



ASX Announcement

Company Announcements Office
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Company Update on Asset Portfolio

Highlights

- Green Rock's assets in the Canning Basin remain highly prospective for conventional and unconventional oil and gas including from the Laurel formation
- All work program commitments have been completed for the next year
- Drilling and other exploration activity by others in adjacent areas have the potential to further demonstrate the value of these assets
- Additional oil and gas opportunities are being evaluated by Green Rock
- State award of \$5.4 million to the Mid West Geothermal Power Project has renewed JV investment interest

Green Rock is pleased to provide the market with an update on its Canning basin and other assets, and its strategy to pursue additional oil and gas opportunities that build on its existing portfolio.

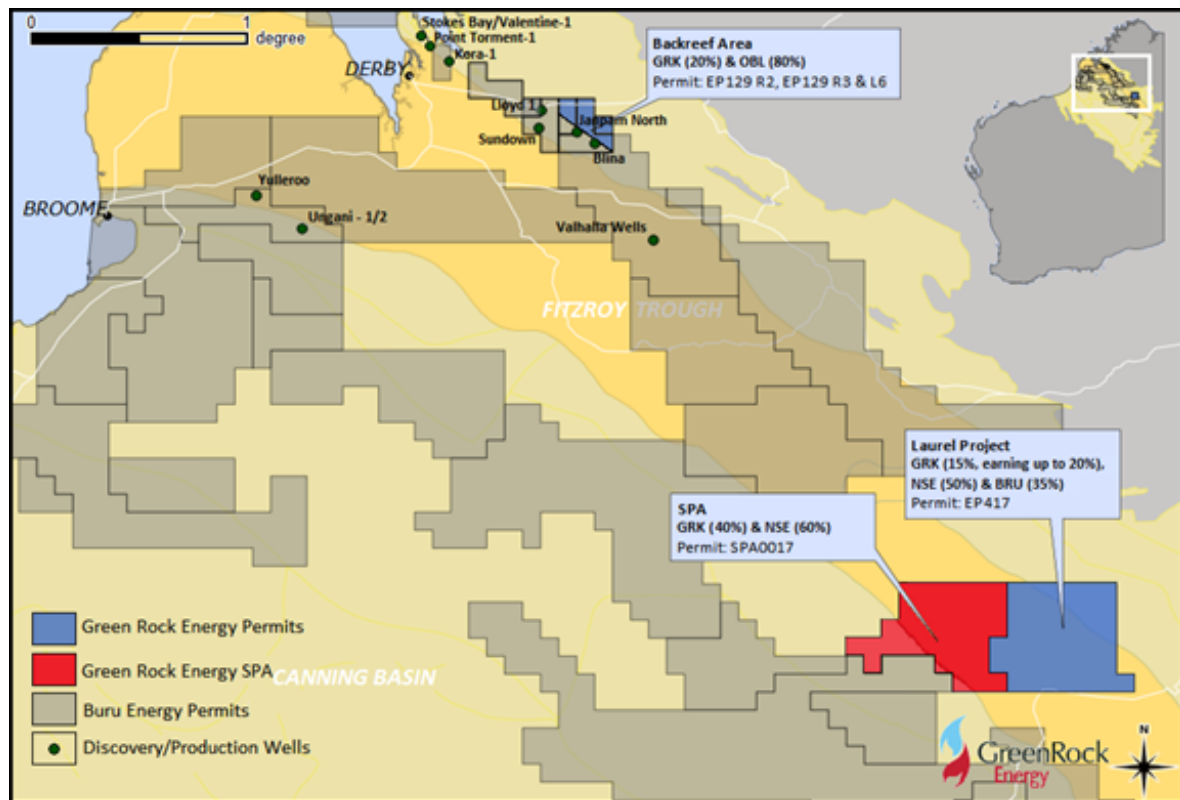
Green Rock's existing oil and gas assets in the Canning Basin are as follows:

The Backreef Area on the Lennard Shelf: A 20% interest in the Backreef Area close to the existing Blina oilfield in Joint Venture with Oil Basins Limited (OBL)

The Laurel Project - EP 417 in the Canning Basin: A 15% interest in EP417 (with a right to earn 20%) with partners New Standard Energy (NSE) and Buru Energy (BRU) prospective for unconventional gas in the Laurel formation

Laurel Project - Seven Lakes SPA in the Canning Basin: A 40% interest in the SPA area next to EP 417 (NSE 60%). Results of a recent airborne gravity survey highlighting new leads and prospects are expected in the next month.

Area of Mutual Interest Agreement with New Standard Energy: Green Rock has a 40% interest in all future opportunities in the Fitzroy Trough with its JV partner NSE (60%); ongoing bid applications and other acreage opportunities are being reviewed.



Location of Green Rock's assets in the Canning Basin

Backreef Area

The East Blina-1 well completed on 30 October had two objectives:

- Fulfil the Backreef Play Agreement farm-in commitments in order to secure title to the Backreef Area
- Drill the East Blina prospect into the Yellow Drum dolomites

East Blina-1 was considered the better of the two prospects for which environmental and traditional owner approvals for drilling were achievable in the time available to meet the farm-in commitments. Although the well results were disappointing in that there were no recoverable hydrocarbons (despite some minor oil shows), the primary objective of fulfilling our farm-in commitments and securing our interest in the Backreef Area asset has been completed.

The production test at Backreef-1 in May 2012 had recovered live oil from the Yellow Drum dolomite and established excellent reservoir properties within that interval. This was the first oil discovered in the Backreef Area, and the first oil discovery in the L6 area since Blina was drilled in 1981. The oil collected appears to be very light and similar to oil at Blina. This result was much as expected as pre-test mapping indicated Backreef-1 to be on the edge of an oil accumulation. It also validates third party RPS Report that estimates 46-117 million barrels Oil in Place (OIP) for the Backreef Area.

With farm-in commitments met and no permit work program commitments the JV is now able to determine the best course of action for future exploration:

- The recovery of oil in Backreef-1 and good reservoir development in the Yellow Drum dolomite in both Backreef-1 and East Blina-1 have very positive implications for developing other prospects in the Backreef Area. This will be one of the primary focuses for the Joint Venture.
- Minor oil shows encountered in the Laurel Formation in East Blina-1 is also encouraging, and the Joint Venture will need to consider the implications.
- Buru will be drilling in the adjacent EP 129 area in 2013 which may provide additional information to the Joint Venture
- Joint Venture Operator OBL has demonstrated that by using modern, small footprint mobile drilling rigs future exploration wells targeting the Laurel / Yellow Drum reservoirs within the Backreef Area can be drilled at reasonable cost.
- One of the most exciting potential plays is the unconventional oil potential of the Gogo and Virgin Hills Formations which have been identified as the source of the oil in Blina and Backreef. Evaluation of this play has only just begun and it may be prospective over much of the Backreef Area.

Despite the disappointing result from the East Blina-1 well, Green Rock remains of the view that the Backreef Area is a valuable asset which offers good prospects for near term enhancement of shareholder value, both through the shallow conventional oil and gas targets and the deeper unconventional targets within the Gogo and Virgin Hills Formations.

Fitzroy Trough – Laurel Project

In September Operator NSE advised that the airborne gravity survey over the Seven Lakes SPA and EP 417 (the Laurel Project) in the Canning Basin has been completed. The blocks are located in the south eastern Fitzroy Trough which has strong geological similarities to Buru's recent discoveries in the Fitzroy Trough within the Laurel Formation at Valhalla, Paradise and Yulleroo. Potential for oil discoveries similar to the Ungani Field also exist given the positive oil indications in nearby wells.

Evaluation of the results from the Lawford-1 well re-entry in EP417 in 2010 indicated that the top of the Laurel Formation at this location is likely to occur at about 3000m (300m below the TD of the well at 2690m).

The forthcoming results from the airborne gravity survey will be incorporated seismic and well data from Lawford-1 and other surrounding wells over the coming months to high-grade areas for further exploration activities, including an application to convert the Seven Lakes SPA into an Exploration Permit (EP).

Under the Area of Mutual Agreement (AMI) between the companies, Green Rock and NSE continue to jointly pursue additional new exploration opportunities in the Fitzroy Trough, focusing on areas that are prospective for unconventional hydrocarbons. Under the terms of the agreement Green Rock Energy will own 40% in areas arising from the AMI while NSE will own 60% equity and operatorship.

Green Rock regards highly the relationship with New Standard Energy with both companies very motivated to realise value from the highly prospective Laurel Formation already proven by Buru.

Mid West Geothermal Power Project

In June 2012 Green Rock was awarded a \$5.4 million State LEED grant for this Project located in the North Perth Basin which is also very active for oil and gas exploration and production. The award has renewed interest from potential joint venture and farm-in partners. Green Rock regards this Project as the best conventional geothermal project in Australia and a strong contender for Commonwealth funding support.

Geothermal JV with MOL in Hungary

Green Rock's partners MOL have received positive indications that the concession process anticipated to lead to the award of our target area should commence in the next few months. The area contains a well now owned by the JV which in 2010 tested very promisingly for geothermal production. Green Rock expects funds for its share of future development to be raised in Europe.

Corporate Strategy

Green Rock continues to evaluate new oil and gas opportunities, with a focus on Western Australia to build on our existing position. We will also use our geothermal interests in the North Perth Basin to look for mutual benefits with oil and gas developers operating there.



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%)