



Hot Rock Limited

Investor Presentation

9 May 2011

ASX Code: HRL

www.hotrockltd.com

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The information in this Statement that relates to Geothermal Resources has been compiled by Peter Barnett, an employee of Hot Rock Limited. Mr Barnett has over 30 years' experience in the determination of crustal temperatures and stored heat for the style relevant to the style of geothermal play outlined in this release. He is a member of the Geothermal Resources Council and the International Geothermal Association, a current board member of the New Zealand Geothermal Association, a past board member of the Auckland University Geothermal Institute Board of Studies and a current member of the Economics Sub Committee of the Australian Geothermal Association. Mr Barnett qualifies as a Competent Person as defined by the Australian Code of Reporting of Exploration Results, Geothermal Resources and Geothermal Reserves (2008 Edition). Mr Barnett consents to the public release of this report in the form and context in which it appears. Neither Mr Barnett nor Hot Rock Limited takes any responsibility for selective quotation of this Statement or if quotations are made out of context.

All amounts are in American Dollars (USD) unless otherwise stated.



Outline of presentation

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Executive summary

- **International geothermal energy company focused on developing quality conventional projects in high power demand stable countries for development**
- **Exploration commenced on recently granted tenements in Chile & Peru**
- **Strong management team with significant commercial, geothermal exploration and development expertise**
- **Largest holder of volcanic geothermal projects in Chile and Peru along with the largest HSA projects with resources in the Otway Basin in Australia**
- **Inferred and indicated geothermal resources totaling 1300MW in 3 HSA projects in the Otway Basin, including the 500MW resource in the Koroit Project - ready to drill**
- **Resource estimates for 2 projects in Chile due in June quarter**
- **Confidentiality Agreements to review information have been executed with a number of parties interested in farming into Chile and Australian projects.**
- **Planned fast tracked development timetable commencing drilling in late 2011, feasibility studies in mid 2012 and plant development from 2013 onwards.**



Corporate overview As at 5 May 2011

- ASX Code: HRL
 - Share price: 4.9cents
 - Shares on issue (million): 156.3
 - Unlisted options (million): 28
 - Market Cap: A\$8 m
 - Cash position: A\$1.4 m
- Shareholders: 1,142
 - Top 20 Shareholders: 46%
 - Board and management: 15%

Top 10 Shareholders

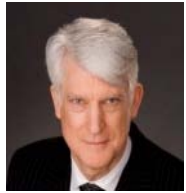
1	LORRAINE JEAN ZILLMAN	10,500,000	6.72%
2	ELLIOTT NOMINEES P/L	8,500,000	5.44%
3	MR IAN LINDSAY CAMPBELL	5,000,000	3.20%
4	BIZZELL NOMINEES PTY LTD	4,200,000	2.69%
5	DR BARRY & JAYE BARKER	4,100,000	2.62%
6	ABN AMRO CLEARING SYDNEY NOMINEES PL	3,881,444	2.48%
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	3,401,593	2.18%
8	ALBIANO HOLDINGS PTY LTD	3,224,394	2.06%
9	PETER RODNEY BARNETT	2,800,000	1.79%
9	BCP ALPHA INVESTMENTS PTY LTD	2,800,000	1.79%
10	SCINTILLA STRATEGIC INVESTMENTS LTD	2,340,000	1.50%

12 Month Share Price History



Management & Board

Proven team of resource project developers



Dr Mark Elliott Executive Chairman
Economic geologist & director with over 33 years experience

Experience in corporate management and resource industry



Mr Peter Barnett Managing Director
Former geothermal manager of Sinclair Knight Merz. 35 years experience working in geothermal exploration, development and production operations of 40% of world's geothermal generation capacity across 24 countries



Mr Luis Urzua Geothermal Resource Mgr
Geologist and Civil Engineer with 10 years experience in the geothermal industry

Developed 20 wells and over 380MW of geothermal generation capacity



Mr Mike Sandy Non-exec Director
Petroleum geologist & director with over 32 years experience in building companies and energy production



Mr Paul Marshall Co. Sec & CFO
Qualified accountant and lawyer

15 years experience in listed resource companies



Mr Stephen Bizzell Non-exec Director
15 years experience in corporate finance, the energy industry and capital markets

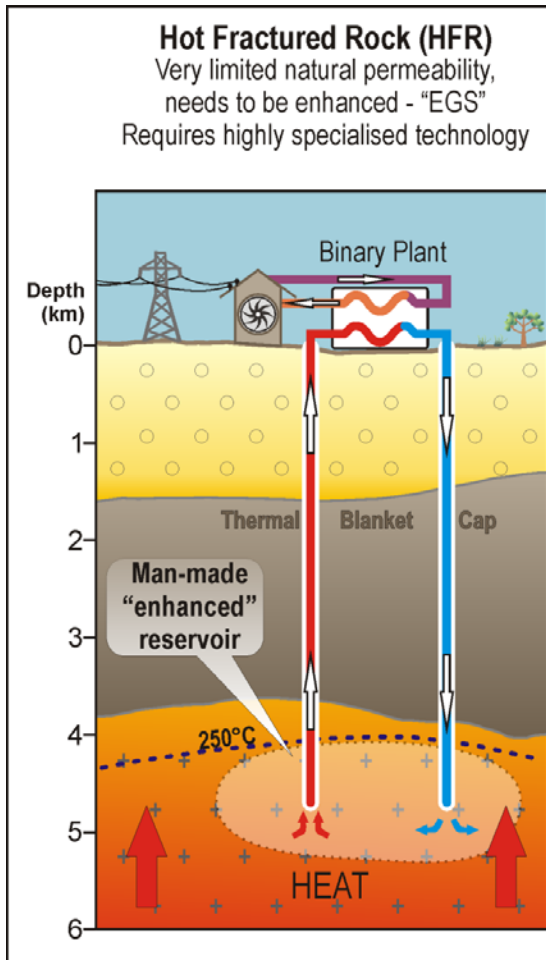
Previously executive director of coal seam gas company Arrow Energy and Chairman of a boutique investment banking firm and funds management group.

HRL strategy and objectives

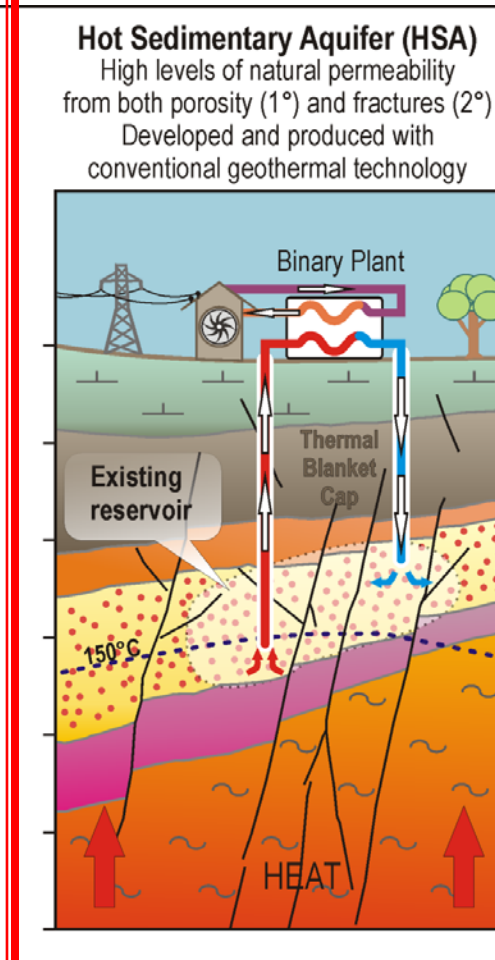
- To grow the value of our geothermal business over the short to medium-term through discovery and development of our extensive diversified projects in key stable growth regions
- HRL believe there are excellent commercialisation opportunities in the renewable electricity market for geothermal energy in Chile, Peru and Australia
- HRL is focused on commercially proven Volcanic and Hot Sedimentary Aquifer (HSA) projects in high power demand stable countries to become a large producer of geothermal power
- HRL's strategy and objective is to develop its key geothermal projects
 - Secured 100% interest in multiple high quality projects in Chile, Peru & Australia
 - Largest holder of geothermal tenements in Chile and Peru
 - Maiden resources estimates of 2 projects in Chile anticipated in coming quarter
 - 3 advanced Australian projects with inferred and indicated resources of 180,000PJ or 1300MW
 - Farm-in/JV partner negotiations commenced to fast track projects



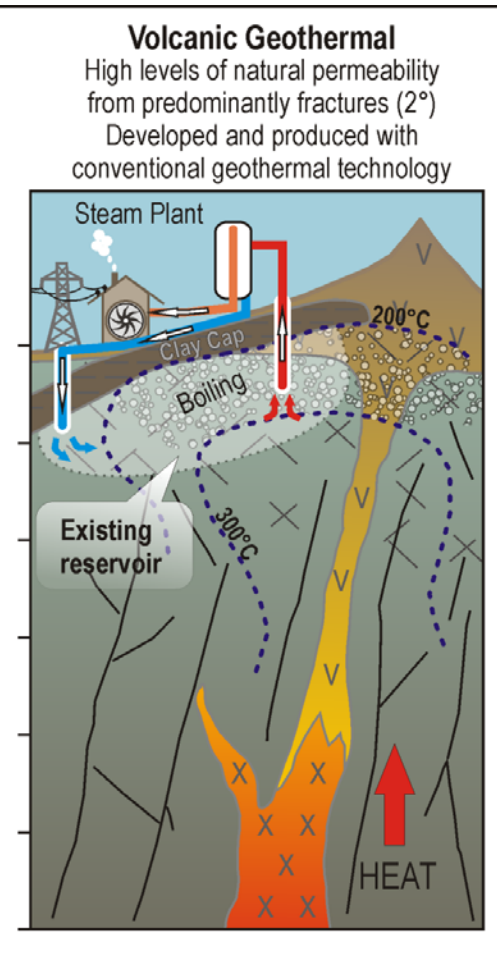
Geothermal types and HRL Targets



No commercial operations



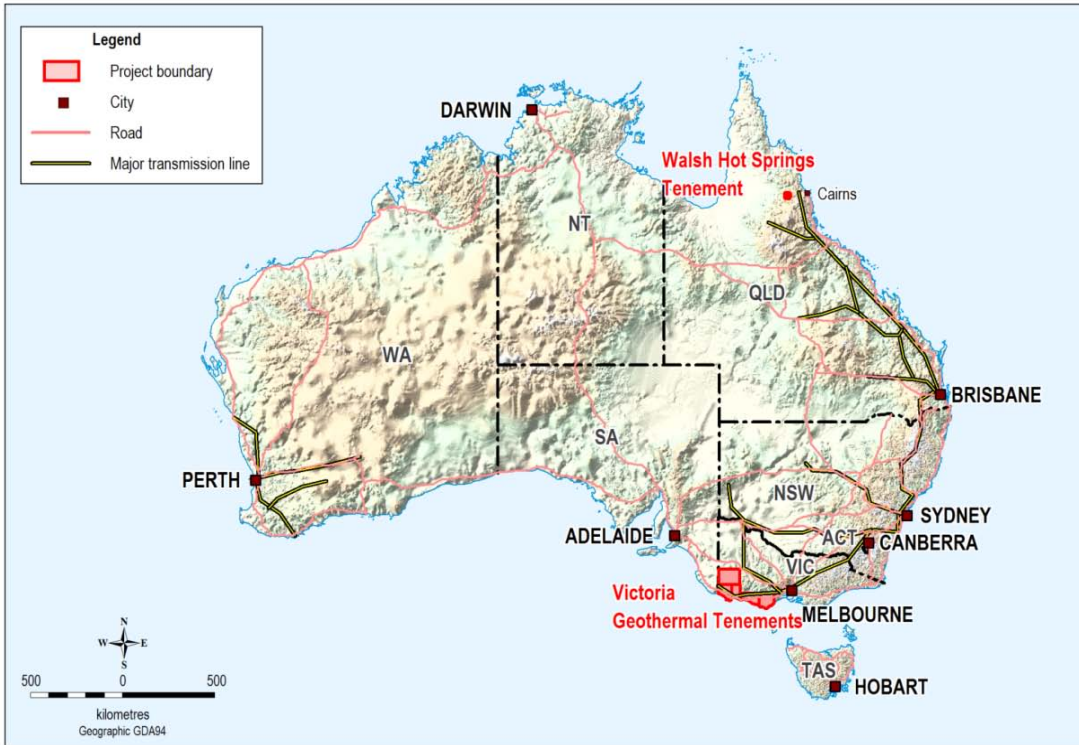
Operating for over 25 years



Operating for nearly 100yrs
96% of installed generation capacity

HRL Projects

Australia



Medium temperature (130 to 180°C)
HSA Targets

South America



High temperature (200 to 350°C)
Volcanic targets



Chile – impressive geothermal opportunities

- GDP real growth for 2011¹: 5.3%est.
- Potential for geothermal power development is large: 3,000 to 16,000MW
- 15,000MW of new generation required over the next 15 years
- Stable investment environment with a low political and investment risk²
- Low tax rate: 17%
- Government support via grants and geothermal drilling failure insurance
- Growing industry with 3 companies already announced discoveries and proceeding with power developments
- Major geothermal pegging rush
 - large companies e.g. Ormat , EDC, Magma, Origin, Antofagasta & Colbun actively seeking geothermal projects in Chile

1. www.indexmundi.com

2. www.ondd.be



Chile – All projects close to major power markets & grid

- Chile is the world's largest copper producer with high demand for power
- Highest power costs in South America >\$100MWh
- Power shortages due to increasing demand and drought
- Large opportunities for both on-grid and off-grid power sales
- Large tenement position - 6 granted projects covering 5,240km²
- Tenements close to grid and market

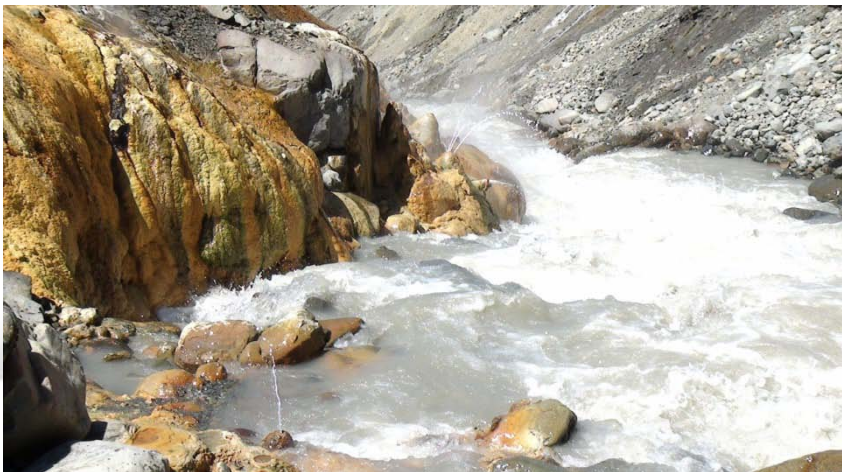


Chile – Calerías Project (100%HRL)

- 9 groups of hot springs with discharge temperatures up to 75°C are present
- Excellent geothermal development potential
- Large tenement position – 1,440km²
- Grid and power market present
 - e.g. El Teniente Cu mine 30kms SE, Santiago 100kms N
- First exploration work completed with results due in June quarter



Hot springs and sinter deposits



Hot springs



Large sinter deposit made by hot springs

Chile - Longavi Project (100%HRL)

- Extensive hot springs and sinter deposits with surface discharge temperatures up to 81°C present
- Excellent geothermal development potential
- Large tenement position –2,195km²
- Grid and power market present
- First exploration work completed, results due in June quarter



MT station



Hot springs

Peru – Impressive geothermal opportunities

- GDP real growth for 2011¹: 7.8%est.
- Power generation capacity set to double to 14,000MW over the next 6 years
- Stable investment environment with a relatively low political and investment risk²
- Legislated support for renewable power e.g. Renewable energy Law 1002 (May 2008) :-
 - Priority connection to grid
 - 20 year “take or pay” contract are awarded from bidding against other renewable projects (e.g. recent 80MW PV Solar project awarded 20yr contract a US\$224/MWh)
 - Tax benefits
- Large, rapidly growing, power intensive mining industry

1. www.indexmindi.com

2. www.ondd.be



Peru Projects - Great Potential

- 3 geothermal tenements granted in Feb-Mar 2011
- 5 further high temperature volcanic tenement applications close to granting
- Extensive surface geothermal features such as hot springs, sinters and fumaroles indicating subsurface reservoirs.
- Chemistry indicating reservoir temperatures $>230^{\circ}\text{C}$
- Most prospects have surface features indicating that prospects are classic high temperature volcanic geothermal systems
- Highly prospective for development
- Nearby transmission lines and markets



High flow rate boiling discharge system at Quella Apacheta



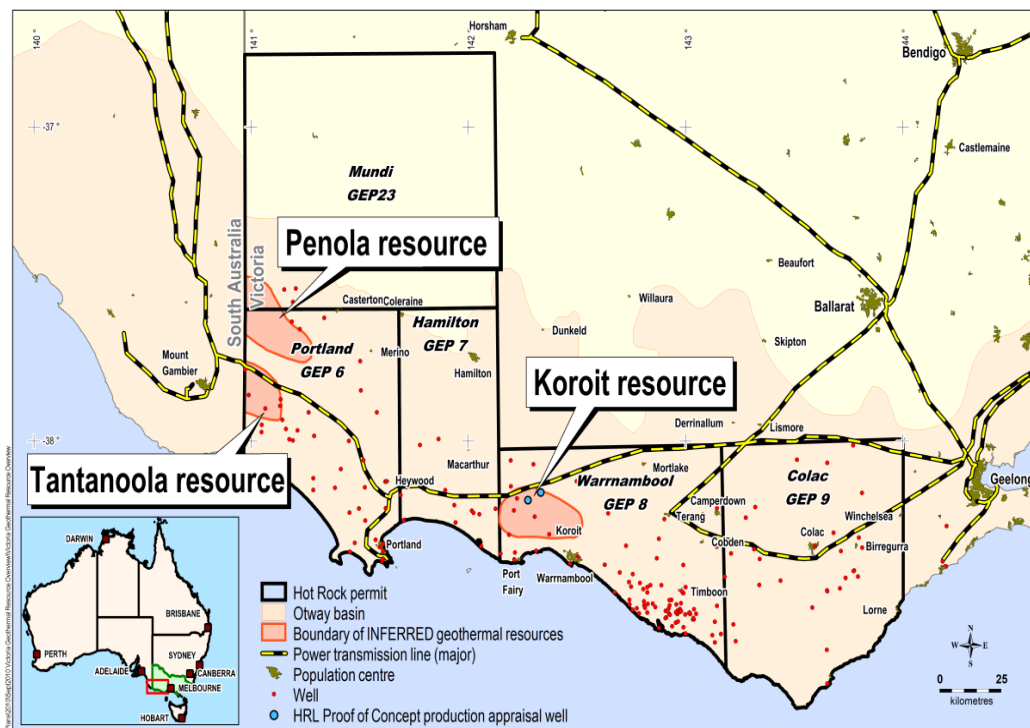
Hot springs & silica sinter at Quella Apacheta- Cation 15
geothermometry subsurface reservoir $+230^{\circ}\text{C}$

HRL holds large HSA resources in Australia

- Extensive fractured sandstone HSA reservoirs in five large tenements
- Direct temperature measurements from previous wells in the Koroit and Penola reservoirs
- Large in-situ geothermal energy resources assessed at 180,000PJ
- Sufficient recoverable energy for the generation of 1,300MWe electricity (sufficient to supply 1.3m homes)
- Ready to drill and test two deep exploration wells at Koroit HSA resource to prove potential generation capacity
- Discussions underway with government and potential partners to fund a drilling and development program at the Koroit Project.

HRL HSA geothermal resource assessments

Name	Area km ²	Volume km ³	Indicated PJ	Inferred PJ	Total PJ
Koroit	450	387	7,600	59,000	66,300
Penola	440	490	6,700	84,000	90,700
Tantanoola	180	130		22,000	22,000
Total	1,070	1,010	14,300	165,00	180,000



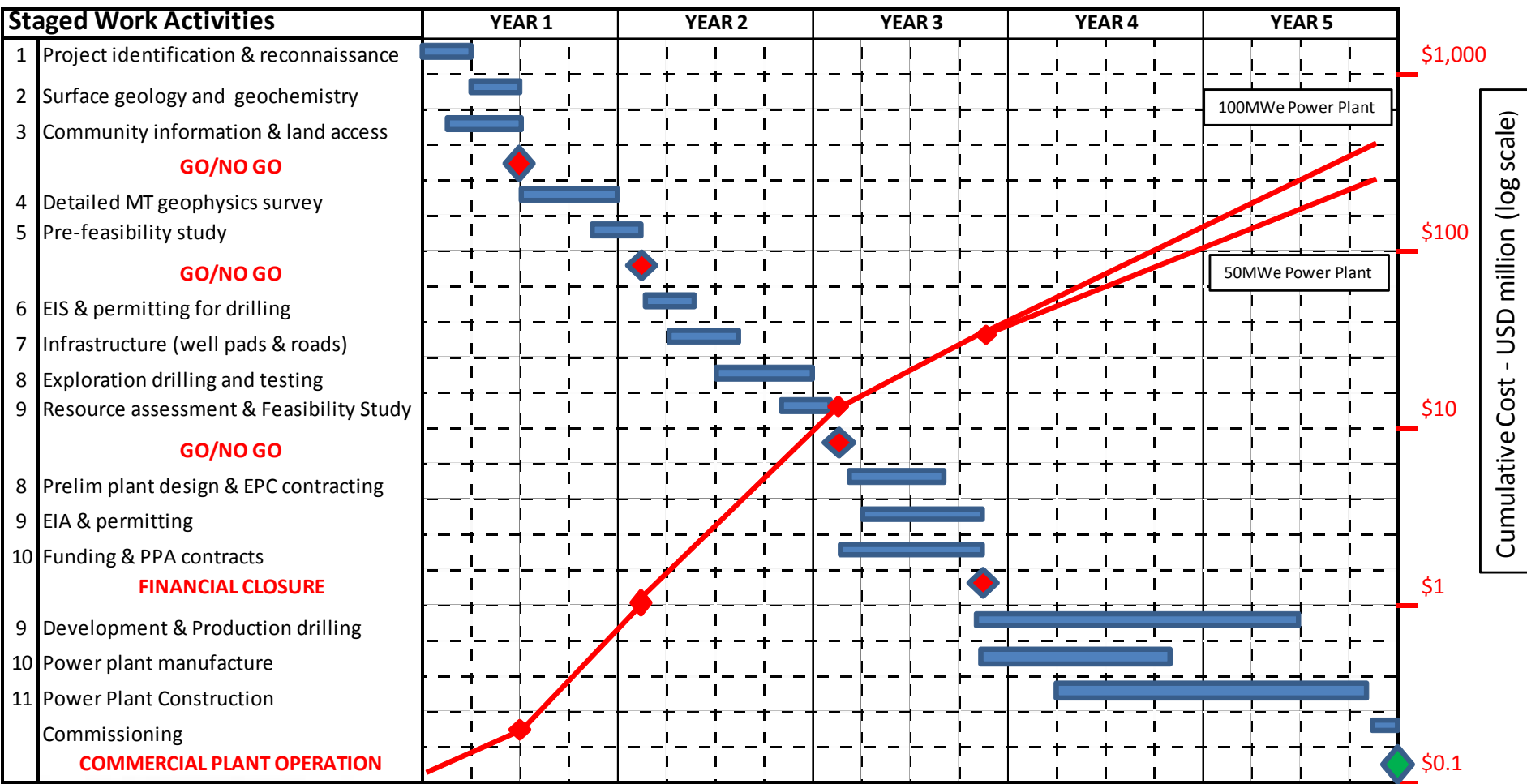
Milestones- Next 8 Months

		2011							
Location	Project	May	June	July	August	September	October	November	December
Chile	Calerías	Discovery/Resources		JV Partners neg.				Drilling	
	Longavi	Discovery/Resources		JV Partners neg.					
	Tuyajto				MT	Discovery/Resources			
	Copahue		Community engagement & land access						
	San Cristobel		Community engagement & land access						
	San Jorge		Field exploration						
Peru	Quella Apacheta		Field exploration		MT	Discovery/Resources			
	Chocopata			Field exploration		MT	Discovery/Resources		
	Rupha				Field exploration		MT	Discovery/Resources	
Australia	Portland	Discussions with govt & JV partner funding							
	Hamilton	Discussions on govt & JV partner funding							
	Warrnambool		Update Koroit Resources						
	Colac	Discussions on govt & JV partner funding							
	Mundi	Discussions on govt & JV partner funding							
	Walsh Springs		Field exploration						

Note: 1. Future programs will depend on exploration success and access to capital via equity and JV's
 2. All projects 100% HRL



Typical HRL program to commercialisation per project – Chile & Peru



Estimates of costs and revenues for each project in Chile

Key assumptions:

- Each successful project could be developed to a total of 4 x 50MWe plants in 3 stages:
 - Stage 1 = 1 x 50MWe – IRR 17%
 - Stage 2 = 1 x 50 MWe – IRR 20%
 - Stage 3 = 2 x 50 MWe - IRR 25%
- Revenues derived from:
 - Electricity sales at USD 100 / MWh
 - Carbon Credits at USD 15 / Mt of CO₂ and with 1 MWe geothermal power avoiding 0.65Mt CO₂
- Financials parameters:
 - 60% debt
 - 30 year project life

Stage	Probability of project proceeding to next stage %	Cost of each project stage \$M	Cumulative Cost \$M	Installed Cost - \$MWe x 10	Power Sales \$M	Carbon Credits \$M	Annual Income \$M	O&M costs \$M	EBITDA \$M	Years for simple pay back on each plant
Desk top review	80	0.01	0.01							
Reconnaissance	40	0.20	0.21							
Geophysics MT	50	0.83	1.04							
Explo drilling	60	11.20	12.24							
Feasibility Stage	80	1.00	13.24							
Construction # 1 - 50 Mwe	95	240	253	48.0	42	4.1	46	6	39	6.1
Construction # 2 - 50 Mwe	95	210	463	42.0	42	4.1	46	6	39	5.3
Construction # 3 - 50 Mwe	95	195	658	39.0	42	4.1	46	6	39	4.9
Construction # 4 - 50 Mwe	95	195	853	39.0	42	4.1	46	6	39	4.9

Investment Highlights

- First mover advantage has secured a large number of quality projects at low cost
- HRL now the largest holder of granted volcanic geothermal tenements in South America and HSA tenements with resources in Victoria
- More applications are being processed in Chile and Peru adding further new projects to the portfolio
- All tenements are 100% owned providing the opportunity for favourable farm-out terms to fund future exploration and development costs to fast track projects
- Large growth potential over short to medium-term
- Highly experienced technical and commercial team with skills to complete programs
- Expert review and assessment at each stage in the project pipeline to reduce risk increasing confidence in developing successful projects
- Preliminary project economics suggest attractive IRR's (17% to +25%) for Chile projects

