



ASX Announcement

Company Announcements Office
Australian Securities Exchange

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30 April 2013

(ASX Code GRK)

Quarterly Activities Report

for the three months ending 31 March 2013

Highlights

- **Green Rock selected as preferred applicant for the L12-7 area in the highly prospective North Perth Basin**
- **Divestment of certain Canning Basin interests strengthens Green Rock's cash position and allows for review of new hydrocarbon opportunities**
- **Environmental approval for gravity survey on Coolcalalaya Project (SPA 33)**
- **AWE Limited joins Green Rock in the Mid West Geothermal Power Project**
- **Corporate restructure to further reduce overhead expenses**

PROJECTS

OIL & GAS

North Perth Basin, WA

Green Rock Energy announced in early April its notification by the WA Department of Mines and Petroleum that it was the preferred applicant for release area L12-7 covering approximately 300sq km in the highly prospective North Perth Basin. Location maps are at Figures 1 and 2.

Green Rock's acceptance enables it to commence Native Title negotiations with the objective of the award of a new Exploration Permit with a work program that includes a substantial 3D seismic program followed by a well.

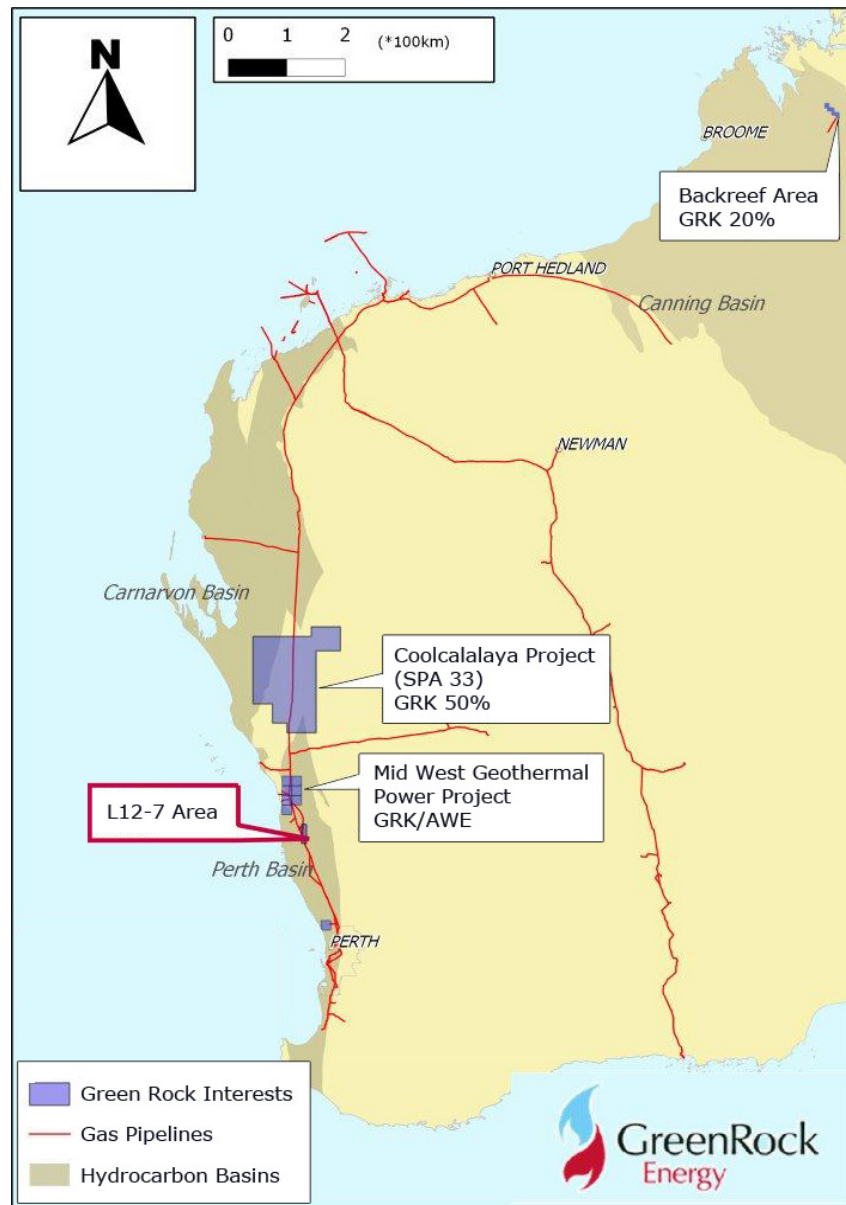


Figure 1. Location of L12-7 and Green Rock's other West Australian projects.

The data available from previous activity in the L12-7 area will enable Green Rock to work towards booking a contingent resource.

Laurel Project - EP 417 and Area of Mutual Interest Agreement with New Standard Energy (NSE)

On 15 March 2013 Green Rock announced the divestment of its interests in the joint venture with New Standard Energy Ltd. (NSE) in the Canning Basin for A\$1.65m with A\$1m payable immediately and the remaining A\$650,000 payable at the earlier of 9 months or NSE being granted an exploration permit over the Seven Lakes SPA.

Green Rock executed a binding agreement with New Standard Energy Ltd (NSE) for NSE to acquire all of Green Rock's equity interests in the Laurel Project and terminate the Area of Mutual Interest agreement involving the Laurel formation in the Canning Basin for a total of A\$1,650,000. The equity interests acquired by NSE are 15% in EP417 and 40% in the Seven Lakes SPA.

In terms of the agreement Green Rock would receive A\$1,000,000 upfront cash payment from NSE, with the second instalment of A\$650,000 due at the earlier of 9 months or the granting to NSE of an exploration permit for the Seven Lakes SPA area. The transaction also resulted in all outstanding cash call and invoice amounts between the parties being settled.

Resulting from this divestment Green Rock's balance sheet has been strengthened enabling the Company to actively review new hydrocarbon opportunities and meet existing commitments.

Carnarvon Basin, WA

Coolcalalaya Project (SPA 33)

In late 2012 Green Rock acquired from Palatine Energy Pty Ltd a 50% interest in SPA 33 (the Coolcalalaya Project), a large hydrocarbon exploration area located at the southern end of the prolific Carnarvon Basin in Western Australia.

Palatine's application for SPA 33 (with acreage option) has been accepted and will be awarded to Palatine on conditions including approval of the gravity survey forming the SPA work program commitment and acceptance of key environmental conditions. This strategic acquisition by Green Rock compliments the Company's existing portfolio as it increases its acreage in highly prospective hydrocarbon basins in Western Australia.

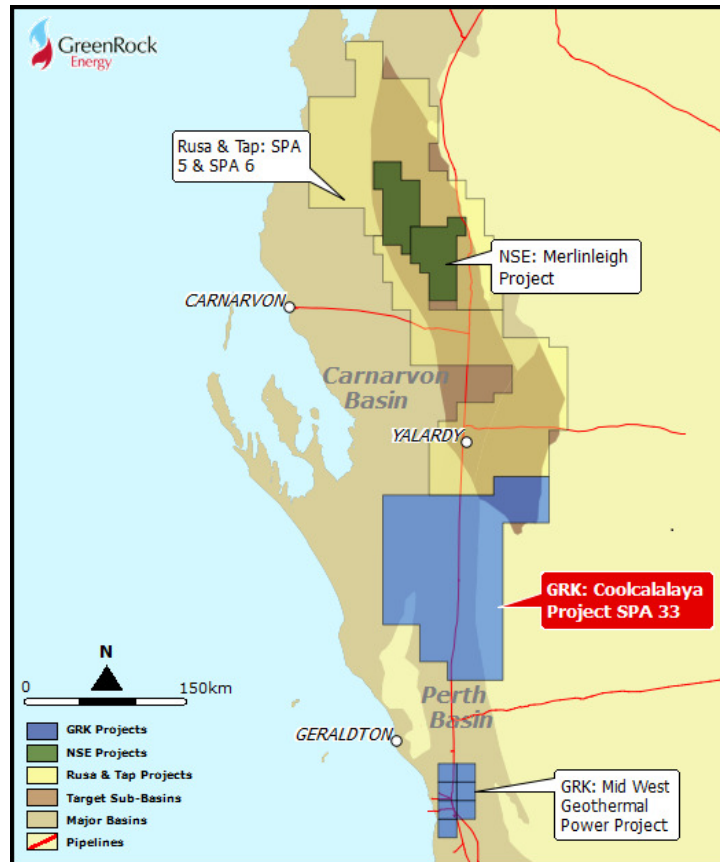


Fig. The Coolcalalaya Project location relative to selected other projects in the region

The SPA covers approximately 19,500 sq kms and includes the Coolcalalaya Sub-basin and southern part of the Byro Sub-basin of the Carnarvon Basin. The area has been identified by gravity and magnetic data as part of a series of north-south oriented sub-basins that include the Merlinleigh and Byro Sub-basins. Regional correlations suggest the exploration area has significant potential for both unconventional and conventional hydrocarbons in the Devonian sediments equivalent to the Gnueda Formation in the Merlinleigh Sub-basin and Gascoyne Platform where excellent potential source rocks have been identified.

In addition, the Gogo and Virgin Hills Formations in the Canning Basin have been correlated with the oil accumulation at the Blina Field, adjacent to the Backreef Area which covers approximately 380 sq kms and in which Green Rock has a 20% interest.

Potential is also present in the early Permian formations for unconventional gas and coal seam methane. This interval is equivalent to the zone tested successfully by Norwest Energy in the Perth Basin and is one of the primary objectives in the Merlinleigh Sub-basin where both New Standard Energy and Tap Oil hold interests.

SPA 33 is favourably located close to existing infrastructure as the Dampier to Bunbury Natural Gas Pipeline runs directly through the permit area. The existing pipeline serves a large number of power generators, industrial, mining and domestic customers in Western Australia.

Green Rock and Palatine executed a Letter of Agreement for Green Rock to farm in to SPA 33 for a 50% interest for a nominal upfront payment covering 100% of the costs of the SPA work program estimated at \$200,000. Palatine will be the Operator of the SPA work program. Environmental approval for the gravity survey was granted during the quarter – this work is likely to be completed in mid-2013 and will satisfy the SPA work program commitment.

On completion of the work program Green Rock and Palatine expect to exercise the SPA acreage option and select up to 50% of the SPA area as a new Exploration Permit, for which Green Rock would be operator.

GEOHERMAL

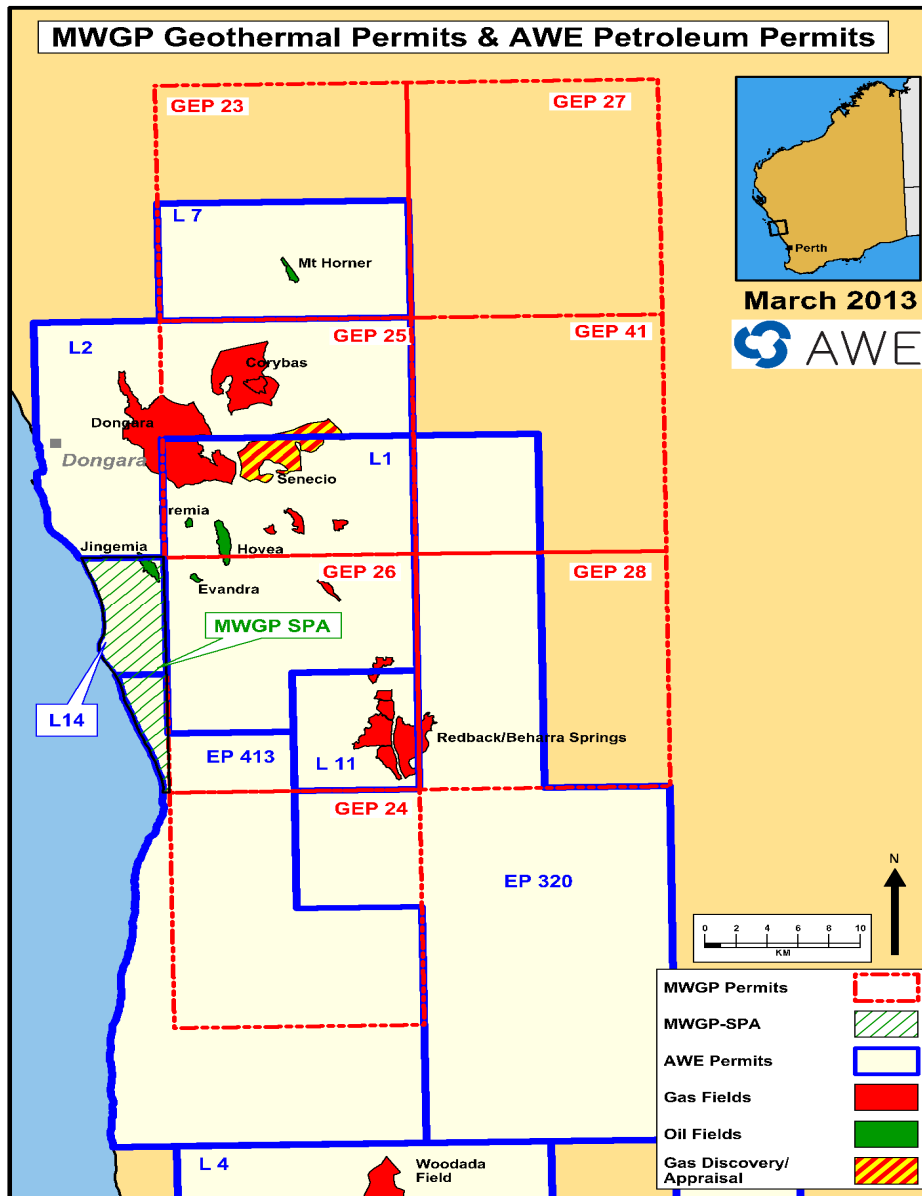
Mid West Geothermal Power Project, WA

AWE joins Green Rock in Mid West Project

On 5 March Green Rock announced the signing of a Memorandum of Understanding between AWE Australia Ltd (a subsidiary of listed oil and gas exploration company AWE (ASX: AWE) and Mid West Geothermal Power Pty Ltd (“MWGP” – a subsidiary of Green Rock) with the intention of forming a joint venture (“JV”) to demonstrate the development potential of geothermal power generation in hot sedimentary aquifers in the north Perth Basin in the Mid West of WA.

AWE’s interests include holdings in several oil and gas exploration and production permits in the north Perth Basin. MWGP is 100% holder and operator of seven Geothermal Exploration Permits (“GEPs”) in the north Perth Basin. A map showing the permit areas is shown below.

Since the GEPs were awarded in 2009, MWGP has made considerable progress in identifying the most prospective geothermal resources within the GEPs, including the use of leading edge interpretation of 3D seismic data, with total expenditure to date of \$1.4 million. MWGP has also been awarded \$5.4 million on a 1-for-3 basis from the State Government’s Low Emissions Energy Development (“LEED”) Fund towards the demonstration of commercial production of geothermal energy as the first stage of the Mid West Geothermal Power Project (the “Project”).



The JV main focus will be to secure funding for the project from the Commonwealth's Emerging Renewables Program ("ERP"). The project is considered to be a very strong contender for this funding having the advantages of the long history of exploration and drilling in the north Perth Basin and close proximity to power infrastructure and a growing energy market. ERP funding would complement the LEED funding and JV funding to enable the drilling of the projects first two wells. MWGP's application for ERP funding was submitted during the quarter.

The JV will identify and select a drilling target area that will be an optimal geothermal target for temperatures and flow rates sufficient for geothermal power generation. It will also be an appropriate target area to enable the collection of data required by AWE to assess the

hydrocarbon potential of formations that the well will intercept before reaching the natural fracture zones which are the target geothermal reservoir at an expected depth of between 3,000m and 3,500m.

If the ERP funding is secured AWE has the right to farm-in for a 50% interest in the geothermal exploration permit containing the selected drilling target area by funding the proportion of the cost of drilling the geothermal wells not covered by LEED and ERP funding. AWE would become the operator of the drilling program, with geothermal well design, drilling and testing overseen by MWGP Pty Ltd director Dr Jörg Baumgärtner and his BESTEC team which is a world leader in development of this type of resource (http://www.bestec-for-nature.com/j_bestec/). MWGP will also receive a total of \$250,000 from AWE on completion of milestones up to and including the ERP funding being secured.

If commercial production of geothermal energy is successfully demonstrated, AWE will have the right to continue its participation in the Project including the right to farm in to the remaining geothermal exploration permits on terms to be agreed.

AWE brings to the Project its long experience and excellent reputation in the Perth Basin. AWE also has a strong desire to achieve a successful outcome from drilling the geothermal wells in 2013/14 leading to a new business opportunity in geothermal power generation in a fast growing market. GRE is confident that it now has all ingredients in place critical to securing Commonwealth funding and then proving the very large geothermal potential in the Mid West. AWE's participation in drilling complements Pacific Hydro's participation in power generation once commercial production of geothermal energy is demonstrated.


CORPORATE

Board Restructure

On 15 March 2013 Green Rock welcomed the addition of Mr Barnaby Egerton-Warburton to its Board as a non-executive director following the retirement from the Board of Mr. Jeffrey Schneider and the resignation from the Board of Dr. Jörg Baumgärtner. Dr Baumgärtner will be retained as a director of Mid West Geothermal Power Pty Ltd, the Green Rock subsidiary which entered the Memorandum of Understanding with AWE to pursue the Mid West Geothermal Power Project announced on 5th March 2013.

Barnaby Egerton-Warburton is currently Managing Director of US-focused oil and gas developer and producer, Otis Energy Limited (ASX.OTE) and Non-Executive Director of West Australian explorer InterMet Resources Limited (ASX.ITT). Mr Egerton-Warburton has over 20 years of

trading, investment banking, international investment and market experience with positions at JPMorgan, BNP Equities and Prudential Securities.



Nigel Hodder
Company Secretary

Investors and Media T: +61 (0) 9482 0482 E: info@greenrock.com.au

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 interests and projects are:

- The beneficial right to a 20% JV interest in the Backreef Area in the Canning Basin operated by Oil Basins Limited (OBL)
- A 100% interest in the L12-7 area in the north Perth Basin, subject to successful completion of Native Title negotiations
- A 50% interest in SPA 33 (the Coolcalalaya Project) in the southern Carnarvon Basin
- MoU with AWE to demonstrate the development potential of geothermal power generation in hot sedimentary aquifers in the north Perth Basin in the Mid West of WA
- 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%)