GreenRock Energy

Results for announcement to the market

Financial Results	% movement	31 December 2013 $'000	31 December 2012 $'000
Revenue from ordinary activities	(12%)	**14**	**16**
Profit/(loss)from ordinary activities after tax attributable to members	(80%)	**(263)**	**(1,333)**
Net profit/(loss) for the period attributable to members	(80%)	**(263)**	**(1,333)**

Dividends	Amount per Ordinary Security	Franked amount per security
2014 interim dividend	Nil	Nil
2013 interim dividend	Nil	Nil

Record date for determining entitlements to the 2013 interim dividends	Not Applicable

Net Tangible Asset Backing	**31 December 2013**	**31 December 2012**
Net tangible asset backing per ordinary security	$0.002	$0.004

Other explanatory notes

The information required by listing rule 4.2A is contained in both this Appendix 4D and the attached half-year report. This half-yearly reporting information should be read in conjunction with the most recent annual financial report of the company.

Interim Financial Report
for the half year ended 31 December 2013

Green Rock Energy Limited
ABN 59 094 551 336
Level 9, The Quadrant, 1 William Street,
Perth WA 6000
PO Box 258, Melville WA 6956
Telephone: (+61 8) 9327 1766
Facsimile: (+61 8) 9327 1778
Website: www.greenrock.com.au

Interim Financial Report for the half-year ended 31 December 2013

	Page
Directors’ report	3
Auditors’ independence declaration	7
Independent auditors’ review report	8
Directors’ declaration	10
Condensed consolidated statement of profit or loss and other comprehensive income	11
Condensed consolidated statement of financial position	12
Condensed consolidated statement of changes in equity	13
Condensed consolidated statement of cash flows	14
Notes to the condensed consolidated financial statements	15

The Directors of Green Rock Energy Limited ("the Company") submit herewith the condensed consolidated financial report for the half-year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Names of directors

The names of the Directors of the Company during and since the end of the half-year are:

Name	
Richard Beresford	Executive Chairman
Gabriel Chiappini	Non–Executive Director
Barnaby Egerton-Warburton	Non-Executive Director

Directors have been in office for the entire period to the date of this report.

Review of operations

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 half-year in Native Title and Heritage negotiations and in discussions with potential farm-in partners. Planning is underway for a 250km^2 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

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

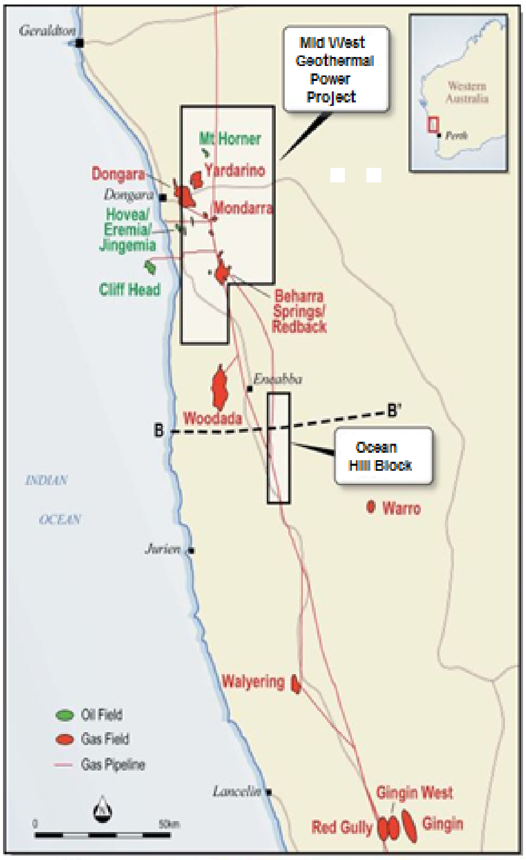
Table 2: Ocean Hill Block Prospective Resources

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^2 and is located in the North Perth Basin, about 225 km north of Perth and 90 km southeast of Dongara (Figure 1 adjacent).

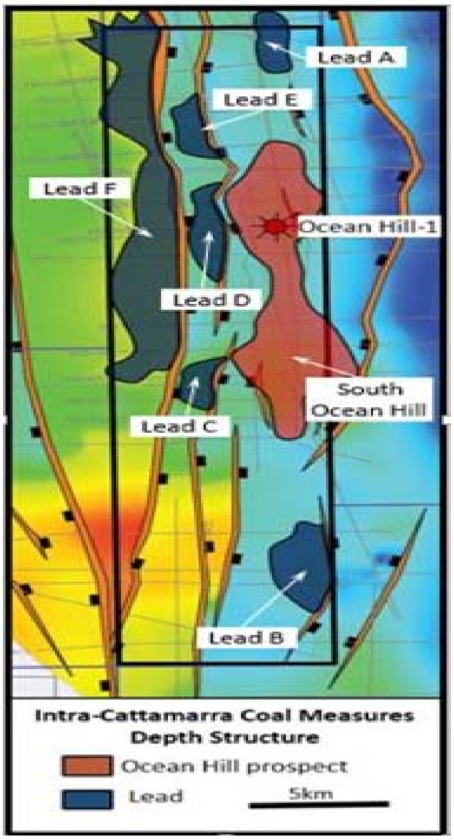
The Dampier to Bunbury Pipeline runs directly through the Ocean Hill block and a compressor station is located 6.5 km from the Ocean Hill-1 location, providing excellent infrastructure access and a substantial benefit for the project economics.



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.

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.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

GEOTHERMAL

Mid West Geothermal Power Project

Progress was made during the half-year 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 half-year.

Hungarian Geothermal JV with MOL

Green Rock's 46.05% 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 half of the 2014 calendar year.

General

The net loss after accounting for income tax for the half-year ended 31 December 2013 is $263,286 (2012: $1,333,376).

The total number of fully paid ordinary shares (GRK) on issue at 31 December 2013 was 1,908,088,613 (2012: 1,863,479,671). Listed options (GRKOB) expiring on 31 January 2015 exercisable at 1.2 cents each totalled 819,823,128 (2012: 779,823,128).

In addition there were 52,000,000 (2012: 109,500,000) unquoted incentive options on issue at 31 December 2013.

Subsequent Events

Other than the announcement to the Australian Securities Exchange on 12 March 2014 that the Groups 46.05% owned subsidiary in Hungary, CEGE (MOL 53.95%) has won the geothermal concession tender in the Jászberény area in eastern Hungary which includes the well now owned by CEGE, the Directors are not aware of any other matter or circumstance that has significantly or may significantly affect the operation of the Company or the results of those operations, or the state of affairs of the Company in subsequent financial years.

Auditor's independence declaration

The Auditor's independence declaration is included on page 7 of the condensed consolidated half-year financial report and forms part of this report.

Signed in accordance with a Resolution of the Directors of Green Rock Energy Limited and made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors.

Richard Beresford
Executive Chairman

Perth, Western Australia, Australia.

13 March 2014

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

The Board of Directors
Green Rock Energy Limited
Level 9, The Quadrant,
1 William Street
PERTH WA 6000

13 March 2014

Dear Board Members

Green Rock Energy Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Green Rock Energy Limited.

As lead audit partner for the review of the financial statements of Green Rock Energy Limited for the half-year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Neil Smith

Neil Smith
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Woodside Plaza
Level 14
240 St Georges Terrace
Perth WA 6000
GPO Box A46
Perth WA 6837 Australia

Tel: +61 8 9365 7000
Fax: +61 8 9365 7001
www.deloitte.com.au

Independent Auditor's Review Report to the Members of Green Rock Energy Limited

We have reviewed the accompanying half-year financial report of Green Rock Energy Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2013, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 10 to 21.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Green Rock Energy Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Green Rock Energy Ltd, would be in the same terms if given to the directors as at the time of this auditor's review report.

Deloitte.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Green Rock Energy Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the consolidated entity has incurred net losses of $263,286 (31 December 2012: $1,333,376) and experienced net cash outflows from operating activities of $454,126 (31 December 2012: $125,052) and net cash outflows from exploration and evaluation expenditure of $275,657 (31 December 2012: $539,041) for the half-year ended 31 December 2013. These conditions, along with other matters set out in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the ordinary course of business.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Neil Smith
Partner
Chartered Accountants
Perth, 13 March 2014

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001,* including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a Resolution of the Directors made pursuant to section 303 (5) of the Corporations Act 2001.

On behalf of the Directors.

Richard Beresford
Executive Chairman

Perth, Western Australia, Australia.

13 March 2014

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2013

		Consolidated	
	Notes	31 December 2013 $	31 December 2012 $
Interest income		13,665	16,345
		13,665	16,345
Other gains and losses		96,722	-
Expenses			
Administration expense		(33,744)	(20,686)
Employee benefits expense		(52,709)	(183,835)
Consulting expense		(204,805)	(215,062)
Depreciation and amortisation		(9,641)	(13,766)
Exchange gains and losses		2,809	5,367
Exploration expenditure expensed as incurred		(39,960)	(205,778)
Deferred exploration impairment		-	(573,497)
Share of net loss of associates accounted for using the equity method		(10,364)	(72,443)
Other expenses from ordinary activities		(25,259)	(70,021)
Total expenses		(373,673)	(1,349,721)
Loss before income tax benefit		(263,286)	(1,333,376)
Income tax benefit		-	-
Net loss for the period		(263,286)	(1,333,376)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations		8,793	2,092
Income tax on other comprehensive income		-	-
Other comprehensive income for the period, net of income tax		(254,493)	2,092
Total comprehensive income for the period attributable to members of Green Rock Energy Limited		(254,493)	(1,331,264)
Loss per share:			
Basic and diluted loss per share (cents per share)		(0.01)	(0.07)

Notes to the condensed consolidated financial statements are included on pages 15 to 21.

Condensed Consolidated Statement of Financial Position as at 31 December 2013

	Notes	Consolidated 31 December 2013 $	Consolidated 30 June 2013 $
Current assets			
Cash and cash equivalents		1,253,480	1,178,576
Other receivables		91,958	1,133,604
Other financial assets	6	344,668	-
Total current assets		1,690,106	2,312,180
Non-current assets			
Deferred exploration expenditure	3	1,097,117	660,165
Plant and equipment		115,605	116,964
Other financial assets	6	105,300	125,344
Investments accounted for using the equity method	4	934,267	944,633
Total non-current assets		2,252,289	1,847,106
Total assets		3,942,395	4,159,286
Current liabilities			
Trade and other payables		221,861	174,393
Provisions		-	56,655
Total current liabilities		221,861	231,048
Non-current liabilities			
Provisions		-	-
Total non-current liabilities		-	-
Total liabilities		221,861	231,048
Net assets		3,720,534	3,928,238
Equity			
Issued capital	5	31,271,442	31,226,631
Reserves		1,254,124	1,243,353
Accumulated losses		(28,805,032)	(28,541,746)
Total equity		3,720,534	3,928,238

Notes to the condensed consolidated financial statements are included on pages 15 to 21.

Condensed Consolidated Statement of Changes In Equity for the half-year ended 31 December 2013

Consolidated	Ordinary Shares $	Option Premium Reserve $	Share Based Payment Reserve $	Foreign Currency Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2012	31,175,632	158,332	1,864,245	(67,953)	(23,336,273)	9,793,983
Net loss for the period	-	-	-	-	(1,333,376)	(1,333,376)
Other comprehensive income, net of income tax	-	-	-	2,092	-	2,092
Total comprehensive income for the period	-	-	-	2,092	(1,333,376)	(1,331,284)
Transactions with owners in their capacity as owners:						
Issued capital	41,625	-	-	-	-	41,625
Share based payments	-	-	39,978	-	-	39,978
Options expired during the year	-	-	(170,190)	-	170,190	-
	41,625	-	(130,212)	-	170,190	81,603
Balance at 31 December 2012	31,217,257	158,332	1,734,033	(65,861)	(24,499,459)	8,544,302

Consolidated	Ordinary Shares $	Option Premium Reserve $	Share Based Payment Reserve $	Foreign Currency Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2013	31,226,631	158,332	1,146,281	(61,260)	(28,541,746)	3,928,238
Net loss for the period	-	-	-	-	(263,286)	(263,286)
Other comprehensive income, net of income tax	-	-	-	8,793	-	8,793
Total comprehensive income for the period	-	-	-	8,793	(263,286)	(254,493)
Transactions with owners in their capacity as owners:						
Issued capital	44,811	-	-	-	-	44,811
Options vested	-	-	1,978	-	-	1,978
	44,811	-	1,978	-	-	46,789
Balance at 31 December 2013	31,271,442	158,332	1,148,259	(52,467)	(28,805,032)	3,720,534

Notes to the condensed consolidated financial statements are included on pages 15 to 21.

Condensed Consolidated Statement of Cash Flows for the half-year ended 31 December 2013

	31 December 2013 $	31 December 2012 $
Cash flows from operating activities		
Payments to suppliers and employees	(454,092)	(313,374)
Interest and other costs of finance paid	(34)	-
Exploration expenditure	-	(157,398)
Research and development concession received	-	345,720
Net cash used in operating activities	(454,126)	(125,052)
Cash flows from investing activities		
Payments for exploration and evaluation expenditure	(275,657)	(539,041)
Interest received	13,665	16,345
Proceeds from sale of prospects	650,000	-
Proceeds on sale of equity interests	141,022	-
Net cash provided by/(used in) investing activities	529,030	(522,696)
Cash flows from financing activities		
Proceeds from issues of shares and options	-	-
Payment for share issue costs	-	-
Net cash provided by financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	74,904	(674,748)
Cash and cash equivalents at the beginning of the period	1,178,576	1,304,056
Cash and cash equivalents at the end of the period	1,253,480	656,308

Notes to the condensed consolidated financial statements are included on pages 15 to 21.

Notes to the condensed consolidated financial statements for the half year ended 31 December 2013

1 Summary of accounting policies

Statement of Compliance

The condensed half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

Basis of Preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments where applicable. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted in the Company's 2013 annual financial report for the financial year ended 30 June 2013, unless disclosed below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

For the purpose of preparing the half year report, the half year has been treated as a discrete reporting period.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New or Revised Standards and Interpretations that are first effective in the current reporting period

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 128 'Investments in Associates and Joint Ventures' (2011) and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'
- AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'
- AASB 19 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'
- AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'

Impact of the application of AASB 12

AASB 12 is a new disclosure standard and is applicable to entities that have interest in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of AASB 12 has resulted in more extensive disclosures in the consolidated financial statements. However this did not result in any change to the half year report.

Impact of the Application of AASB 13

The Group has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of AASB 13 is broad; the fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other AASB's require or permit fair value measurements and disclosures about fair value measurements, except for share-

1. Summary of accounting policies (continued)

Impact of the Application of AASB 13 (continued)

based payment transactions that are within the scope of AASB 2 'Share-based Payments', leasing transactions that are within the scope of AASB 117 'Leases', and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under the current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group has not made any new disclosures required by AASB 13 for the 2012 comparative period, the application of AASB 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Impact of the application of AASB 119

In the current year, the Group has applied AASB 119 (as revised in 2011) 'Employee Benefits'. AASB 119 (as revised in 2011) changes the accounting treatment for defined benefit plans and termination benefits. The most significant changes relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous AASB 119 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of AASB 119 are replaced with a 'net interest' amount under AASB 119 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset. The application of AASB 119 has not had any material impact on the amounts recognised in the consolidated financial statements.

Impact of the application of AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'

The Group has applied the amendments to AASB 7 'Disclosures – Offsetting Financial Assets and Financial Liabilities' for the first time in the current year. The amendments to AASB 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments have been applied retrospectively. As the Group does not have any offsetting arrangements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements.

Accounting Standards and Interpretations issued by not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the consolidated entity for the half year ending 31 December 2013. Management are in the process of accessing the impact of the adoption of these standards and interpretations on the consolidated entity.

1. Summary of accounting policies (continued)

Going concern

The half year financial report has been prepared on the going concern basis which assumes the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

The consolidated entity has incurred net losses after taxes of $263,286 (31 December 2012: $1,333,376) and experienced net cash outflow from operating activities of $454,126 (31 December 2012: $125,052) and net cash outflow from exploration and evaluation expenditure of $275,657 (31 December 2012: $539,041) for the half-year ended 31 December 2013.

In addition, as outlined in Note 9, the consolidated entity is required to meet minimum work commitments on permits estimated to be approximately $118.1 million of which $105.1 million relates to the Western Australian geothermal permits. Applications to vary the work programs of these permits have been submitted by the consolidated entity to the appropriate authorities. The remaining $13 million relates to the Western Australian petroleum exploration permits.

The ability of the consolidated entity to continue as a going concern is dependent upon relinquishing, varying and/or deferring minimum work commitment expenditure for at least 12 months.

These conditions indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and/or obtaining funding through farm out arrangements.

The directors have prepared a cash flow forecast for the period ending 31 March 2015, which indicates the consolidated entity will have sufficient cash flow to meet the minimum working capital requirements through to 31 March 2015, excluding current commitments specific to the Western Australian geothermal and petroleum permits.

In respect of the Western Australian geothermal permits, the consolidated entity has applied for work program variations to amend minimum work programs as disclosed in Note 9. It is proposed that these amended work programs will be funded through a combination of farm out arrangements and State and Commonwealth Government funding from April 2014 onwards. Otherwise, the Board will likely seek to relinquish some of these permits and focus on the most prospective permit(s).

In respect of the Western Australian petroleum permits, the directors expect to farm out part of the interests these permits that will cover the large majority of the costs of the work program, as disclosed in Note 9.

The directors are satisfied that they will achieve the matters set out above and therefore the going concern basis of preparation is appropriate. The financial report has therefore been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Should the consolidated entity be unable to vary or defer its minimum work commitments and obtain funding through farm out arrangements, there is a material uncertainty whether the consolidated entity will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities as and when they fall due.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

2. Segment reporting

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to access its performance.

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of performance is specifically focused on the geographical location of resources being explored and evaluated for.

The Group's principal activities involves geothermal and hydrocarbon energy development operating in Australia and Hungary.

Information regarding these segments is represented below. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results by reportable operating segment for the half-years under review:

For the six months ended 31 December 2013

	Australia Geothermal	Australia Hydrocarbon	Hungary Geothermal	Consolidated
Segment revenue	13,655	-	-	13,655
Segment result	(161,938)	(55,244)	(33,543)	(263,286)
Segment assets	2,291,118	655,623	1,047,356	3,942,395

For the six months ended 31 December 2012

	Australia Geothermal	Australia Hydrocarbon	Hungary Geothermal	Consolidated
Segment revenue	16,344	-	1	16,345
Segment result	(682,542)	(573,092)	(77,337)	(1,333,376)
Segment assets	1,980,279	5,764,092	1,093,234	8,837,605

3. Deferred exploration costs

	31 Dec 2013	30 June 2013
Costs brought forward	660,165	6,909,928
Exploration expenditure capitalised during the period	436,952	438,334
Sale of investment (cost)	-	(6,231,218)
Deferred exploration impairment	-	(456,879)
Cost carried forward	1,097,117	660,165

4. Investments accounted for using the equity method

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost after adjustments for share of losses.

	31 Dec 2013	30 June 2013
Investment in Central European Geothermal Energy Private Company Limited (CEGE)	944,631	1,071,175
Additional investment during the period	-	-
Share of losses after income tax (50%)	(10,364)	(126,544)
Carrying amount at the end of the financial period	934,267	944,631

4. Investments accounted for using the equity method (continued)

The Group's share of the results and aggregated assets (including goodwill) and liabilities are as follows:

	Ownership Interest %	Group's share of: Assets	Liabilities	Revenues	Profit/(Loss)
31 December 2013 Central European Geothermal Energy Private Company Limited (CEGE)	46.05	1,071,898	14,007	223	(10,364)
30 June 2013 Central European Geothermal Energy Private Company Limited (CEGE)	47	1,963,104	173,316	2,560	(253,087)

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are carried at cost after adjustments for share of losses.

5. Issues, repurchases and repayments of equity securities

Issued capital as at 31 December 2013 amounted to $31,271,442 (1,908,088,613 ordinary shares). During the half-year reporting period, the Company completed the following transactions in its securities:

- 11 July 2013 issued 9,542,111 fully paid ordinary shares to the value of $13,013 in consideration for consulting services.
- 14 August 2013 issued 30,000,000 fully paid ordinary shares to the value of $31,798 as repayment to extinguish the Group's liability in Back Reef.

6. Other financial assets

Current

	31 Dec 2013	30 June 2013
Shares in listed companies	344,668	-
	344,668	-

Non-current

	31 Dec 2013	30 June 2013
Fixed deposit account	105,300	125,344
	105,300	125,344

7. Financial Instruments

The fair values of financial assets and liabilities approximates its carrying amounts recorded in the statement of financial position.

The held shares in a listed company of $344,668, which are classified as fair value hierarchy level 1, in which fair values are based on quoted prices in active markets.

8. Key management personnel

Remuneration arrangements of key management personnel are disclosed in the annual financial report. During the period Mr Gabriel Chiappini became responsible for the financial management and company secretary services of the Company resulting in fees per month of $5,250 in addition to his Non Executive Director fee of $3,000 per month.

9. Commitments

EXPENDITURE COMMITMENTS

(a) Exploration

The Company has certain obligations to perform minimum exploration work on geothermal and petroleum exploration permits and licences held or for which it is preferred applicant. These obligations may vary over time, depending on the Company's exploration programs and priorities. As at the date of the report, the total estimated exploration expenditure commitments on licences held by the Company for the tenements in South Australia and Western Australia for the next 12 months are $10,000 and $105.1m, respectively. These obligations are subject to variations by amendment or farm-out arrangements or sale of the relevant licences or relinquishment.

Due to the nature of the consolidated entity's operations in exploring and evaluating areas of interest, it is very difficult to forecast the nature and amount of future expenditure.

The Western Australian geothermal exploration permits ("GEP's") which have been granted for a period of six years are each bound by a "minimum work program." Indicative costs for the work programs were given at the time of making application. Green Rock is currently in its fifth year of the work programs for the majority of these GEP's. Green Rock has made applications to Department of Mines and Petroleum (DMP) during the half-year to vary the work requirements of certain permits. Should these applications be approved by DMP the likely expenditure in the coming year for these permits will be significantly reduced from $105.1m and be in the order of $10m, which it is proposed will be funded through a combination of farm out arrangements and State and Commonwealth Government funding. Otherwise, the Board will likely seek to relinquish some of the permits and focus on the most prospective permit(s).

During the half year the Company has relinquished two of its permits, GEP 1 & 2, in which nil was capitalised.

On 8 April 2013 Green Rock announced its notification by the WA Department of Mines and Petroleum as the preferred applicant for petroleum release area L12-7 covering approximately 300 sq. km in the North Perth Basin. Subject to successful Native Title negotiations Green Rock will be awarded a new Exploration Permit with a work program that includes a substantial 3D seismic program followed by a well. The start date for this work program is uncertain and depends on the time required to complete Native Title negotiations with two claim groups and to obtain environmental and other approvals to conduct the work program activity. The indicative cost for this work program at the time of making application was $13 million. It is the Directors' expectation that the Company's efforts to farm out part of its interests in the Exploration Permit will be successful and will result in the large majority of the work program cost being covered by the farminee. Substantial progress in negotiations with traditional owners was made during the half-year.

In respect of its various South Australian projects, the Company continues to be required to maintain with the Minister security of $100,000 for the satisfaction of any obligations arising under the South Australian Petroleum Act of 2000. The security lodged with the Minister covers all South Australian GEL's granted to the Company. During the half year the Company did not renew the 11 GELs in the Great Artesian Basin. The only GELs still held are 3 in the Olympic Dam area. The Company will make a decision on whether to retain these in the first half of the 2014 calendar year.

10. Subsequent Events

Other than the announcement to the Australian Securities Exchange on 12 March 2014 that the Groups 46.05% owned subsidiary in Hungary, CEGE (MOL 53.95%) has won the geothermal concession tender in the Jászberény area in eastern Hungary which includes the well now owned by CEGE, the Directors are not aware of any other matter or circumstance that has significantly or may significantly affect the operation of the Company or the results of those operations, or the state of affairs of the Company in subsequent financial years.