



## ASX Announcement

Company Announcements Office  
Australian Securities Exchange

*By e-lodgement*

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(ASX Code GRK)

### AWE withdraws from Mid West Geothermal Power Project

Green Rock Energy Limited ("Green Rock") has received written notification of AWE's withdrawal from the Mid West Geothermal Energy Project ("the Project"). The two parties were working under a Memorandum of Understanding announced on 5 March 2013.

Green Rock and AWE worked closely to identify geothermal well locations that would also provide AWE with the opportunity at its sole expense to collect data while drilling the geothermal wells in order to assess the hydrocarbon potential of formations above or adjacent to the geothermal target zones.

AWE decided not to progress at the first selected location because it could be within or adjacent to a Public Drinking Water Resource Area. For clarity, the advice received by Green Rock from relevant authorities was that a geothermal well within such an area was likely to be acceptable, particularly as no hydraulic fracturing would be involved and also the well would be cased off through the potable water aquifers as is normal well drilling practice and a requirement of the regulators.

Following AWE's decision on the first location, the parties focused on a second location which was considered to be an excellent geothermal prospect given that a petroleum exploration well in the area had flowed water from natural fractures at close to the Project's target temperature. However AWE has now decided that the second area does not provide the hydrocarbon value it requires to continue with the Project.

Green Rock Executive Chairman Richard Beresford said "We are extremely disappointed with AWE's decision, particularly as we had been close to finalising terms and conditions with both the WA and Commonwealth Governments – the LEED and Emerging Renewables Funds respectively – for them jointly to provide a substantial majority of the funds to drill and test two geothermal wells. Green Rock had taken the lead on these negotiations and has been working to obtain the funding agencies' approvals for the change of location and schedule resulting from AWE's decision

not to progress with a well at the first location. Both funding agencies have worked patiently and cooperatively in good faith with Green Rock to accommodate the Project's requirements and the requested changes. Green Rock will now review the situation with all the other parties involved - including the Project's power generation partner Pacific Hydro - but at present we consider it very unlikely that we will be able to secure an alternative funding and drilling partner to AWE in the time available."



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.
- 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 46%)