ASX Announcement

Company Announcements Office
Australian Securities Exchange

By e-lodgement

8 October 2012

(ASX Code GRK)

East Blina-1 Update

Please find attached an announcement by Oil Basins Limited (ASX:OBL), as Operator of the Backreef Area, providing an update on preparations for the East Blina-1 well.

Green Rock Energy Limited holds beneficial rights to a 20% joint venture interest in the Backreef Area, and has already paid to OBL the $2.5 million well cost.

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%)

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8 October 2012

ASX Markets Announcements
Australian Stock Exchange Limited
10th Floor, 20 Bond Street
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Dear Sirs

EAST BLINA-1 UPDATE

Oil Basins Limited (ASX codes **OBL, OBLOB**) (**OBL** or the **Company**) wishes to make the following ASX Announcement, so as to keep the market fully informed.

The Company, as designated Operator on behalf of the Backreef Area Joint Venture (OBL net 80% and Green Rock Energy Limited (ASX code **GRK**) net 20% beneficial interests respectively), has since mid-August 2012 been advancing approvals for the drilling of the East Blina-1 petroleum exploration well within L6 in the Canning Basin (Figure 1).

The Company is pleased to advise that late on 5 October 2012 it attained interim approval from the Department of Mines and Petroleum (**DMP**) to conduct site clearing and installation of cellar and conductor at East Blina-1, pending finalisation of the Environment Plan (EP).

Site clearing operations commenced on 6 October 2010.

The EP approval is expected during the coming week, but has been impacted and delayed by the newly introduced WA environment legislation (which became law early in September 2012) which introduces a number of new requirements relating to the listing on the public DMP website of mud and additives properties, and potentially proprietary commercial formulae, with OBL seeking the approval of the mud company (**Supplier**) for this disclosure.

The East Blina-1 is the first onshore exploration well in WA to be impacted by this new legislation and the Company, its Supplier and the DMP are working co-operatively to finalise a way forward.

Alternatively, OBL will substitute all synthethic mud additives and modern polymer mud with natural muds and additives and re-lodge the Drilling Application and finalise the EP (including DMP website disclosure of muds and additives) on that basis.

In the interim (as all other approvals have already been attained) OBL has mobilised the Dynamic Drilling Rig #17 from Chinchilla and it is expected to arrive on the prepared well site on Sunday 14 October 2012.

It is anticipated that East Blina-1 will spud on or before Tuesday 16 October 2012 (subject to DMP Approval) and be completed ahead of the deadline to drill the farmin commitment well by 31 October 2012.

EAST BLINA-1 PETROLEUM EXPLORATION WELL

Interests: OBL 80%, GRK 20%

Operator: Oil Basins Limited

Spud Date: 16 October 2012 (subject to change)

Longitude: 124° 31' 38.51" East

Latitude: 17° 36' 56.14" South

Total Depth: 1210m

Target: Basal Yellow Drum dolomites – Laurel oil play (gross reservoir column 27m)

Duration: Less than 11 days – drill and logging and wireline testing/sampling

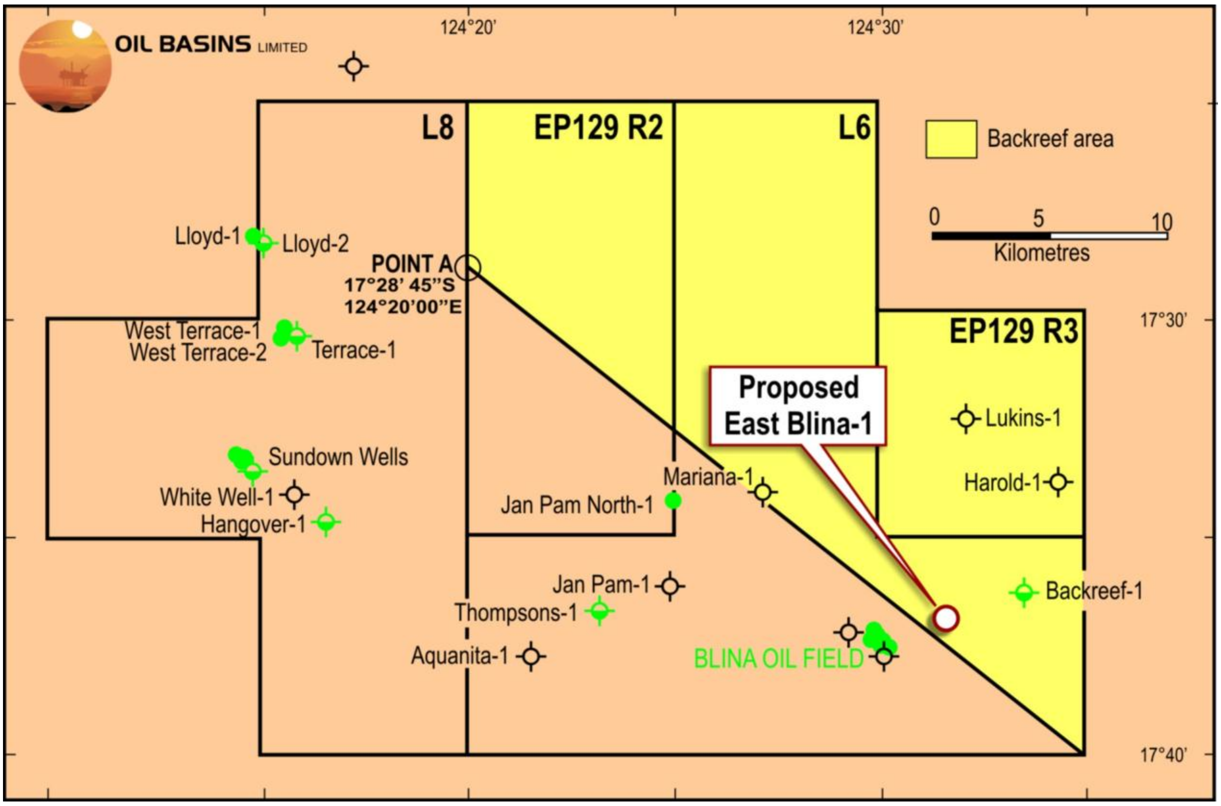

Figure 1
Location of East Blina-1 within Production Licence L6

Yours faithfully

Neil Doyle, SPE
Director & CEO