



ASX Announcement

Company Announcements Office
Australian Securities Exchange

By e-lodgement

31 October 2014

(ASX Code GRK)

GREEN ROCK TO RAISE \$2.5m – PRIORITY OFFERING TO SHAREHOLDERS

Highlights

- Appointment of Cygnet Capital to raise up to \$2.5m under a prospectus offer
- Firm commitment of \$1m received from Copulos Group
- Priority Offering to current Green Rock shareholders
- 1-for-4 free attaching option to subscribers under the prospectus offer
- Shares offered at \$0.05 (5 cents) per share (post consolidation)

Green Rock Energy Limited (ASX:GRK) ("Green Rock") is pleased to announce it has appointed Cygnet Capital Pty Ltd, to lead manage a prospectus offering to raise up to \$2,500,000 at \$0.05 (5 cents) per share on a post consolidation basis ("Offer").

Under the terms of the agreement and Offer, Cygnet Capital will raise not less than \$2,000,000 at \$0.05 per Share on a post consolidation basis.

Green Rock Director Gabriel Chiappini stated, *"We are pleased to have secured Lead Manager Cygnet Capital during a challenging investment cycle. Green Rock looks forward to working with Cygnet Capital to assist with successfully transforming Green Rock to a Graphite focussed resources company. Green Rock is also pleased that it is raising its prospectus funding at 5 cents per share under the new ASX Guidelines. The changes to the ASX guidelines were recently amended in September 2014 with the previous requirement for companies re-complying under ASX Listing Rules being set at a minimum of 20 cents per share."*

"The funds raised under the Offer will go towards further exploration on our projects, including a maiden drilling programme."

Key Terms of Offer

- The Offer will raise between \$2,000,000 and \$2,500,000, at \$0.05 per share on a post consolidation basis
- Green Rock will undertake a consolidation of securities on the basis of a consolidation ratio of 20 for 1 which represents a small discount to the Company's recent volume weighted average share price
- The Offer will be conditional on the Company obtaining shareholder approval for the acquisition of Green Rock's Graphite Projects
- Green Rock's major shareholder, the Copulos Group, supports the Offer with a firm commitment received for \$1m. This may result in the Copulos Group exceeding 19.9% ownership of Green Rock on a post consolidation and fully dilutive basis, thus triggering the requirement for an Independent Expert's Report and shareholder approval
- Firm commitment by Managing Director elect Mr Steve Tambanis for \$100,000
- **Free attaching option** on a 1-for-4 basis – investors subscribing under the prospectus offer will receive 1 free option for every 4 shares subscribed. Option terms:
 - (i) Exercise price \$0.10 on a post consolidation basis
 - (ii) Term 18 months
 - (iii) Options to be quoted on ASX

Shareholder Approval

The Offer is conditional on the Company obtaining shareholder approval and completing the acquisition of the Graphite Projects¹. The acquisition of the Graphite Projects may constitute a change in the nature of Green Rock's activities pursuant to Chapter 11 of the ASX Listing Rules. The Company is accordingly required to re-comply with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules, including the completion of a consolidation of securities on the basis of a consolidation ratio of 20-for-1. The consolidation ratio has been determined based on current market conditions and has been set at a small discount to recent volume weighted average share price. Please refer to Appendix A for an indicative timetable. Please refer Appendix B for map of Tanzanian Graphite Mineral Portfolio.

- ENDS -

For further information

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1. *Material Condition precedent to completion of the acquisition of the Graphite Projects is to finalise a prospectus offer re-complying with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules and Shareholder approval. Refer to ASX announcements between July 2014 and October 2014 for details relating to the Graphite Projects.*

Appendix A

Indicative Timetable

The indicative timetable for completion of the transaction, acquisition of the Graphite Projects¹ and Green Rock's re-compliance with the ASX listing rules is outlined below:

ITEM	DATE
Announce of Lead Manager Prospectus offer	31 st October
Lodgement of Notice of Meeting	17 th November
Lodgement of Prospectus	1 st December
Meeting of shareholders (Trading suspension commences)	17 th December
Close Capital Raising	17 th December
Consolidation of securities	24 th December
Proposed Settlement of Capital Raising	24 th December
Re-compliance Date (Trading suspension complete)	31 st December

Timetable is indicative and subject to Shareholder Approval of the Graphite Projects at a General Meeting and ASX Listing Rules re-compliance requirements

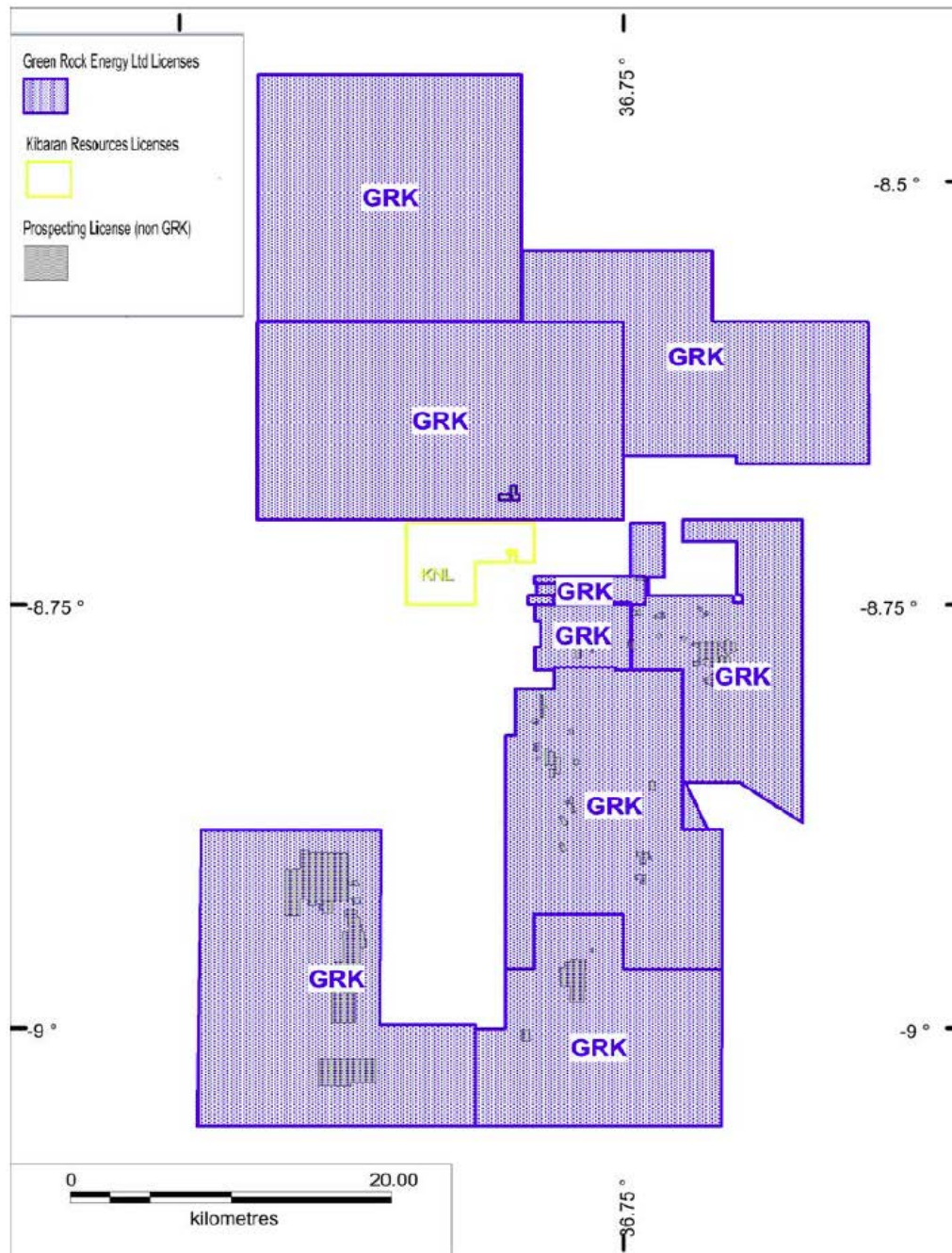
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Appendix B

Highly Prospective & Significant Mineral Portfolio Assembled¹

Following Green Rock's strategic decision in July 2014 to transition to a Graphite focussed resources company, it has in relatively short period of time assembled a large footprint in the highly prospective Mahenge Region.

Map 1 – Green Rock Tenements Mahenge Region



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