



ASX/Media Announcement

17 August 2010

Hot Rock receives \$7m GDP grant

Hot Rock Limited (ASX: HRL) today announced it has signed the contract for the \$7 million grant from the Australian government to carry out a drill and test program at its flagship Koroit Hot Sedimentary Aquifer Geothermal Project in the Otway Basin in southwest Victoria.

The Geothermal Drilling Program (GDP) Round 2 Funding Agreement, which was signed with the Department of Resources, Energy and Tourism (DRET), demonstrates the government's confidence in Hot Rock's management and geothermal business model.

The Proof of Concept program will test the potential of the geothermal reservoir to supply hot water to a geothermal power plant. This involves drilling two deep holes (approximately 3,700m deep) in the Koroit area to test water temperature and fluid flow rate from the geothermal reservoir.

Two potential drill sites have been selected, and preparations for completing the drilling pad and ponds are well advanced. We have completed the well designs, and are currently finalising discussions with a drilling company to supply a suitable rig to drill the wells in 2011.

The grant is at no cost to the company and is a significant bonus for our shareholders.

Hot Rock Executive Chairman Dr Mark Elliott said: "Receiving the GDP funding for the Koroit Project is a major milestone for Hot Rock in moving closer to generating electricity from geothermal energy in Australia within the next two years."

About Hot Rock

Hot Rock Limited is a geothermal energy company that offers investors an opportunity to participate in socially responsible and ethical investment choices through the development of sustainable, emission-free, base load power generation.

Strategically, HRL has elected to focus on the commercially proven Hot Sedimentary Aquifer (HSA) and Volcanic Geothermal type projects in its quest to become a leading supplier of geothermal power.

In Australia, the company is focused on developing HSA projects in its large Otway Basin tenements, southwest Victoria. The Geothermal Drilling Program (GDP) award of \$7 million to HRL by the Australia Government's Department of Resources, Energy and Tourism (DRET) is an important milestone in testing geothermal resources in Australia. The funds will go toward the drilling and testing program of HRL's maiden flagship geothermal project at Koroit in the Otway Basin, starting in early 2011 and if successful will be followed by the development of a pilot plant by 2012.

HRL has expanded internationally via South America with the establishment of offices in Santiago and Lima in 2009 and lodgement of exploration applications covering exciting volcanic prospects in Chile and Peru. HRL is consolidating its position in South America, where high quality geothermal resources exist and attractive regulatory environments and market conditions allow us to operate in a secure and potentially profitable manner.

This level of project diversification in terms of both resource type and geography will undoubtedly benefit HRL and add considerably to long term shareholder value.



Mark Elliott
Executive Chairman

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