



ASX Announcement

Company Announcements Office
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Green Rock and New World Energy join forces to dominate Mid West geothermal potential

Highlights

- **Very large potential geothermal resource in fast growing energy-hungry region**
- **Two prospective drilling target areas close to infrastructure**
- **Builds on Green Rock's alliance with Pacific Hydro for conventional geothermal for power generation**
- **Strong contender for State and Commonwealth funding towards first two wells**

Green Rock Energy is pleased to announce the execution of a binding agreement with New World Energy to jointly develop both companies geothermal exploration permits (GEPs) in the North Perth Basin in the Mid West region of Western Australia. This will give the joint venture the dominant position for geothermal power development in the Mid West which is the fastest growing electricity market in the State. Magnetite mining and processing projects in the region will require many hundreds of Megawatts of baseload electricity over the coming years. A map of the permit areas is attached.

New World Energy is an unlisted dedicated geothermal energy exploration and development company based in Perth and focussed on Australia and the Asia-Pacific region. The company is the largest geothermal energy landholder in WA with permits covering the prospective areas in the Pilbara and Mid West regions, and is actively acquiring significant projects throughout the Asian ring of fire. In September 2011 it announced the acquisition by its Philippines subsidiary Geoenergy Inc of five high-potential geothermal projects in the Philippines.

Currently Green Rock has 100% interests in 9 GEPs in the North Perth Basin and New World Energy has 100% interest in 8 GEPs. The agreement contemplates the parties joint venturing across all the Permits subject to certain conditions being met:

- Green Rock and New World Energy being satisfied that the work programs and conditions imposed by the Government for the Permits, as may be amended, for the New World Energy Permits and Green Rock Energy Permits respectively are acceptable to each of them
- Green Rock and New World Energy being satisfied with arrangements between them for recovery of past expenditures on the Permits
- New World Energy agrees to the terms of the MoU between Green Rock and Pacific Hydro (announced on 4th August 2011) which includes the Mid West Geothermal Power Project, and Green Rock procures Pacific Hydro consent to farm-out Permit interests to New World Energy.

Green Rock will be the initial operator of the joint venture.

The agreement gives Green Rock exposure to a much larger resource footprint and a second potentially attractive drilling target area while reducing its expenditure commitments to explore and develop geothermal resources. The joint venture will focus on identifying the most prospective drilling target for drilling two wells with the objective of an initial ~5MW of power generation capacity connected to existing power infrastructure.

Green Rock's Managing Director Richard Beresford said "Green Rock considers the Mid West Geothermal Power Project a strong contender for State and Commonwealth funding towards drilling the first two well. Working jointly with New World Energy further strengthens our prospects and we look forward to further progress on funding over the next few months."

New World Energy's Managing Director John Libby added "The mutually beneficial joint venture will create a single entity with access to the best geothermal areas in WA that are adjacent to transmission infrastructure and major baseload energy markets. This collaboration will allow both companies to pool their technical and financial resources to ensure the most timely and cost effective geothermal development".

Nigel Hodder
Company Secretary

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ATTACHMENT: MID WEST PERMIT AREAS

