ASX Announcement

Company Announcements Office
Australian Securities Exchange

By e-lodgement

6 March 2015

(ASX Code GRK)

DEMAND EXCEEDS MAXIMUM PROSPECTUS CAPACITY
- SUPPLEMENTARY PROSPECTUS

Green Rock Energy Limited (ASX:GRK) ("Green Rock") Is pleased to announce that the demand for securities under its prospectus dated 19 February 2015 to raise $3,500,000 through the issue of 70,000,000 shares at 5 cents per share has exceeded the maximum limit.

Green Rock is pleased to confirm that it will accept the additional demand via its ASX Listing Rule 7.1 15% Securities capacity. Any additional demand over and above this capacity may require shareholder approval via a shareholder general meeting.

Please find attached a Supplementary Prospectus for the additional issue over and above the current limit for the additional issue of 9,710,000 ordinary shares at 5 cents per share and 4,855,000 options (based on a 1-for-2 entitlement) to raise an additional $485,500.

\- ENDS -

For further information

Steve Tambanis
Managing Director

Gabriel Chiappini
Director

E: info@greenrock.com.au

GREEN ROCK ENERGY LIMITED
(TO BE RENAMED

BLACK ROCK MINING LIMITED)

ACN 094 551 336

SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This Supplementary Prospectus is dated 6 March 2015 and is supplementary to the Prospectus dated 19 February 2015 issued by Green Rock Energy Limited (to be renamed Black Rock Mining Limited) ACN 094 551 336 (**Company**) (**Prospectus**).

This Supplementary Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 6 March 2015. The ASIC does not take any responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus must be read together with the Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus and may be accessed on the Internet at www.asx.com.au.

This document is important and should be read in its entirety. Please consult your legal, financial or other professional adviser if you do not fully understand the contents.

GREEN ROCK ENERGY LIMITED
(TO BE RENAMED BLACK ROCK MINING LIMITED)
ACN 094 551 336

SUPPLEMENTARY PROSPECTUS

1. GENERAL

Under the Corporations Act, the Company has an obligation to update a disclosure document if it becomes aware of new information that is material to investors.

This Supplementary Prospectus has been prepared to provide additional information to investors on items that the Company considers may be material.

2. ACCEPTANCE OF OVERSUBSCRIPTIONS

Since the opening of the Offer under the Prospectus, the Company has received strong interest from investors, and the Directors have therefore resolved to accept oversubscriptions in the amount of $485,500, representing the issue of 9,710,000 Shares together with one free Option for every two Shares subscribed for (being a total of 4,855,000 Options). These oversubscriptions are being issued under the Company authority to issue up to 15% of its equity securities on issue without Shareholder approval under ASX Listing Rule 7.1.

The main effect of these oversubscriptions will be to:

(a) increase the cash on hand, net assets and equity by $484,500 (less any increased expenses of the Offer);

(b) increase the total number of Shares on issue at the close of the Offer by 9,710,000; and

(c) increase the total number of Options on issue at the close of the Offer by 4,855,000.

3. USE OF ADDITIONAL FUNDS RAISED

The Company intends to apply these additional funds as follows:

Allocation of funds	**$**
Conduct of due diligence investigations on remaining permit options	200,000
Increased expenses of the Offer	29,130
Working capital	255,370
Total	**484,500**

4. PRO FORMA CAPITAL STRUCTURE

A comparative table of changes in the Shares and Options on issue in the Company as a consequence of the Offer is set out below.

	Number
Shares currently on issue	113,390,691
Options currently on issue	5,370,003
Shares to be issued pursuant to Mahenge Resources acquisition	4,000,000
Shares to be issued pursuant to acquisition of Mahenge North Graphite Project	8,333,333
Facility Fee Shares to be issued to the Copulos Group	1,221,598
Shares offered pursuant to the Prospectus	70,000,000
Options offered pursuant to the Prospectus	35,000,000
Additional Shares offered as set out in the Supplementary Prospectus	9,710,000
Additional Options offered as set out to the Supplementary Prospectus[1]	4,855,000
Total Shares on issue after completion of the Offers	**206,655,622**
Total Options on issue after completion of the Offers	**45,225,003**

Notes:

1. The additional Options offered under this Supplementary Prospectus will be on the same terms and conditions as the attaching Options under the Prospectus.

5. INVESTIGATING ACCOUNTANT'S REPORT AND FINANCIAL INFORMATION

As a result of the change to the Offer, the Financial Information in Section 10 and the Investigating Accountant's Report in Section 11 of the Prospectus are deleted entirely and replaced with the Financial Information at Annexure 1 and Investigating Accountant's Report at Annexure 2 to this Supplementary Prospectus.

Deloitte Corporate Finance Pty Ltd has given its written consent to being named in the Investigating Accountant's Report and to the inclusion of the Investigating Accountant's Report at Annexure 2 to this Supplementary Prospectus in the form and context in which the report is included. Deloitte Corporate Finance Pty Ltd has not withdrawn its consent prior to the lodgement of this Supplementary Prospectus with the ASIC.

6. CLOSING DATE

The Closing Date for the Issue will be 5:00pm (WST) on 13 March 2015 (**Closing Date**). The Board reserves the right to extend the Closing Date for the Issue should it consider it necessary to do so.

The Shares to be issued under the Issue will rank equally with the existing Shares on issue.

7. APPLICATION FOR SHARES

If you wish to apply for Shares under this Supplementary Prospectus, please complete and return the application form which is attached to this Supplementary Prospectus.

Payment for the Shares must be made in full at the issue price of $0.05 per Share. Completed application forms and accompanying cheques must be mailed or delivered to by the Closing Date to:

Computershare Investor Services Limited
GPO Box 52
Melbourne Victoria 3001.

Cheques should be made payable to "**Green Rock Energy Limited**" and crossed "Not Negotiable".

8. DIRECTORS' CONSENT

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Supplementary Prospectus with the ASIC.

____
GABRIEL CHIAPPINI
GREEN ROCK ENERGY LIMITED
(TO BE RENAMED BLACK ROCK MINING LIMITED)

Note: All other details in relation to the terms of the General Offer and the Issue and other matters under the Prospectus remain unchanged.

10. FINANCIAL INFORMATION

10.1 Basis of Preparation

This section contains Historical Financial Information and Pro Forma Financial Information (collectively the 'Financial Information') for Green Rock Energy Limited as at 30 June 2014.

The Financial Information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and Interpretations and the accounting policies adopted by Green Rock Energy Limited as detailed in Section 10.3.

The Pro Forma Financial Information has been derived from the Historical Financial Information and assumes the completion of the pro forma adjustments as set out in Section 10.4 ('Pro Forma Adjustments') as if those adjustments had occurred as at 30 June 2014.

The Financial Information contained in this section of the Supplementary Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act 2001 and Australian Accounting Standards and Interpretations.

The Financial Information comprises:

(a) The audited statement of financial position of Green Rock Energy Limited as at 30 June 2014 (Historical Financial Information); and

(b) The Pro Forma Statement of Financial Position of the Company as at 30 June 2014, prepared on the basis that the pro forma adjustments detailed in Section 10.4 had occurred on that date; and

(c) The Pro Forma Adjustments set out in Section 10.4; and

(d) The notes to the Financial Information.

The Pro Forma Statement of Financial Position in Section 10.2 has been presented on both a maximum and minimum capital raising scenario described further in Section 10.4.5.

10.2 Historical and Pro Forma Statement of Financial Position

	Note	Historical as at 30 June 2014	Pro Forma as at 30 June 2014 **Maximum** subscription	Pro Forma as at 30 June 2014 **Minimum** subscription
		$	$	$
Current Assets				
Cash and cash equivalents	10.5	801,258	3,716,516	2,322,374
Trade and other receivables		24,896	24,896	24,896
Other Financial Assets	10.6	400,000	1,640,000	1,640,000
Total current assets		**1,226,154**	**5,381,412**	**3,987,270**
Non-Current Assets				
Property, plant and equipment		3,526	3,526	3,526
Exploration and Evaluation assets	10.7			
Other financial assets	10.8	334,454	2,864,060	2,864,060
		105,300	105,300	105,300
Total non-current assets		443,280	2,972,886	2,972,886
Total Assets		**1,669,434**	**8,354,298**	**6,960,156**
Current Liabilities				
Trade and other payables		81,171	81,171	81,171
Total current liabilities		81,171	81,171	81,171
Total Liabilities		**81,171**	**81,171**	**81,171**
Net Assets		**1,588,263**	**8,273,127**	**6,878,985**
Equity				
Issued capital	10.9	31,311,043	36,283,057	35,115,632
Reserves	10.10	1,247,528	1,879,245	1,652,528
Accumulated losses	10.11	(30,970,308)	(29,889,175)	(29,889,175)
Total Equity		**1,588,263**	**8,273,127**	**6,878,985**

This statement should be read in conjunction with the accompanying notes.

10.3 Summary of Significant Accounting Policies

The significant accounting policies that have been adopted in the preparation of the Financial Information are:

10.3.1 Reporting Framework

The Financial Information has been prepared in accordance with the recognition and measurement, but not all the disclosure, requirements specified by all Australian Accounting Standards and Interpretations and the Corporations Act 2001.

The Financial Information has been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value, as explained in the accounting policies below.

The Financial Information is presented in Australian dollars, unless otherwise noted.

10.3.2 Accounting Estimates and Judgments

In the application of the accounting policies the directors are required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by the directors in the application of the accounting policies that have a significant effect on the Financial Information are disclosed, where applicable, in the relevant notes to the Financial Information.

10.3.3 Going Concern

The Financial Information has been prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Company is currently in transition from being a geothermal & hydrocarbon focused company to a graphite exploration company. As a result, the consolidated entity has surrendered its geothermal permits, with the South Australian permits currently subject to processing by relevant Government bodies for relinquishment.

On 28 July 2014, the Company completed a placement via the issue of a further 213,000,000 fully paid shares at $0.003 to raise $639,000 (before capital raising costs) to fund ongoing working capital activities. As part of the aforementioned placement, 66,000,000 unlisted options were issued on 20 January 2015. The options have an exercise price of $0.01 ($0.20 post consolidation).

On 7 July 2014 and 22 August 2014, the Company announced to the ASX that it had entered into option agreements to acquire 4 Graphite projects in Tanzania.

As part of these agreements, the company will incur minimum exploration expenditure commitments totalling $1 million to be spent over the first 12 months post settlement of the agreements. The option agreements are subject to the satisfaction of various conditions precedent, including, the company obtaining all necessary regulatory and shareholder approvals under the ASX Listing Rules, Corporations Act 2001 (Cth) (Corporations Act) or any other law to allow completion of the transaction.

On 23 December 2014, the Company announced that the Copulos Group had agreed to provide a $1,000,000 loan facility to the Company, which, subject to the approval of Shareholders, would be converted into equity as part of the Offer. On 23 December 2014, the Company received the loan funds from the Copulos Group. The effect of this conversion will be that the Company will not receive in cash the full amount being offered under the prospectus for the Offer, but will convert the $1,000,000 loan debt into equity by offsetting the application of the Copulos Group for Shares (and Options) under the Offer against the loan debt. This will have the same effect as if they subscribed for Shares and Options under the Offer and the funds raised were used to repay that loan debt. As part of the Prospectus Offer the Copulos Group has committed to a contribution of $1,500,000 including the loan facility.

The directors are satisfied that the going concern basis of preparation is appropriate and accordingly, the Financial Information has been prepared on the going concern basis. The independent auditors report on the financial report as at and for the year ended 30 June 2014 of Green Rock Energy Limited contained an Emphasis of Matter paragraph drawing attention to a material uncertainty regarding the ability of the Company and the consolidated entity to continue as going concerns.

10.3.4 Basis of Consolidation

The Financial Information incorporates the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;

- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

10.3.5 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group's investment in associate (46% interest in Central European Geothermal Energy Private Company Limited) was fully impaired at 30 June 2014.

10.3.6 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

10.3.7 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

10.3.8 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

10.3.9 Foreign currency translation

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non- monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting the Financial Information, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at 30 June 2014 Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

10.3.10 Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

10.3.11 Provisions for Employee Entitlements

Liabilities for wages and salaries, annual leave and other current employee entitlements expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Liabilities for long service leave and other non-current employee entitlements expected to be settled in more than 12 months of the reporting date are recognised in other non-current payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Contributions to employee superannuation plans are charged as an expense as the contributions are paid or become payable.

10.3.12 Share-based payment transactions

The Company provides benefits to employees and others (i.e. consultants) of the Company in the form of share- based payment transactions, whereby employees and others render services in exchange for shares or rights over shares (**Equity–settled transactions**).

There is currently one plan in place to provide these benefits being an Employee Share Option Plan (**ESOP**), which provides benefits to Directors, senior executives and staff.

The cost of these equity-settled transactions is measured by reference to fair value at the date at which they are granted. An external valuer using the Black-Scholes model determines the fair value.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Green Rock Energy Limited (**market conditions**).

The cost of equity-settled securities is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (**vesting date**).

10.3.13 Taxation

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted by reporting date. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred asset or a liability is recognised in relation to those temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Green Rock Energy Limited and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Green Rock Energy Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax-consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Green Rock Energy Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax-consolidated group.

10.3.14 Property, Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount.

Depreciable non-current assets are depreciated over their expected economic life using the straight-line method. Profits and losses on disposal of non-current assets are taken into account in determining the operating loss for the year. The depreciation rate used for each class of assets is as follows:

Plant and equipment: 7.5% - 40%

10.3.15 Exploration Expenditure

For each areas of interest, expenditure incurred in the acquisition of the right to explore is capitalised and recognised as an Exploration and Evaluation Asset. Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, otherwise costs are expensed.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

10.3.16 Impairment

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

10.3.17 Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk

management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract to be designated as at FVTPL.

  Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

10.3.18 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables are included in other financial assets in the statement of financial position.

10.3.19 Held-to-maturity investments

Bills of exchange and debentures with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. At reporting date, the consolidated entity did not hold any held-to-maturity investments.

10.3.20 Available-for-sale financial assets

Listed shares held by the Group that are traded in an active market are classified as AFS and are stated at fair value. At reporting date, the consolidated entity did not hold any listed shares. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss.

Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

10.3.21 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

10.3.22 Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss and other comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of profit or loss and other comprehensive income as part of revenue from continuing operations when the consolidated entity’s right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss are not reversed through the statement of profit or loss and other comprehensive income.

10.3.15 Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (**GST**), except:

(a) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

(b) For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

10.4 Summary of Pro Forma Adjustments

The Pro Forma Financial Information has been derived from the Historical Financial information as at 30 June 2014 adjusted to give effect to the following actual or proposed significant events and transactions by Green Rock Energy Limited subsequent to 30 June 2014:

10.4.1 Mahenge North Graphite Project Acquisition

On 7 July 2014, the Company entered into a binding terms sheet with Asab Resources (Tanzania) Limited (**Asab**) and Kabunga Holdings Pty Ltd (**Kabunga**) for the option to acquire 100% of Asab's interest in Prospecting Licence 7802/2012 (**Prospecting Licence**) that makes up the Mahenge North Graphite Project (**Mahenge North Option**). Details in relation to the material terms and conditions of the Mahenge North Option are disclosed in the Prospectus (Section 14).

The Company exercised the Mahenge North Option on 18 September 2014. Refer section 10.12 for additional commitments arising on this transaction.

The Pro Forma Adjustments for the Mahenge North Option are:

- Option fee - $50,000, plus the issue of 33,333,333 pre-consolidation shares issued at $0.001 per share, being the market value per share on 7 July 2014 or a total of $33,333; and

- Completion Consideration – the issue of 166,666,667 pre-consolidation shares (post consolidation 8,333,333 shares) issued at $0.004 per share, being the market value per share on 18 September 2014 or a total of $666,667.

10.4.2 Mahenge Graphite Project Acquisition

On 22 August 2014, the Company entered into an exclusive option agreement to acquire 100% of the issued capital of Mahenge Resources Limited (**Mahenge Resources Option**). Mahenge held an option to acquire the Prospecting Licence Applications HQ P28539 (has now been converted to a prospecting licence – PL10426/2014) and HQ P28540 (has now been converted to a prospecting licence – PL10427/2014) together with Prospecting Licence PL10111/2014 (**Mahenge Licences**). Details in relation to the material terms and conditions of the Mahenge Resources Option are disclosed in the Prospectus (Section 14).

The Company exercised the Mahenge Resources Option on 18 September 2014. In addition, the Company agreed to provide a loan for USD$110,000 to Mahenge Resources Limited for the purpose of Mahenge Resources Limited securing and exercising its option with the ultimate vendor to acquire the Mahenge Licences. A summary of the terms of the loan agreement is set out in Section 14 of the Prospectus. Refer Section 10.12 for additional commitments arising on the Mahenge Resources Option.

The Pro Forma Adjustments for the Mahenge Resources Option are:

- Option fee - $50,000, plus the issue of 8,000,000 pre-consolidation shares issued at $0.004 per share, being the market value per share on 22 August 2014 or a total of $32,000; and

- Completion Consideration – US$110,000 (AUD$130,102), plus the issue of 80,000,000 pre-consolidation shares (post consolidation 4,000,000 shares) issued at $0.004 per share, being the market value per share on 18 September 2014 or a total of $320,000.

10.4.3 Kabunga Holdings Graphite Agreement

By letter agreement dated 3 October 2014, the Company entered into an exclusive option agreement with Kabunga Holdings Pty Ltd (KHL) (KHL Option) relating to five Prospecting Licence Applications (KHL Permits). Details in relation to the material terms and conditions of the KHL Option are disclosed in the Prospectus (Section 14).

The Pro Forma Adjustments for the KHL Option are:

- in consideration for payment of the US$45,000 (non-refundable) option fee (AUD$51,142) to KHL, the Company was given the exclusive option to undertake due diligence on the KHL Permits. This amount is included in tenement acquisition costs.

For other commitments arising on the KHL Option including the consideration payable if the option is exercised – refer to section 10.12.

10.4.4 Divestment of Ocean Hill Hydrocarbon Asset

On 22 October 2014, the Company announced to the ASX that it has executed an agreement with Eneabba Gas Limited (**Eneabba** or **ENB**) to sell 100% of the Ocean Hill Block Application (STP EPA 0090, formerly designated Bid Area L12-7), located in the North Perth Basin, Western Australia (**Ocean Hill Block**). Details in relation to the material terms and conditions of the divestment are disclosed in the Prospectus (section 14.7).

The Ocean Hill Block divestment will allow GRK to focus purely on its prospective Tanzanian Projects.

The Pro Forma Adjustments for the divestment of the Ocean Hill Block are:

- Upfront receipt of $30,000 on signing of binding agreement;
- Cash to be received on completion of $300,000;
- On completion, the receipt of 40,000,000 Eneabba Ordinary Shares which have been valued at $0.031 per share, being the market value on 3 March 2015 or a total of $1,240,000;
- Disposal of capitalised exploration and evaluation expenditure of $334,454; and
- Recognition of a gain on divestment of $1,235,546.

10.4.5 Prospectus Offer

On 24 October 2014, ASX granted the Company a waiver to enable the Company to undertake a Capital Raising at 5 cents per Share and to have Options on issue with an exercise price less than 20 cents. The waiver is conditional upon Shareholders approving the price at which the Capital Raising is being undertaken. Details of the Prospectus Offer are noted in Section 6 of the Prospectus.

Shareholder approval was received on 4 March 2015, such that the total number of Shares and Options issued for the Capital Raising is not more than 70,000,000 Shares and 35,000,000 Options (on a post-Consolidation basis).

The Pro Forma Adjustments in relation to the Prospectus Offer are:

- the maximum number of Shares and Options to be issued on a post-Consolidation basis pursuant to the supplementary prospectus allowing for the issue of securities available to the Company per ASX listing rule 7.1 is 79,710,000 Shares at an issue price of $0.05 per share and 39,855,000 Options totalling $3,985,500. The Company has valued the options using the Binomial option pricing model which attaches a value to the options of $608,267; and

- the minimum number of Shares and Options to be issued on a post-Consolidation basis is 50,000,000 Shares at an issue price of $0.05 per share and 25,000,000 Options totalling $2,500,000. The Company has valued the options using the Binomial option pricing model which attaches a value to the options of $381,550.

10.4.6 Westoria Consulting Agreement

The Company has entered into a consultancy agreement with Westoria Capital Pty Ltd (**Westoria**) pursuant to which the Company engaged Westoria to provide project management, geological site and field services, administration and accounting services in respect of the Company's projects in Tanzania.

The Company is obliged to pay to Westoria a total of 23,333,334 pre-consolidation shares as a success fee following the entry into the agreement to acquire 100% of the shares in Mahenge. At the date of this report, the Company has allotted 23,333,334 shares.

The Pro Forma Adjustments in relation to the Westoria Consulting Agreement are:

- the issue of 23,333,334 pre-consolidation shares issued at $0.004 per share, being the market value per share on 22 August 2014, which was the date the Mahenge Resources Option was executed, or a total of $93,333.

10.4.7 Share Consolidation

On 24 October 2014, ASX granted the Company a waiver to enable the Company to undertake a Capital Raising at 5 cents per Share. As part of the Capital Raising, the Company is required to undertake a Share Consolidation. Shareholder approval was granted on 15 December 2014, for the approval of a 20 for 1 share consolidation, with the Company finalising the share consolidation on 4 February 2015.

The Pro Forma Adjustments in relation to the Share Consolidation are:

- the consolidation of the existing issued shares and options of the Company on a 20:1 ratio occurred on 4 February 2015.

10.4.8 Private Placement

On 23 July 2014 the Company announced to the ASX that it had placed with existing and new institutional shareholders for working capital purposes 213,000,000 pre-consolidation shares at an issue price of $0.003 per share, together with 66,000,000 options exercisable $0.01, which was granted at the shareholder meeting held on 15 December 2014.

The Pro Forma Adjustments in relation to the private placement are:

- Issue of 213,000,000 pre-consolidation shares to raise a total of $639,000;
- Issue of 66,000,000 pre-consolidation options. The Company has valued the options using the Binomial option pricing model which attaches a value to the options of $23,450, which has been offset against share capital; and
- Capital raising costs of 6% of the private placement being $38,340, which has been offset against share capital.

10.4.9 Share Capital Raising Costs

Included in the prospectus are capital raising costs which are the estimated costs associated with ASIC fees, ASX quotation fees, fees for Investigating Accountant's Report, fees for Independent Geologist's Report, fees for Solicitor's Title Report, Legal fees associated with the prospectus and printing and despatch costs.

The Pro Forma Adjustments in relation to the capital raising costs in total are:

- Maximum subscription, capital raising costs totalling $286,570; and
- Minimum subscription, capital raising costs totalling $195,212;

These fees have been offset against share capital.

10.4.10 Exploration and Evaluation Expenditure

Since the execution of the Mahenge Graphite Project agreements, the Company has spent $791,756 in relation to tenement acquisition costs and exploration activity, as required by these option agreements. These amounts have been capitalised to exploration and evaluation asset as acquisition costs.

The Pro Forma Adjustments are:

- Capitalised exploration and evaluation asset of $791,756 relating to tenement acquisition costs.

10.4.11 Performance Rights

Subject to shareholder approval being sought on 4 March 2015, the Company plans to issue 6,700,000 performance rights to the directors of the Company. Details of the performance rights are disclosed in the prospectus (Section 13.2). The Company has valued the performance rights using the Binomial option pricing model which attaches a value to the performance rights of $335,000. This has not been included as a Pro Forma Adjustment, as the expense will be recognised over the vesting period of the performance rights from their grant date being 4 March 2015.

10.4.12 Maiden Drilling Programme

As confirmed in the prospectus dated 4 December 2014, the Company noted its intention to proceed with a maiden drilling programme on the Mahenge

Graphite Projects. The Company entered into a drilling contract during January 2015 with estimated costs of USD$405,000.

The Pro Forma Adjustments are:

- Capitalised exploration and evaluation asset of USD$405,000 (AUD$520,031) relating to proposed exploration work.

As at the date of the report, the Company has approximately 2 weeks remaining on its maiden drilling programme.

10.4.13 Extension of Option Acquisition Agreements

As announced to the ASX on 22 December 2014, the Company agreed with the vendors of the Mahenge Graphite Projects to extend the term of the agreements through to 31 March 2015. As part of the extension to 31 March 2015 the Company agreed to:

(a) Green Rock to issue USD$50,000 in ordinary shares to each vendor at an issue price of $0.0025.

(b) Green Rock agrees to pay the rental fees due on the prospecting licences during the upcoming 12-month period.

The Pro Forma Adjustments are:

- Issue of 48,863,916 pre-consolidation shares at $0.002 per share being the market value per share on 22 December 2014 or a total of $97,728; and
- Cash consideration of a total of $121,301 relating to rental fees and late penalty fees due on the prospecting licences.

10.4.14 Loan Agreement

On 23 December 2014, the Company announced that the Copulos Group had agreed to provide a $1,000,000 loan facility to the Company, which, subject to the approval of Shareholders, would be converted into equity as part of the Offer. On 23 December 2014, the Company received the loan funds from the Copulos Group. The effect of this conversion will be that the Company will not receive in cash the full amount being offered under the prospectus for the Offer, but will convert the $1,000,000 loan debt into equity by offsetting the application of the Copulos Group for Shares (and Options) under the Offer against the loan debt. This will have the same effect as if they subscribed for Shares and Options under the Offer and the funds raised were used to repay that loan debt. As part of the loan agreement a facility fee payable in shares in the Company of USD$50,000 will be allotted subject to approval from shareholders at the 4 March 2015 shareholder meeting.

The Pro Forma Adjustments are:

- Issue of 1,221,598 post-consolidation shares at $0.05 per share being the market value per share on completion of the prospectus or a total of US$50,000 (AUD$61,080).

10.5 Cash Assets

	Note	Green Rock Energy Limited 30 June 2014 Audited	Pro Forma 30 June 2014 Maximum subscription	Pro Forma 30 June 2014 Minimum subscription
		$	$	$
Cash at bank 30 June 2014		801,258	801,258	801,258
Capital raising – July 2014 placement (net of capital raising costs)	10.4.8	-	600,660	600,660
Capital raising – prospectus (net of capital raisings costs)	10.4.5, 10.4.9	-	3,698,930	2,304,788
Proceeds from Divestment of Ocean Hill	10.4.4	-	330,000	330,000
Capitalised exploration and evaluation costs – Tanzanian Graphite Projects	10.4.10	-	(791,756)	(791,756)
Tenement Acquisition costs relating to the Mahenge North Option	10.4.1	-	(50,000)	(50,000)
Tenement Acquisition costs relating to the Mahenge Resources Option	10.4.2	-	(180,102)	(180,102)
Tenement Acquisition costs relating to the KHL Option	10.4.3	-	(51,142)	(51,142)
Maiden Drilling Programme	10.4.12	-	(520,031)	(520,031)
Extension of Option acquisition agreements	10.4.13	-	(121,301)	(121,301)
		801,258	3,716,516	2,322,374

10.6 Current - Other Financial Assets

	Note	Green Rock Energy Limited 30 June 2014 Audited	Pro Forma 30 June 2014 Maximum subscription	Pro Forma 30 June 2014 Minimum subscription
		$	$	$
Loan Receivable – Sunbird Energy		400,000	400,000	400,000
Investments - Held for Trading	10.4.4	-	1,240,000	1,240,000
		400,000	1,640,000	1,640,000

During 2014 the Company completed a $400,000 debt investment in Sunbird Energy Limited. The loan matures on 10 March 2015 with a coupon rate of 20%. For the purposes of this report, no interest has been accrued. The funds have been loaned through a Trust arrangement with Green Rock being a secured beneficiary of that Trust. The loan facility is fully secured against Sunbird's ownership of Sunbird Energy (Ibhubesi) Pty Ltd which holds 22.8% working interest in the Ibhubesi Gas Project.

On 22 October 2014 the Company announced to the ASX that it had executed an agreement with Eneabba Gas Limited to sell 100% of the Ocean Hill Block Application. The consideration included 40,000,000 Eneabba Gas Limited shares, for the purposes of this report, the Eneabba Gas Shares have been valued at the share price on 3 March 2015 at $0.031 per share. The shares are escrowed until 15 November 2015. The directors of the Company have classified the Eneabba Gas Shares as current, as it is their intention to dispose of these shares within twelve months from the date of the lodgement of this prospectus.

10.7 Exploration & Evaluation

	Note	Green Rock Energy Limited 30 June 2014 Audited $	Pro Forma 30 June 2014 Maximum subscription $	Pro Forma 30 June 2014 Minimum subscription $
Balance at 30 June 2014		334,454	334,454	334,454
Divestment of Ocean Hill	10.4.4	-	(334,454)	(334,454)
Tenement Acquisition costs relating to the Mahenge North Option	10.4.1	-	750,000	750,000
Tenement Acquisition costs relating to the Mahenge Resources Option	10.4.2	-	532,102	532,102
Tenement Acquisition costs relating to the KHL Option	10.4.3	-	51,142	51,142
Capitalised exploration and evaluation costs – Tanzanian Graphite Projects	10.4.10	-	791,756	791,756
Maiden Drilling Programme	10.4.12	-	520,031	520,031
Extension of Option acquisition agreements	10.4.13	-	219,029	219,029
		334,454	2,864,060	2,864,060

The ultimate recoupment of capitalised exploration expenditure is dependent upon the successful development and/or commercial exploitation or, alternatively through the sale of the respective underlying licences.

10.8 Other Financial Assets

	Note	Green Rock Energy Limited 30 June 2014 Audited $	Pro Forma 30 June 2014 Maximum subscription $	Pro Forma 30 June 2014 Minimum subscription $
Other financial assets		105,300	105,300	105,300
		105,300	105,300	105,300

In compliance with the requirements of the South Australian Petroleum Act of 2000, the Company is required to lodge and maintain with the Minister, for the satisfaction of obligations arising under the Act or the Geothermal Exploration Licences (GELs) granted, security of $100,000. The security is to be lodged in cash or an unconditional irrevocable bank guarantee or a letter of credit from a financial institution approved by the Minister.

10.9 Share Capital

	Note	Green Rock Energy Limited 30 June 2014 Audited $	Pro Forma 30 June 2014 Maximum subscription $	Pro Forma 30 June 2014 Minimum subscription $
Issued capital		31,311,043	31,311,043	31,311,043
Placement July 2014	10.4.8	-	639,000	639,000
Allocation to Option Reserve	10.4.8	-	(23,450)	(23,450)
Share issue relating to the Mahenge North Option	10.4.1	-	700,000	700,000
Share issue relating to the Mahenge Resources Option	10.4.2	-	352,000	352,000
Share issue relating to Westoria Consulting Agreement	10.4.6	-	93,333	93,333
Shares issued per prospectus offer	10.4.5	-	3,985,500	2,500,000
Allocation to Option Reserve	10.4.5	-	(608,267)	(381,550)
Share issue costs	10.4.8, 10.4.9	-	(324,910)	(233,552)
Extension of Option acquisition agreements	10.4.13	-	97,728	97,728
Loan Agreement – facility fee	10.4.14	-	61,080	61,080
		31,311,043	36,283,057	35,115,632

	Note	Green Rock Energy Limited 30 June 2014 Audited No.	Pro Forma 30 June 2014 Maximum subscription No.	Pro Forma 30 June 2014 Minimum subscription No.
Number of shares				
Issued capital		1,941,273,090	1,941,273,090	1,941,273,090
Placement July 2014	10.4.8	-	213,000,000	213,000,000
Share issue relating to the Mahenge North Option	10.4.1	-	200,000,000	200,000,000
Share issue relating to the Mahenge Resources Option	10.4.2	-	88,000,000	88,000,000
Share issue relating to Westoria Consulting Agreement	10.4.6	-	23,333,334	23,333,334
Extension of Option acquisition agreements	10.4.13	-	48,863,916	48,863,916
Share consolidation (20:1 ratio)	10.4.7	-	(2,388,746,316)	(2,388,746,316)
Shares issued per prospectus offer	10.4.5	-	79,710,000	50,000,000
Loan Agreement – Facility Fee	10.4.14		1,221,598	1,221,598
		1,941,273,090	206,655,622	176,945,622

	Note	Green Rock Energy Limited 30 June 2014 Audited No.	Pro Forma 30 June 2014 Maximum subscription No.	Pro Forma 30 June 2014 Minimum subscription No.
Number of options				
Issued options		871,823,128	871,823,128	871,823,128
Placement July 2014	10.4.8	-	66,000,000	66,000,000
Expiry of Unlisted Options in November 2014		-	(10,600,000)	(10,600,000)
Expiry of listed options January 2015			(819,823,128)	(819,823,128)
Option Consolidation (20:1 ratio)	10.4.7	-	(102,029,997)	(102,029,997)
Options issued per prospectus offer	10.4.5	-	39,855,000	25,000,000
		871,823,128	45,225,003	30,370,003

	Note	Green Rock Energy Limited 30 June 2014 Audited No.	Pro Forma 30 June 2014 Maximum subscription No.	Pro Forma 30 June 2014 Minimum subscription No.
Number of performance rights				
Issued performance rights		-	-	-
Issue of performance rights to directors	10.4.11	-	6,700,000	6,700,000
		-	6,700,000	6,700,000

10.10 Reserves

	Note	Green Rock Energy Limited 30 June 2014 Audited $	Pro Forma 30 June 2014 Maximum subscription $	Pro Forma 30 June 2014 Minimum subscription $
Share options reserve		158,332	790,049	563,332
Share based payments reserve		1,148,259	1,148,259	1,148,259
Foreign Translation Reserve		(59,063)	(59,063)	(59,063)
		1,247,528	1,879,245	1,652,528

	Note	Green Rock Energy Limited 30 June 2014 Audited $	Pro Forma 30 June 2014 Maximum subscription $	Pro Forma 30 June 2014 Minimum subscription $
Movement in Share options reserve				
Share options reserve		158,332	158,332	158,332
Options under Placement July 2014	10.4.8	-	23,448	23,449
Option issue per prospectus offer	10.4.5	-	608,269	381,551
		158,332	790,049	563,332

10.11 Accumulated Losses

	Note	Green Rock Energy Limited 30 June 2014 Audited $	Pro Forma 30 June 2014 Maximum subscription $	Pro Forma 30 June 2014 Minimum subscription $
Balance at 30 June 2014		(30,970,308)	(30,970,308)	(30,970,308)
Cost of shares relating to Westoria Consulting Agreement	10.4.6	-	(93,333)	(93,333)
Gain on divestment of Ocean Hill	10.4.4	-	1,235,546	1,235,546
Loan Agreement – Facility Fee	10.4.14		(61,080)	(61,080)
		(30,970,308)	(29,889,175)	(29,889,175)

10.12 Commitments for Expenditure

10.12.1 Geothermal & Hydrocarbon

The Company is currently in transition from being Geothermal & Hydrocarbon focused to a Graphite Resources company. As a result, the Company has applied for relinquishment all of its Geothermal Assets in Western Australia and South Australia with relevant Government bodies, subsequent to 30 June 2014.

The exploration commitment in relation to the Western Australian permits with the relevant statutory bodies over the geothermal permits prior to relinquishment was estimated to be approximately $143m. As a result of the relinquishment and approval of surrender by the relevant statutory bodies, the Company no longer has these exploration commitments.

With regards to the Company's South Australian Geothermal Permits now in the process of being relinquished, there may be a requirement for the Company to undertake remedial work on a previously drilled geothermal well. This exposure is covered by way of a cash backed bond ($105,300) with the South Australian Department for Manufacturing, Innovation, Trade, Resources and Energy – refer section 10.8. The Company estimates that the remedial work will total approximately $60,000.

10.12.2 Mahenge Graphite Projects

On 7July 2014 and 22 August 2014, the Company announced to the ASX that it had entered into agreements to acquire four Graphite projects in Tanzania. As part of these agreements, the company has agreed to minimum exploration expenditure commitments totalling $1m to be acquitted over the first 12 months post settlement of the option agreements.

Subject to satisfaction of certain milestones, the Company will be required to make milestone payments to the vendors of the Mahenge North Option and Mahenge Resources Option transactions. These milestone payments are detailed in section 14 of the Prospectus and comprise:

Mahenge North Graphite Project

The company is also committed to make the following milestone payments as required:

- $250,000 cash or equivalent number of fully paid Green Rock Energy Limited shares (at the election of the vendor) upon announcement of a JORC compliant resource of greater than 250,000 tonnes of contained graphite at >7% TGC is announced;
- $250,000 cash or cash equivalent number of fully paid Green Rock Energy Limited shares (at the election of the vendor) to be paid when the company share price exceeds a VWAP of $0.005 for a period of at least ten consecutive trading days. The final number of shares issued will be based on $0.005 per share; and
- $500,000 cash or cash equivalent number of fully paid Green Rock Energy Limited shares (at the election of the vendor) upon announcement of a JORC compliant resource of greater than 1,000,000 tonnes of contained graphite at >7% TGC.

Mahenge Resources Graphite Projects

The company is also committed to make the following milestone payments as required:

- $250,000 cash or equivalent number of fully paid Green Rock shares (at the election of the vendor) upon announcement of a JORC compliant resource of greater than 250,000 tonnes of contained graphite at >9% TGC is announced. Issue price of shares to be calculated based on the preceding seven (7) day VWAP; and
- AUD$375,000 cash and the equivalent value (AUD$375,000) in GRK Shares to be paid when a JORC compliant Resource with greater than 1,000,000 tonnes of contained graphite at >9% total graphite content at any of the Projects is announced by GRK on the ASX. The issue price of GRK Shares is to be calculated based on the VWAP of GRK Shares in the 5 days prior to the release of the announcement.

10.12.3 Kabunga Holdings

On 3 October 2014 the Company entered into an exclusive option agreement with Kabunga Holdings Pty Ltd relating to five Prospecting Licences (KHL Option). The Option expires in June 2015. Should the Company exercise its option, consideration payable will be US$60,000 cash and the issue of shares in the Company to the value of US$60,000.

10.12.4 Other Matters

On 3 October 2014, the Company entered into an option acquisition agreement with Interstate Mining & Minerals (T) Limited relating to five Tanzanian gem stone licences. The completion of the acquisition did not occur in accordance with the original agreement and the Company will be revisiting the acquisition, together with the terms and conditions in 2015. Accordingly, there are no expenditure commitments associated with these tenements.

10.13 Related Parties

Transactions with Related Parties, directors and proposed Directors Interests are disclosed in the Prospectus (Sections 5.12, 5.13, 13.2, 14.9 and 14.11).

10.14 Contingent Liabilities

At the date of the report no material contingent liabilities that exist.

Deloitte.

Deloitte Corporate Finance Pty Limited
ACN 003 833 127
AFSL 241457

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 9365 7001
www.deloitte.com.au

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

6 March 2015

Dear Sirs

INVESTIGATING ACCOUNTANT'S REPORT ON HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the Directors of Green Rock Energy Limited (the "Company") for inclusion in the Supplementary Prospectus to be issued by the Company on or about 6 March 2015, in connection with the proposed acquisition of graphite tenements in Tanzania (the "Acquisition") and the offering and issue by the Company of up to $3,985,500 of securities in the Company (the "Supplementary Prospectus"). The minimum subscription is $2,500,000.

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence under the *Corporations Act 2001* for the issue of this report.

References to the Company and other terminology used in this report have the same meaning as defined in the Glossary of the Prospectus dated 19 February 2015 (the "Prospectus").

Scope

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Company to review:

- the historical Statement of Financial Position of the Company as at 30 June 2014 (Historical Financial Information);
- the pro forma Statement of Financial Position of the Company as at 30 June 2014, prepared on the basis that the pro forma adjustments detailed in Section 10.4 of the Supplementary Prospectus had occurred on that date;
- the pro forma adjustments set out in Section 10.4 of the Supplementary Prospectus (pro forma adjustments); and
- accompanying notes.

(the Pro Forma Financial Information).

The Pro Forma Financial Information has been derived from the Statement of Financial Position of the Company as at 30 June 2014 (Historical Financial Information), after adjusting for the effects of the pro forma adjustments described in Section 10.4 of the Supplementary Prospectus.

Deloitte.

The Historical Financial Information has been extracted from annual financial report of the Company for the year ended 30 June 2014, which has been audited by Deloitte Touche Tohmatsu in accordance with Australian Auditing Standards. Deloitte Touche Tohmatsu issued an unmodified audit opinion with an emphasis of matter relating to a material uncertainty regarding the ability of the Company and the consolidated entity to continue as going concerns.

The Pro Forma Financial Information is presented in the Supplementary Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards and Interpretations applied to the Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 10.4 of the Supplementary Prospectus, as if those event(s) or transaction(s) had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Financial Information does not represent the Company's actual or prospective financial position.

Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Pro Forma Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Financial Information; and
- the information contained within the Prospectus and the Supplementary Prospectus.

This responsibility includes the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Historical Financial Information and the Pro Forma Financial Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Pro Forma Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagement (ASAE) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.*

A review 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 reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly we will not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusion

Pro Forma Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information is not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Section 10.3 of the Supplementary Prospectus.

Deloitte.

Restrictions on Use

Without modifying our conclusion, we draw attention to Section 10 of the Supplementary Prospectus, which describes the purpose of the Pro Forma Financial Information, being for inclusion in the Prospectus. As a result, the Investigating Accountant’s Report may not be suitable for use for another purpose.

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Supplementary Prospectus in the form and context in which it is included.

Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of the Prospectus other than the preparation of this report for which normal professional fees will be received.

Deloitte Touche Tohmatsu is the auditor of the Company.

Yours faithfully

Neil Smith
Authorised Representative of
Deloitte Corporate Finance Pty Limited
(AR number 466800)

Deloitte.

Financial Services Guide

What is a Financial Services Guide?

This Financial Services Guide (FSG) provides important information to assist you in deciding whether to use our services. This FSG includes details of how we are remunerated and deal with complaints.

Where you have engaged us, we act on your behalf when providing financial services. Where you have not engaged us, we act on behalf of our client when providing these financial services, and are required to give you an FSG because you have received a report or other financial services from us. The person who provides the advice is an Authorised Representative (AR) of Deloitte Corporate Finance Pty Limited (DCF), which authorises the AR to distribute this FSG. Their AR number is included in the report which accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice and to arrange for another person to deal in financial products in relation to securities, interests in managed investment schemes, government debentures, stocks or bonds to retail and wholesale clients. We are also authorised to provide personal and general financial product advice and deal by arranging in derivatives and regulated emissions units to wholesale clients, and general financial product advice relating to derivatives to retail clients.

Our general financial product advice

Where we have issued a report, our report contains only general advice. This advice does not take into account your personal objectives, financial situation or needs. You should consider whether our advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If our advice is provided to you in connection with the acquisition of a financial product you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we and all employees remunerated?

Our fees are usually determined on a fixed fee or time cost basis and may include reimbursement of any expenses incurred in providing the services. Our fees are agreed with, and paid by, those who engage us. Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Other than our fees, we, our directors and officers, any related bodies corporate, affiliates or associates and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary and while eligible for annual salary increases and bonuses based on overall performance they do not receive any commissions or other benefits as a result of the services provided to you. The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

We are ultimately controlled by the Deloitte member firm in Australia (Deloitte Touche Tohmatsu). Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu. We and other entities related to Deloitte Touche Tohmatsu:

- do not have any formal associations or relationships with any entities that are issuers of financial products
- may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

If you have any concerns regarding our report or service, please contact us. Our complaint handling process is designed to respond to your concerns promptly and equitably. All complaints must be in writing to the address below.

If you are not satisfied with how we respond to your complaint, you may contact the Financial Ombudsman Service (FOS). FOS provides free advice and assistance to consumers to help them resolve complaints relating to the financial services industry. FOS' contact details are also set out below.

The Complaints Officer	Financial Ombudsman Service
PO Box N250	GPO Box 3
Grosvenor Place	Melbourne VIC 3001
Sydney NSW 1220	info@fos.org.au
complaints@deloitte.com.au	www.fos.org.au
Fax: +61 2 9255 8434	Tel: 1300 780 808
	Fax: +61 3 9613 6399

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services provided by us. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

July 2014

Deloitte Corporate Finance Pty Limited, ABN 19 003 883 127, AFSL 241457 of Level 1 Grosvenor Place, 225 George Street, Sydney NSW 2000