ASX Announcement

Company Announcements Office
Australian Securities Exchange

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6 June 2013

(ASX Code GRK)

Mid West Geothermal Power Project
Memorandum of Understanding for Project Offtake signed with Synergy

Please see the attached Press Release from Synergy, which is Western Australia's largest energy retailer with over 900,000 home and business customers,

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 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 Perth basin, subject to the 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%)

Media release

5 June 2013

Renewable technology appetite warms to new entrees

The current suite of renewable technology options that have the capacity to effectively supplement Western Australia's energy needs, has recently been expanded with WA's largest electricity retailer, Synergy, looking into the viability of geothermal energy.

Synergy General Manager Strategy and Corporate Affairs, Blair Stratton, said it was important that the business take a proactive approach to examining all options that could prove a cost-effective investment in the security of the state's longer term energy supply at the same time as reducing emissions intensity.

"We were approached by Green Rock to look at opportunities for geothermal energy from hot sedimentary water aquifers in the Perth Basin, and we thought this could represent another renewable technology for Synergy to consider," he said.

Synergy, energy explorer and producer AWE Australia, and renewables generator Pacific Hydro have all signalled their support for the project by signing Memoranda of Understanding with Green Rock or its subsidiary Mid West Geothermal Power, paving the way to demonstrate the project's feasibility.

Mr Stratton said that the project was an exciting one and that if the feasibility is proven, Synergy intends to become the offtake entity for any future energy arrangements.

"This Memorandum of Understanding aligns well with Synergy's ongoing commitment to exploring emerging energy technologies and to the private sector to ensure longer term energy supplies for the state," he said.

"This could then potentially lead to Australia's first grid-connected, geothermal power station."

Green Rock Executive Chairman, Richard Beresford, said the backing of these key players was an essential step in progressing the demonstration project which has the objective of a geothermal power plant of up to 5 Megawatts.

"Our joint venture with AWE has enabled us to draw on exploration data and their long drilling experience in the Mid West. We consider that the state is blessed with large geothermal resources close to the markets that need electricity," said Mr Beresford.

The demonstration phase received state government funding from the Low Emissions Energy Development (LEED) program, and federal government funding was being sought through the Emerging Renewables Program under the Australian Renewable Energy Agency (ARENA).

“Geothermal is the only renewable energy technology, currently available, that provides base load power. If successful, the Green Rock project will be able to provide constant power 24 hours a day, making it more reliable than other renewable energy sources” said Energy Minister Dr Mike Nahan.

The first phase will see the drilling of a well in the Dongara area to a depth of approximately three kilometres in the first half of 2014.

“If we get commercial flow rates we will drill a second well and that should lead to the first power being generated by the end of 2015,” said Mr Beresford.

“From there, if the demonstration phase proceeds as we hope, we can add significant capacity on a fully commercial basis to help satisfy the energy requirements of the South West Interconnected System.”

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