



ASX Announcement

5 November 2010

Placement and Non-renounceable rights issue

Hot Rock Limited (**Hot Rock or the Company**) is pleased to announce a \$3.2 million capital raising via a placement and fully underwritten rights issue. The capital raising together with the company's existing cash reserves will be used to fund:

- costs relating to exploration of the Company's South American projects;
- ongoing exploration and appraisal testing programs aimed at progressing the "proof of concept" program at the Koroit Project and determining geothermal resources in the Company's Victorian permits; and
- other corporate and offer costs as well as working capital requirements.

Hot Rock's Executive Chairman, Mark Elliott stated "The company has made excellent progress advancing our projects in Australia, Chile and Peru. We have secured some of the best geothermal projects within each of these highly prospective regions. Funds from the capital raising will be predominately used for exploration at the Company's projects in Chile and Peru. Exploration programs including mapping, sampling and magneto-telluric (MT) surveys, which will assist in outlining geothermal reservoirs for drill testing have been planned. We would like to thank existing shareholders for their continued support and would like to welcome those new shareholders who participated in the Placement."

Offer Summary

The capital raising is being completed via:

- a placement to institutional and sophisticated investors who have committed to subscribe for 13,867,500 shares at 6 cents each to raise approximately \$830,000 before issue costs (**Placement**); and
- a non-renounceable rights issue to eligible shareholders, on the basis of 2 new fully paid ordinary share for every 5 shares held, at an issue price of 5.5 cents per share (**New Shares**), to raise approximately \$2.34 million before costs (**Rights Issue**).

Hot Rock anticipates that the Placement shares will be allotted on 10 November 2010.

The Rights Issue will be available to all registered shareholders who hold shares on 16 November 2010 (**Record Date**). Shares issued under the Placement will be entitled to participate in the Rights Issue.

The Placement was managed by Bizzell Capital Partners Pty Ltd, an entity associated with Stephen Bizzell, a director of Hot Rock. The Rights Issue is fully underwritten by Bizzell Capital Partners.

Pursuant to the provisions in section 708AA of the *Corporations Act 2001* (Cth), the Rights Issue is being made without a disclosure document. Instead, Hot Rock will prepare and send an offer

document to shareholders on 17 November 2010 as set out in the proposed timetable for the Rights Issue set out below.

Date	Event(s)
5 November 2010	Announce Issue
5 November 2010	Lodge Appendix 3B and Offer Document with ASX
10 November 2010	“Ex” Date – securities are quoted on an ex basis
16 November 2010	Record Date
19 November 2010	Despatch offer documents to shareholders
19 November 2010 (9.00am Brisbane time)	Issue Opens
9 December 2010 (5.00pm Brisbane time)	Issue Closes
10 December 2010	Deferred settlement trading commences
17 December 2010	Allotment of shares under Issue
20 December 2010	Trading in new shares commences
21 December 2010	Despatch of holding statements

This timetable is indicative only and may be subject to change subject to the requirements of the *Corporations Act 2001 (Cth)* and the ASX Listing Rules, in consultation with the Underwriter.

Further information

The Company anticipates that, approximately 42,527,002 New Shares will be issued under the Rights Issue. The New Shares will be issued for 5.5 cents each.

Upon completion of the Rights Issue, the issued capital of Hot Rock will comprise approximately 148,844,508 shares. The New Shares will rank equally in all respects with Hot Rock's existing shares. If an eligible shareholder's entitlement results in a fraction of a New Share, the shareholder's entitlement will be rounded up to the nearest whole number.

Deferred settlement trading in respect of the New Shares to be issued pursuant to the Rights Issue is expected to commence on 10 December 2010. Trading on a normal settlement basis in the New Shares is expected to commence on 20 December 2010, the first business day following allotment of New Shares.

In addition to the above placement and rights issue raisings, Hot Rock has provided Bizzell Capital Partners with the right, but not the obligation, to place up to a further approximately 18.2 million shares at 5.5 cents each per share after the close of the Rights Issue, subject to obtaining any necessary shareholder approvals. This placement, if completed, will raise an additional \$1 million.

Hot Rock encourages all eligible shareholders to participate in the Rights Issue.



Dr Mark Elliott
Executive Chairman
Hot Rock Limited