

ASX Announcement

Company Announcements Office
Australian Securities Exchange

23 December 2014

(ASX Code GRK)

SECURES \$1M FUNDING TO UNDERPIN ACQUISITIONS

Highlights

- \$1m Funding Secured from Major Shareholder – Copulos Group
- Follows on from Extension to acquisition of Graphite Projects to 31 March 2015
- Maiden Drilling Programme commitment
- Clear pathway to Prospectus and re-quotation

Green Rock Energy Limited ("Green Rock or "the Company") (ASX: GRK) confirms that following on from yesterday's announcement regarding the extension to the purchase contracts of its Graphite Projects in Tanzania to 31 March 2015, it has now secured a funding facility to allow it to undertake a drilling programme and finalise its ASX re-compliance programme.

The intent of this loan facility is to allow it to roll into the revised prospectus and convert into Green Rock shares on the same terms and conditions as all other investors. The conversion into Green Rock shares will be subject to shareholder approval, please refer to Appendix 1 for terms of the loan.

Green Director Gabriel Chiappini noted, *"following on from the delay and withdrawal of the Company's December 2014 prospectus, Green Rock has swiftly acted to ensure it secured the rights over its Graphite projects by extending the terms with the vendors through to 31 March 2015. This allows the Company time to finalise a revised prospectus to enable it to re-comply with the ASX listing rules."*

"Further to the extension milestone, Green Rock has now quickly acted to ensure that it is able to keep its exploration programme and ASX re-compliance programme on track by securing the \$1m loan facility with the Copulos Group. The Company is grateful for the financial support provided to it by the Copulos Group. We are now working towards putting in a place a maiden drilling programme to commence early 2015."

Green Rock will continue to keep the market updated as it progresses its pathway to ASX Chapters 1 & 2 re-compliance.

For further information

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Director

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Appendix 1

Short Term Funding Agreement – material terms

1.	Loan	AUD\$1,000,000
2.	Conversion Price	\$0.05 or, if the remainder of the Capital Raising is undertaken at a lower price, the same price as the remainder of the Capital Raising.
3.	Conversion Conditions	<p>(a) The Company obtaining all necessary regulatory and shareholder approvals pursuant to the ASX Listing Rules, Corporations Act 2001 (Cth) or any other law to allow the Company to issue the Shares to the Lender; and</p> <p>(b) the Company lodging a prospectus with the Australian Securities and Investments Commission subsequent to the date of this Agreement for the offer of Securities to raise at least \$2,500,000; and</p> <p>(c) the Company receiving conditional approval for the re-instatement to trading of the Company.</p>
4.	Issue Date	The date that Shares are issued in respect of a conversion of the Loan being not more than 30 days after satisfaction of the Conversion Condition.
5.	End Date	The date that is 12 months from the Execution Date.
6.	Interest Rate	10% per annum.
7.	Placement Securities	<p>(a) 20,000,000 Shares; and</p> <p>(b) 5,000,000 Options</p> <p>subject to any change that might arise if the Conversion Price in Item 2 is altered.</p>
8.	Repayment Date	31 December 2015
9.	Facility fee	USD\$50,000 payable in Green Rock Ordinary Shares (subject to shareholder approval)