available on the ASX website (www.asx.com.au) and will be despatched to persons holding shares as at the Record Date.

Pursuant to the Listing Rules of the ASX Limited ("**Listing Rules**"), the Company is required to provide to you certain information before proceeding with the Rights Issue. This letter contains all the information required by Appendix 3B of the Listing Rules.

1. Up to a maximum of 169,006,348 New Shares and 169,006,348 Attaching Options will be issued pursuant to the Rights Issue (assuming no Options currently on issue are exercised).
2. The New Shares will rank equally in all respects from the date of allotment with the existing class of quoted Shares on issue. The terms and conditions of the Attaching Options are detailed in the schedule to this letter.

3. The issue price of the New Share will be \$0.018 per New Share. The issue price of the Attaching Options is nil.
4. The Company will apply for quotation of the New Shares and the Attaching Options issued pursuant to the Rights Issue on the official list of ASX.
5. The funds raised by the Rights Issue will be applied, with existing funds and after meeting the expenses of the Rights Issue:
 - (a) to progressing the commercialisation of the Company's priority geothermal energy projects in the Perth Basin and in Hungary;
 - (b) to contributing towards the Company's financial commitments in respect of the farm-in agreement it has entered into with New Standard Energy Limited (see ASX announcement dated 17 March 2011); and
 - (c) towards administration of, and working capital for, the Company.
6. It is anticipated the securities will be entered into uncertificated holdings on 1 June 2011.
7. The total number and class of all securities quoted on ASX (including the maximum number of New Shares and Attaching Options to be issued in the Rights Issue and assuming no existing Options are exercised) is as follows:

Number	Class
676,025,393	Shares
169,006,348	Attaching Options

8. The total number and class of all securities not quoted on the ASX (assuming no existing options are exercised) are as follows:

Number	Class
300,000	Options exercisable at \$0.15 and expiring 30 June 2011
2,050,000	Options exercisable at \$0.15 and expiring 26 November 2011
6,100,000	Options exercisable at \$0.06 and expiring 19 November 2012
5,550,000	Options exercisable at \$0.08 and expiring 18 November 2014
25,000,000	Options exercisable at \$0.02 and expiring 30 June 2013
5,050,000	Options exercisable at \$0.04 and expiring 16 November 2014

9. The Company currently has no dividend policy.
10. No shareholder approval for the Rights Issue is required.
11. The Rights Issue is ***non-renounceable***. This means that shareholders who do not wish to subscribe for some or all of the New Shares and Attaching Options offered to them under the Rights Issue are not permitted to sell their respective rights.
12. The Shares and Attaching Options in the Rights Issue will be offered on basis of one (1) New Share and one (1) free Attaching Option for every three (3) Shares held by the shareholder at 5.00pm AWST on the record date of 11 May 2011. The offer under the Rights Issue relates to ordinary fully paid shares in the capital of the Company.
13. The ***Record Date*** to determine entitlements is 11 May 2011.
14. Holdings on different registers (or subregisters) will not be aggregated for calculating entitlements.
15. The Company will not be sending an offer under the Rights Issue to any security holders with a registered address outside of Australia and New Zealand.

In compliance with Listing Rule 7.7.1 of the ASX Listing Rules, the Company has decided that it is unreasonable to make the offer to security holders outside of Australia and New Zealand having regard to each of the following:

- the number of security holders outside of Australia and New Zealand;
- the number and value of the securities to be offered to security holders outside of Australia and New Zealand; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

The Company will send to each of the security holders with a registered address outside of Australia and New Zealand details of the offer and advise them that the Company will not be making the offer to them.

16. The closing date for receipt of acceptances is 5.00pm AWST 31 May 2011.
17. The Rights Issue is underwritten by Cygnet Capital Pty Ltd.
18. There is no broker to the Rights Issue.
19. The Prospectus for the Rights Issue and the accompanying Entitlement and Acceptance Form will be sent to you on or about 17 May 2011.
20. The Company sent a notice to option holders to notify them of their right to participate in the Rights Issue upon exercise of their options on 4 May 2011.
21. Existing holders of options will not be entitled to participate in the Rights Issue. However, if they exercise their options prior to the Record Date they may participate in the Rights Issue.

22. The latest date for despatch of certificates or entry of the securities into your security holdings is 8 June 2011.

The above information was provided to the ASX on 2 May 2011.

If you have any queries regarding your entitlement or participation in the upcoming Rights Issue, please do not hesitate to contact the undersigned on + 61 8 9482 0402.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Nigel Hodder', with a horizontal line drawn underneath it.

Nigel Hodder
Company Secretary

SCHEDULE

Terms and Conditions of Attaching Options

- (a) Each Option entitles the holder to one (1) Share;
- (b) The Options are exercisable at any time on or prior to 5.00pm (Australian Western Standard Time) on 31 March 2013;
- (c) the Option exercise price is 3.6 cents per Option;
- (d) an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- (e) subject to the Corporations Act, the Listing Rules and the Company's Constitution, the Options are freely transferable;
- (f) all Shares issued upon exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company will apply for quotation of the Options on the ASX and will also apply for quotation of all Shares issued upon exercise of the Options;
- (g) there are no participating rights or entitlements inherent to the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue; and
- (h) if at any time the issued capital of the Company is reconstructed, all rights of the Option holder/s are to be changed in a manner consistent with the Corporations Act and the Listing Rules.