



## ASX Announcement

Company Announcements Office  
Australian Securities Exchange

*By e-lodgement*

31 January 2014

(ASX Code GRK)

## Quarterly Activities Report

for the three months ending 31 December 2013

### Highlights

- Substantial progress in approvals required for work program on the Ocean Hill Block in the Perth Basin
- Funding plans advancing to enable drilling at Mid West Geothermal Power Project in 2014
- Geothermal JV with MOL submitted bid for target concession area by 15 November deadline; results expected in Q1 2014

### PROJECTS

#### OIL & GAS

##### Ocean Hill Block (100% GRK)

Green Rock is the Preferred Applicant for the Ocean Hill Block, and the area will be converted to an Exploration Permit once Native Title negotiations have been concluded.

Substantial progress was made during the quarter in Native Title and Heritage negotiations and in discussions with potential farm-in partners. Planning is underway for a 250km<sup>2</sup> 3D seismic survey which will provide high quality 3D data coverage over the Ocean Hill structure and the other prospects and leads identified and will allow exploration, appraisal and development to proceed quickly as positive results are achieved.

On 4 October 2013 Green Rock Energy announced the completion of an independent evaluation of Contingent and selected Prospective Resources in the Ocean Hill Block (STP EPA 0090, formerly designated Bid Area L12-7), located in the North Perth Basin (Figure 1).

The evaluation was completed by DeGolyer and MacNaughton and confirmed contingent gas and condensate resources on the Ocean Hill-1 structure are:

**Table 1: Ocean Hill Block Contingent Resources<sup>1</sup>**

Gross Separator Gas (Bcf)		
1C	2C	3C
24 Bcf	360Bcf	796 Bcf
Gross Condensate (Mbbbl)		
1C	2C	3C
145	1,191	2558

**Table 2: Ocean Hill Block Prospective Resources<sup>2</sup>**

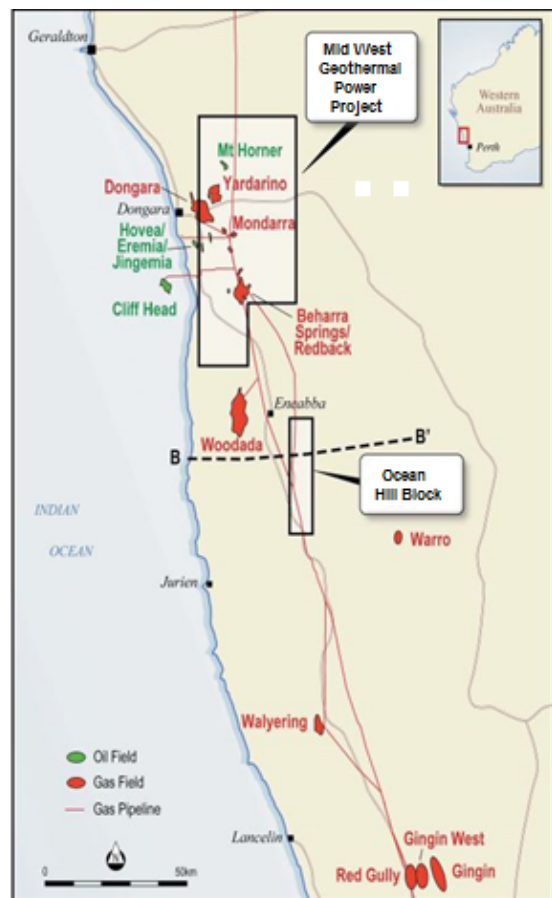
Low Estimate (Bcf)	Best Estimate (Bcf)	High Estimate (Bcf)
557	809	1,155

Further details on the independent valuation are contained in the 4 October 2013 announcement.

The Ocean Hill Block comprises 297 km<sup>2</sup> and is located in the North Perth Basin, about 225 km north of Perth and 90 km southeast of Dongara (Figure 1 adjacent).

The Dampier to Bunbury Pipeline runs directly through the Ocean Hill block and a compressor station is located 6.5 km from the Ocean Hill-1 location, providing excellent infrastructure access and a substantial benefit for the project economics.

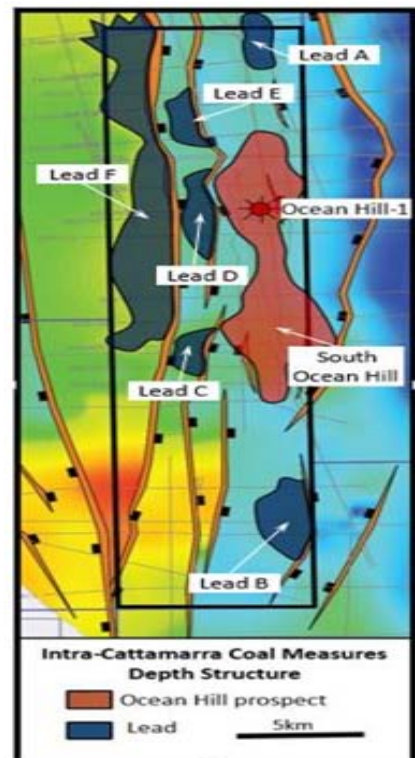
Recent mapping of the available 2D seismic data indicates the presence of a substantial closure associated with the Ocean Hill-1 location and a number of additional prospects and leads have been identified (Figure 2 adjacent). The Ocean Hill structure has 2 culminations and the northern one has been assigned 2C contingent resources of 360 Bcf and 1.2 MMBbl of condensate by DeGolyer and MacNaughton (Table 1).



The Ocean Hill-1 well was drilled in 1991 and tested a substantial structure within the Ocean Hill block. The well drilled to a total depth of 3840m within the Jurassic Cattamarra Coal Measures (CCM) and encountered over 800m of gas shows within the Cadda Formation and CCM.

Evaluation of electric logs from the well indicates the presence of over 100m of net gas pay. DST-2 flowed 0.7MMcfd from the interval 3063-3130m. A series of additional tests flowed gas at low rates, confirming the presence of moveable gas in multiple zones. The gas pay is situated in the same interval as the Red Gully field, which was placed on production by Empire Oil in 2013.

In addition, prospective resources for 3 of the other prospects identified in the recent mapping – Ocean Hill South, Lead D and Lead F, along with additional potential below the total depth drilled by the Ocean Hill-1, were evaluated by DeGolyer and MacNaughton. The results are summarised in Table 2. Note that the volumes do not include any prospective resources associated with Leads A, B, C or E.



## GEOTHERMAL

### Mid West Geothermal Power Project

Progress was made during the quarter to secure Commonwealth funding for the Project, with the target of drilling the first well in 2014. Work on selecting the location for the first well continues with JV partner AWE. WA Government LEED funding of \$5.38 million for the Project (conditional on Commonwealth and AWE funding) was also confirmed during the quarter.

### Hungarian Geothermal JV with MOL

Green Rock's 47% owned geothermal developer Central European Geothermal Energy Company Ltd (CEGE) (MOL 53%) submitted a bid for the target geothermal concession area on 15 November 2013. Bids are being evaluated by an evaluation committee established by the Minister for National Development with results expected in the first quarter of 2014.

## CORPORATE

### Annual General Meeting

The 2013 Annual General Meeting was held on 27 November 2013.

The business before the meeting consisted of 6 resolutions all of which were approved by a show of hands. The resolutions approved were:

- the adoption of the Remuneration Report
- the re-elections of Barnaby Egerton-Warburton and Richard Beresford as Directors
- ratification of issues of shares
- approval of 10% placement capacity



Richard Beresford  
Executive Chairman

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#### ***About Green Rock Energy Limited***

- A 100% interest in the Ocean Hill Block in the Perth basin, subject to the successful completion of Native Title negotiations.
- 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 Pacific Hydro's licences in the Great Artesian Basin in SA
- A joint venture with MOL in Hungary for geothermal power generation (GRK 47%)

#### **Competent Person**

*The information in the DeGolyer and MacNaughton reports was compiled by Mr R. M. Shuck, Senior Vice President of DeGolyer and MacNaughton who is qualified in accordance with the ASX listing rule 5.11. Mr Shuck, a practicing Petroleum Engineer for over 35 years and has given his consent to the release of the resources contained in this report.*

*The estimates of contingent and prospective resources included in this announcement have been prepared in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE). The PRMS defines prospective resources as those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.*

#### **IMPORTANT NOTES TO RESOURCES ESTIMATES**

##### **1. Contingent Resources**

- a) Values include the combined total for the Cadda Formation and Cattamarra Coal Measures.
- b) Application of any risk factor to contingent resources quantities does not equate contingent resources with reserves.

- c) There is no certainty that it will be commercially viable to produce any portion of the contingent resources evaluated herein.
- d) All contingent resources have an economic status of "Undetermined."
- e) All separator gas quantities are expressed at a temperature base of 60°F and 14.7 psia.

**2. Prospective Resources**

- a) Figures include 4 prospects only: South Ocean Hill, Ocean Hill Deep, D and F, as shown on Figure 2
- b) Application of any geological and economic chance factor does not equate prospective resources to contingent resources or reserves.
- c) Recovery efficiency is applied to prospective resources in this table.
- d) The prospective resources presented above are based on a statistical aggregate method.
- e) There is no certainty that any portion of the prospective resources estimated herein will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the prospective resources evaluated
- f) The prospective resources shown in Table 2 have not been adjusted for the probability of geologic success.

## Appendix 5B

### Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

**Green Rock Energy Limited**

ABN

**59 094 551 336**

Quarter ended ("current quarter")

**31 December 2013**

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date \$A'000
1.1 Receipts from product sales and related debtors	1	1
1.2 Payments for (a) exploration & evaluation - geothermal	(57)	(276)
(b) development	-	-
(c) production	-	-
(d) administration	(189)	(397)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) – employee entitlement for annual leave and long service leave for redundant employee	-	(51)
<b>Net Operating Cash Flows</b>	<b>(239)</b>	<b>(709)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	650	650
(b) equity investments	141	141
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>791</b>	<b>791</b>
1.13 Total operating and investing cash flows (carried forward)	552	82

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	552	82
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
<b>Net financing cash flows</b>		-	-
<b>Net increase (decrease) in cash held</b>		552	82
1.20	Cash at beginning of quarter/year to date	690	1,179
1.21	Exchange rate adjustments to item 1.20	12	(7)
1.22	<b>Cash at end of quarter</b>	1,254	1,254

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	49
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director related payments relate to Non-Executive Director fees and payment for Executive Chairman.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A
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### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation – Hydrocarbon (i)	100
Exploration and evaluation – Geothermal (i)	70
4.2 Development	-
4.3 Production	-
4.4 Administration	90
<b>Total</b>	<b>260</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,254	690
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,254</b>	<b>690</b>

+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

#### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Nil	Nil		
7.2	Nil	Nil		
7.3	1,908,088,613	1,908,088,613		
7.4	Nil	Nil		
7.5	Nil	Nil		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	Nil			
7.7	<b>Options</b> <i>(description and conversion factor)</i>	<p><b>Listed Options</b></p> <p style="text-align: center;">GRKOB 819,823,128</p> <p><b>Total Listed</b> 819,823,128</p> <p><b>Unlisted Options</b></p> <p style="text-align: center;">5,550,000 5,050,000 1,950,000 10,000,000 20,000,000 2,000,000 7,500,000</p> <p><b>Total Unlisted</b> 52,050,000</p>	819,823,128	<p><b>Exercise price</b></p> <p style="text-align: center;">1.2 cents</p> <p style="text-align: center;">8 cents 4 cents 2 cents 1.0 cents 1.5 cents 0.8 cents 0.3 cents</p>	<p><b>Expiry date</b></p> <p style="text-align: center;">31 January 2015</p> <p style="text-align: center;">18 November 2014 16 November 2014 15 November 2015 18 March 2015 18 March 2015 11 June 2016 28 November 2016</p>	
7.8	Issued during quarter	Nil				
7.9	Exercised during quarter	Nil				
7.10	Expired during quarter	Nil				
7.11	<b>Debentures</b> <i>(totals only)</i>	Nil				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	Nil				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does /does not\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:

Date: 31 January 2014

Print name: **Mr Gabriel Chiappini**  
Director

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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