



## ASX Announcement

Company Announcements Office  
Australian Securities Exchange

**By e-lodgement**

**5 June 2012**

**(ASX Code GRK)**

### Backreef Area Update

Please find attached a presentation by Green Rock Energy Limited which provides an update on the production test at Backreef-1 and the forward work program.

Green Rock Energy Limited holds beneficial rights to a 20% joint venture interest in the Backreef Area and has prepaid \$2.5 million of future costs in the Backreef Area.

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

Nigel Hodder  
Company Secretary

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#### ***About Green Rock Energy Limited***

Listed on the ASX in 2005, Green Rock (GRK) is a geothermal and hydrocarbons explorer and developer with geothermal interests in Western Australia, South Australia and Hungary and hydrocarbons interests in Western Australia. Its key projects are:

- A 15% interest in EP417 in the Canning Basin with a right to earn up to 20% through a farm-in agreement with New Standard Energy (NSE) together with an Area of Mutual Interest Agreement for other potential opportunities including the Seven Lakes Special Prospecting Area awarded to NSE
- The beneficial right to a 20% JV interest in the Backreef Area in the Canning Basin operated by Oil Basins Limited (OBL)
- An alliance with leading Australian renewable power developer Pacific Hydro for conventional geothermal power generation in GRK's permits in the Mid West of WA and GRK's and Pacific Hydro's licences in the Great Artesian Basin in SA
- A joint venture with MOL in Hungary for geothermal power generation (GRK 50%)



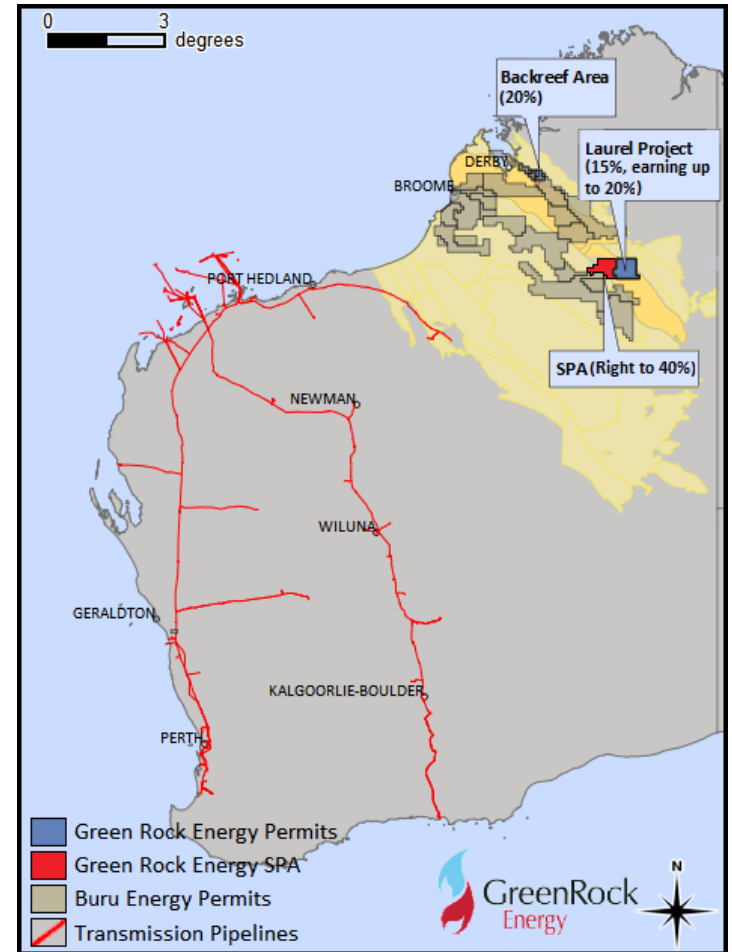
## Backreef Area Update

June 2012

# BACKREEF AREA

## Green Rock 20% interest in Backreef Area

- Well test completed at Backreef-1, live oil observed and sampled at surface
- First oil in the Backreef Area proves geological concept and “de-risks” this high potential exploration area
- Discovery of oil has been reported to government
- Immediate follow up work includes refining technical evaluation, and extended production test (EPT) and/or next well to be drilled in 3-4 months; Green Rock has pre-paid its share of costs up to \$2.5m
- Rapid commercialisation of discoveries as the Backreef Area is possible as it is located within an established production permit, with existing infrastructure
- Adjacent to Buru Energy Limited “BRU” operated Blina oil field
- Recent mapping by Buru of Valhalla Wet Gas Area indicates it may extend in to the Blina/Backreef area.



Source: Green Rock

# BACKREEF AREA – 2 STAGE PROCESS

## First Stage – Backreef-1 Well Test Results

- Successful well test at Backreef-1
  - live oil observed and sampled at surface
  - good flow rates
- First oil discovered in the Backreef Area, and first oil discovery in the L6 area since Blina was drilled in 1981
- Result much as expected as pre-test mapping indicated Backreef-1 to be on the edge of an oil accumulation
- Results support the third party RPS Report that estimates 46-117 million barrels Oil in Place (OIP) for the Backreef Area
- Excellent reservoir quality; whilst flow was primarily water, the high flow rate of 1000 bpd is an excellent reservoir, better than Blina. The estimate of oil flow required to be commercial oil is 100-200 bopd.
- Oil collected from Backreef-1 appears to be very light and similar to oil at the nearby Blina Oilfield

Oil from formation floating in the annulus at the rig floor at Backreef-1

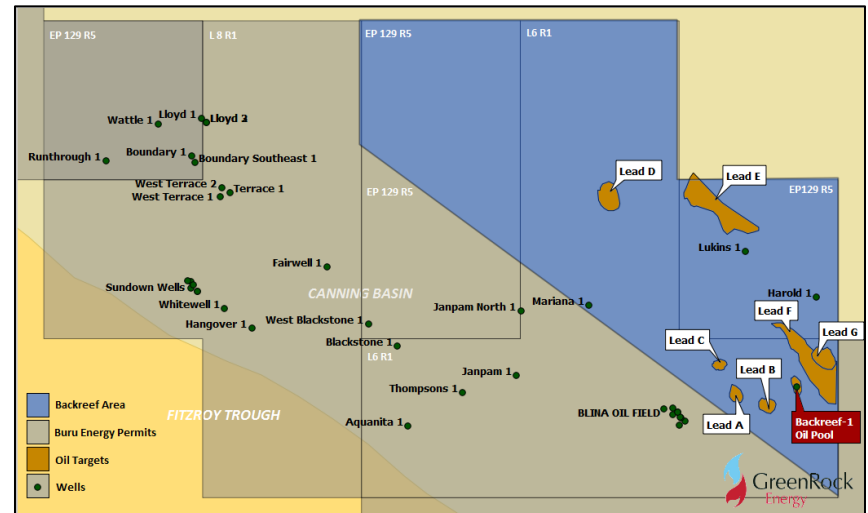


Source: Green Rock

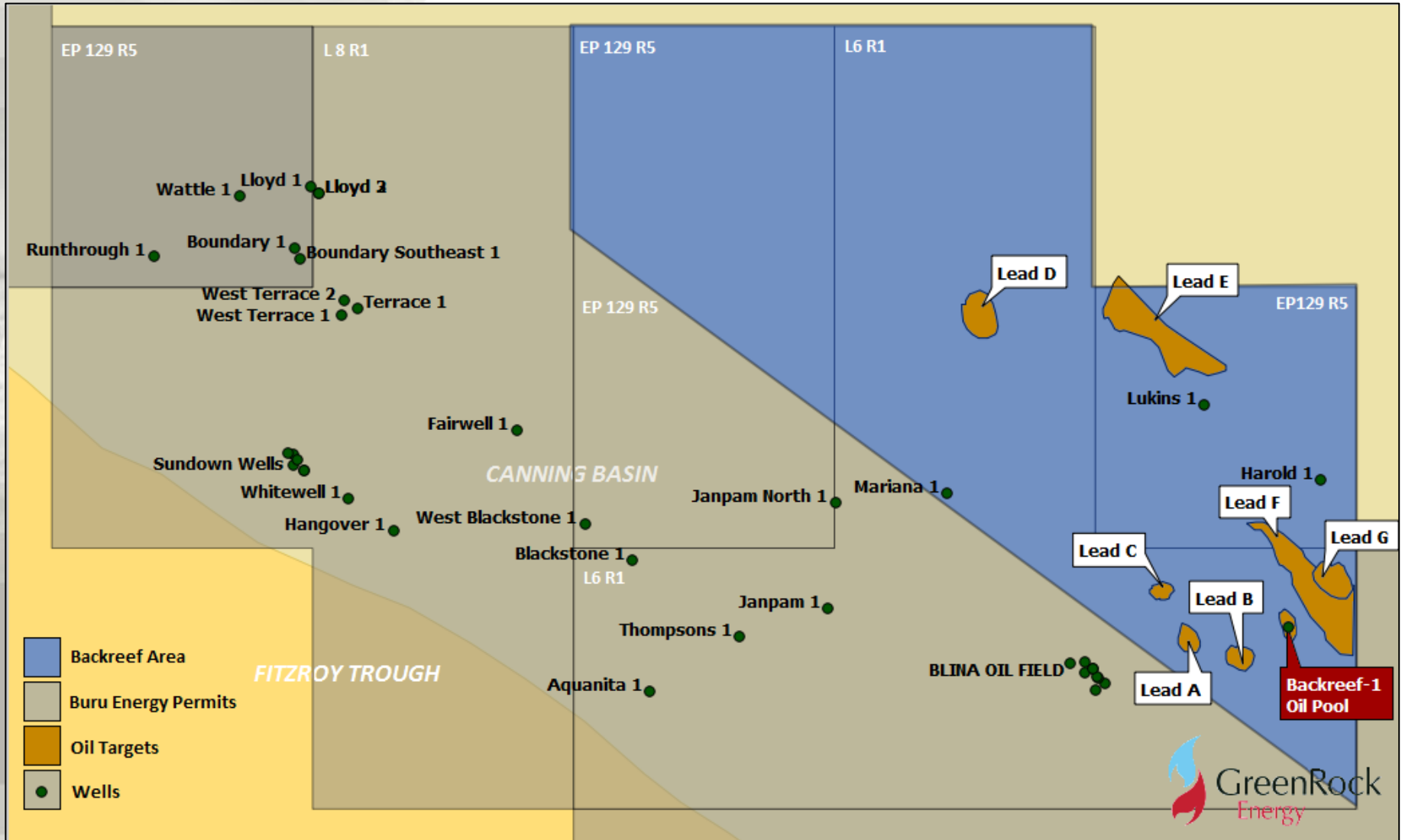
# BACKREEF AREA – 2 STAGE PROCESS

## Backreef Area – Follow up successful Backreef-1 well test

- Already have a contract with a rig option
- EPT/drilling scheduled for September 2012
- Future work already funded up to \$2.5m (pre-paid by Green Rock)
- Next well will target mapped oil accumulation
- Objective to earn title on this high potential area and to demonstrate a commercial oil field
- Better than expected reservoir quality upgrades commercial potential (high flow rates)
- Rapid commercialisation of discoveries is possible as the Backreef Area is located within an established production permit, with existing infrastructure



# BACKREEF AREA



Source: Green Rock

# SUMMARY

- Live oil observed and sampled at Backreef-1 – “proof of concept”
- Better than expected reservoir with high flow rate
- Data supports the RPS Report, which estimates 46-117 million barrels of Oil in Place (OIP) for the Backreef Area
- EPT and/or another well to be drilled in September 2012 - Green Rock has pre-paid its share of costs up to \$2.5m
- Objective of EPT/second well is to earn interest in high potential area, and upside target is to demonstrate commercial oil field

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