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ASX/MEDIA RELEASE
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GRP CORPORATION TO ACQUIRE RIGHTS TO LARGE US COAL SEAM METHANE PROJECT UNDER DEVELOPMENT

HIGHLIGHTS

- **GRP Corporation signs Agreement to acquire Cady Energy, delivering 100 percent interest in the Hanging Woman Project an emerging coal seam methane project under development in Wyoming, USA.**
- **Initial certified 2P reserves of more than 50Bcf, with near term scope to upgrade.**
- **Hanging Woman Project covers 13,393 acres, with the opportunity to expand.**
- **30 wells drilled to date with gas flow near to infrastructure.**
- **Historical exploration and development expenditure in excess of US$7 million.**
- **Company changing opportunity to become a substantial energy producer within 12 months.**

The Board of GRP Corporation Limited (ASX: **GRP**) ('GRP Corporation or 'the Company') today signed a binding Agreement with the shareholders of Cady Energy Pty Ltd ('CADY') to acquire 100% of the issued shares in CADY ("Agreement"). CADY is an Australian company based in Perth, focused on the commercial development of its 100% owned Hanging Woman Project ("Project") in the Powder River Basin, Wyoming, USA.

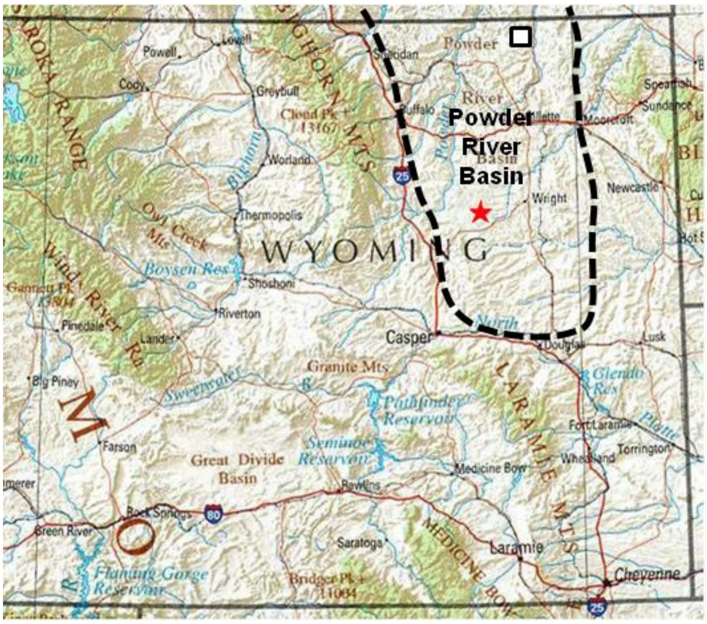
CADY purchased the Project from Kennedy Oil in June 2010. The Project includes 13,393 acres of land and 30 drilled and completed wells, 16 of these wells are in the advanced stages of dewatering the 8m thick Roberts Coal formation and are now showing the first signs of gas production. CADY has also obtained independent certification for reserves of 50.4Bcf 2P, 65.1BCF of 3P and a total resource of 95.4Bcf. In addition to bringing the Hanging Woman Project to commercial production and expanding the Hanging Woman Project, CADY intends to acquire/develop further projects in Wyoming.

The current directors of CADY are Saxon Palmer, formerly Exploration Manager, Australia/Asia for BHP Billiton Petroleum and John (Gus) Simpson, current Executive Chairman of Peninsula Energy Limited. The CADY board will also appoint two new directors including Murray Durham, currently a director of ASX listed coal bed methane ("**CBM**") company, Red Sky Energy Limited and formerly director of Oil & Gas Marketing at Apache Energy Limited and Global Business Manager CBM at BHP Billiton Limited.

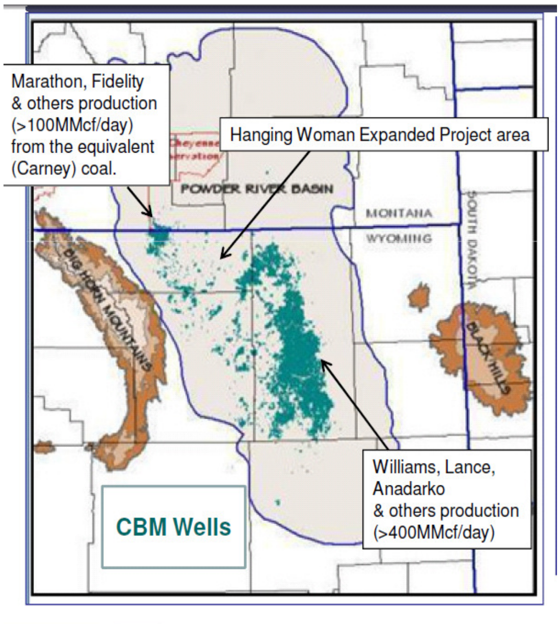
GRP Corporation director Mark Rowbottam said *"Acquiring CADY, and its associated Wyoming interests provides a significant opportunity for the shareholders of both GRP Corporation and CADY. The GRP Board is very pleased with the Agreement and look forward to working with CADY to complete the Transaction."*

On completion of the transaction, GRP Corporation plans to move quickly to raise $10 million under a prospectus and seek re-admission to the ASX.

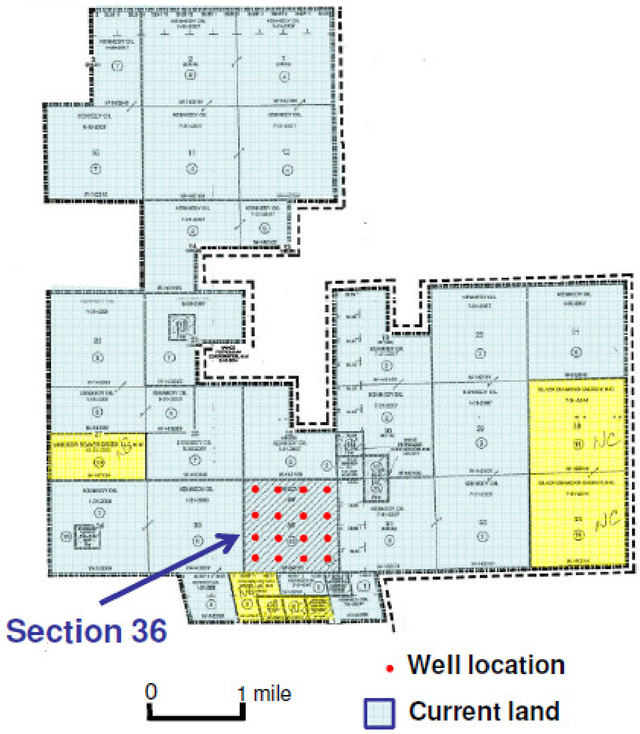
THE HANGING WOMAN PROJECT



The Hanging Woman Project is located within the Powder River Basin – the most prolific coal basin in the USA



The Powder River Basin has a 20+ year history of CBM production and is one of the largest CBM producers in the US

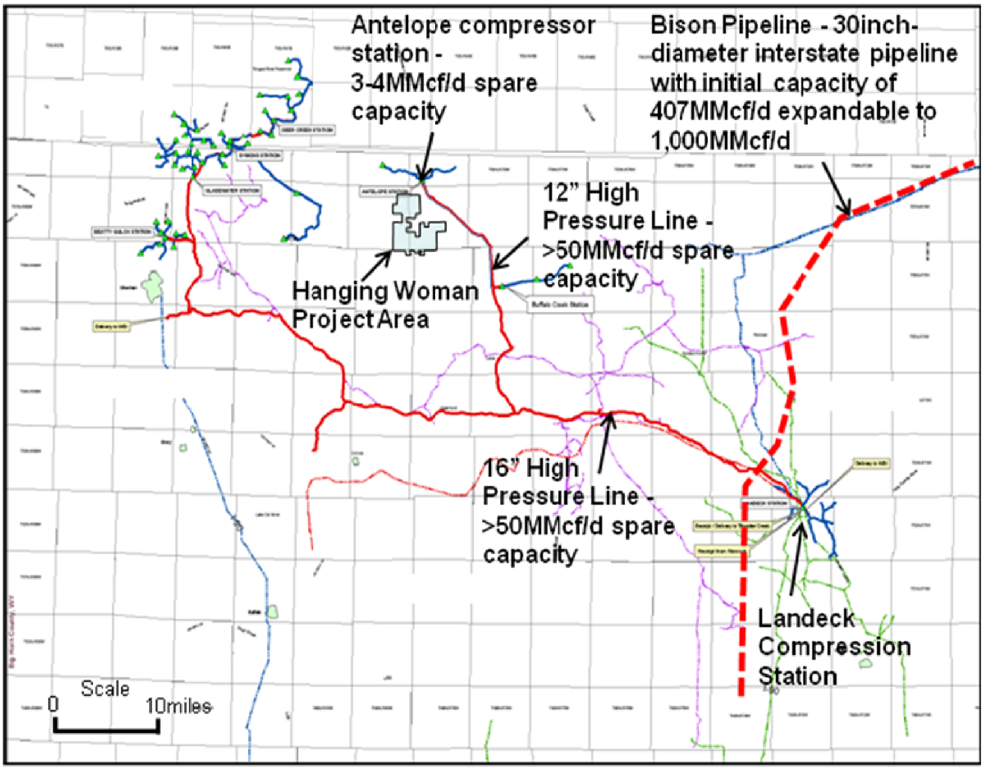


Acreage Map

The Hanging Woman Project is located in the Powder River Basin, Wyoming. The 13,393 acre project was originally acquired and drilled by Kennedy Oil an established private CBM producing company based in Gillette, Wyoming. 30 wells were drilled around 2007 and 16 of these wells have been completed for gas production and have been dewatering the 8m thick Roberts Coal for the past two years, a further 14 wells have been drilled and cased in shallower coals.

There is a total of 39m of coal in 14 seams intersected in the Project area, with certified 2P reserves of 50.4Bcf of gas and 3P reserves of 65.1Bcf, in addition the current total gas resource is 95.4Bcf. The Project is initially focussed on development of the Roberts Coal formation which averages a thickness of more than 8m within the Project area. A recent increase in gas production from this coal indicates that significant progress has been made in dewatering the coal around the production wells. Gas production is forecast to ramp up to commercial levels over the next 6 to 12 months.

The near term work program will include the drilling of a minimum 5 wells by end 2011 which will include a coring program that is expected to result in a significant reserve upgrade. Beyond this there is scope for more than 300 producing wells in the Roberts Coal and shallower coals with a production capacity of more than 40MMcf/day. The Project is close to existing pipeline infrastructure with current spare capacity to take Hanging Woman gas to market.



Proximity of Hanging Woman Project to Infrastructure

SUMMARY OF TERM SHEET

GRP Corporation, on the receipt of all relevant approvals, will acquire all of the issued capital of CADY in consideration for the issue to the vendors of CADY of (following a 20:1 consolidation):

- 90,000,000 ordinary fully paid shares of GRP Corporation; and
- 11,250,000 options to acquire a further share, exercisable at 20 cents, expiring 30th June 2014;

The acquisition of CADY is subject to the following conditions precedent (to be satisfied or waived by 31 July 2011):

- satisfactory completion of bilateral due diligence;
- the Shareholders of GRP Corporation approving:
    - the acquisition of CADY;
    - consolidation of the existing issued capital of GRP on a 20:1 basis;
    - the issue of up to 75 million shares to raise up to $15 million. This provides GRP with future placement capacity; and
    - all other required regulatory approvals required under the Corporations Act and the Listing Rules,
- GRP preparing a prospectus to raise not less than A$5 million;
- ASX providing conditional approval for re-admission to the official list of ASX;
- CADY not issuing any further securities in CADY without GRP Corporation approval.

The Company has been advised by the ASX that there will be the requirement to comply with Chapters 1 and 2 of the Listing Rules prior to re-admission to the official ASX list and re-instatement of the Companies securities.

The Company intends to convene a shareholders' meeting in the near future to seek the necessary approvals. Further details of the consideration will be set out in the Notice of Meeting which will be sent to all shareholders to consider and approve the Transaction at a meeting to be held at the earliest opportunity.

FURTHER INFORMATION

Shareholders / Investors

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Competent Person Statement

In accordance with Chapter 5 of the Listing Rules, the geological information in this report has been reviewed by Mr Saxon Palmer, a geologist and geophysicist with 22 years experience. He is a member of the European Association of Geoscientists and Engineers. Mr Palmer has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Palmer has given his consent for the information in the form and content to which it appears.