



The Australian Clean Energy Investment Symposium

“A bright future for
conventional
clean base-load
energy”

1 September 2011

ASX Code: HRL
www.hotrockltd.com

Disclaimer

Whilst this document and presentation is based on the information from sources which are considered reliable, Hot Rock Limited, its directors, employees and consultants do not represent, warrant or guarantee, that the information in this document and presentation is complete or accurate.

To the maximum extent permitted by law, Hot Rock Limited disclaims any responsibility to inform any recipient of this document and presentation of any matter that subsequently comes to its notice , which may affect any of the information contained in this document and presentation.

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 (2010 2nd 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

1. Executive Summary
2. Corporate and Management Overview
3. Geothermal Energy Background
4. Geothermal ASX Sector
5. Chile Opportunities and Projects
6. Peru Opportunities and Projects
7. Australian Projects
8. MW generation target
9. Milestones – To June 2011
10. Investment Highlights



Executive Summary

- Hot Rock is a pure, geothermal energy company on the path to becoming a clean energy generator in the Southern Hemisphere with potential of **3000MW** of generation within its portfolio, sufficient to provide electricity to about 3 million homes.
- It is focused on developing conventional commercially proven Volcanic and Hot Sedimentary Aquifer (HSA) projects in countries that support renewable energy with growing power demand.
- Strong management team with proven track record in exploring and developing projects.
- Large geographically diversified portfolio of projects increasing project success rate.
- 100% ownership of projects allows HRL to farm-out projects to partners.
- Plan to fast-track development timetable commencing drilling in early 2012, feasibility studies in mid 2012 and plant developments from 2014 onwards.



Corporate Overview as at 30 August 2011

- ASX Code: HRL
 - Share price: 3.7 cents
 - Shares on issue (million): 156.3
 - Unlisted options (million): 28
 - Market Cap: A\$5.8 m
 - Cash position: A\$0.6 m
- Shareholders: 1,127
 - Top 20 Shareholders: 50%
 - Board and management: 17%

Top 10 Shareholders

1	LORRAINE JEAN ZILLMAN	10,500,000	6.72%
2	ELLIOTT NOMINEES P/L	8,500,000	5.44%
3	ABN AMRO CLEARING SYDNEY NOMINEES	7,307,981	4.68%
4	HSBC CUSTODY NOMINEES	5,187,684	3.32%
5	MR IAN LINDSAY CAMPBELL	5,000,000	3.20%
6	BIZZELL NOMINEES PTY LTD	4,200,000	2.69%
7	DR & MRS BARKER	4,100,000	2.62%
8	PETER RODNEY BARNETT	3,400,000	2.17%
9	ALBIANO HOLDINGS PTY LTD	3,224,394	2.06%
10	BCP ALPHA INVESTMENTS PTY LTD	2,800,000	1.79%



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.



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.



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.



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



Paul Marshall Co. Sec & CFO
Qualified accountant and lawyer.
15 years experience in listed resource companies.



Stephen Bizzell Non-exec Director
15 years experience in corporate finance, the energy industry and capital markets. Previously executive director of Arrow Energy and Chairman of a boutique investment banking firm and funds management group.

HRL Strategy & Objectives

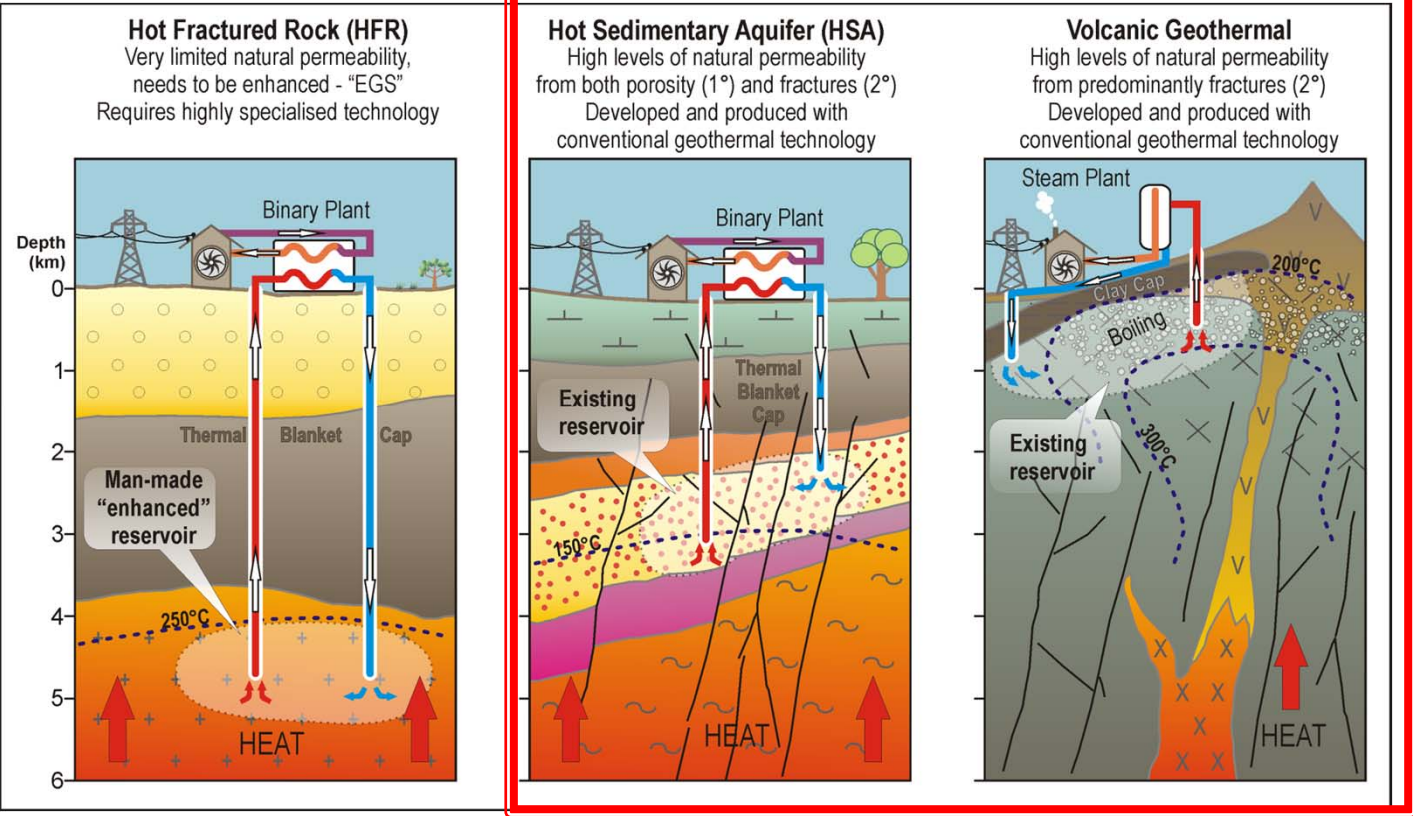
- HRL is focused on exploring and developing commercially proven Volcanic and Hot Sedimentary Aquifer (HSA) style projects in high power demand countries to become a large producer of geothermal power
- To grow the value of our clean energy business through development of our large portfolio of projects in key growth regions.
- Using early mover advantage to secure 100% interest in high quality geothermal projects for development in Chile, Peru and Australia.
- Secure project funding from partners to fast track drilling and feasibility studies to lead to development of profitable operations.



Geothermal Models: HRL focussed on conventional projects

HRL Australia

HRL Chile & Peru



No commercial operations

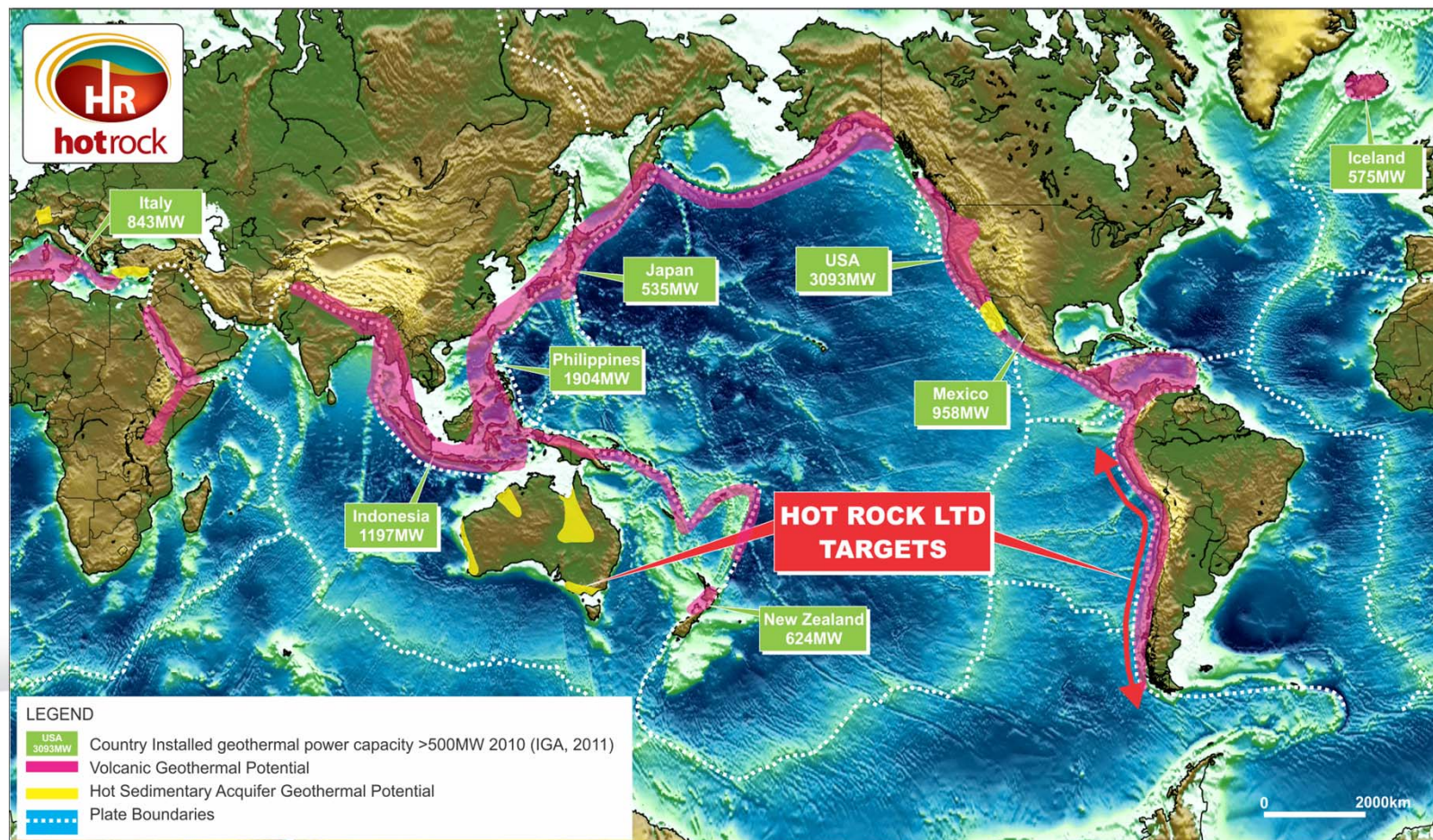
Operating for over 25 years in USA

Operating for nearly 100yrs
 96% of installed generation capacity



Geothermal target areas and major generation locations

- High potential in unexplored volcanic targets of the “Rim of Fire” in Chile and Peru.
- Conventional HSA targets near markets and transmission grid in Australia.




Benefits of geothermal energy

- **Clean**
 - Minimal land use, low to nil CO₂.
- **Sustainable**
 - Derived from near infinite earth heat.
- **Free Fuel**
 - Independent of commodity prices and risks.
- **Base Load**
 - 24/7 operation and with high fuel and plant availability >90%, vs. 30% wind, 45% solar 50% run of river hydro.
- **Low operating cost after initial capital cost.**
- **30 year LCOE¹ shows geothermal is distinctly advantageous relative to other clean energies.**
 - ¹LCOE: Levelised Cost of Electricity

Benefits of geothermal energy

- Geothermal is the only clean base-load energy that can replace fossil fuel power generation

	Geothermal	Wind	Solar	Biomass	Run-of-River	Scrubbed Coal
Base Load	✓	✗	✗	✓	✗	✓
No Fuel Cost Exposure	✓	✓	✓	✗	✓	✗
No GHG Emission	✓	✓	✓	✗	✓	✗
REC Eligible	✓	✓	✓	✓	✓	✗
Low Cost Generation	✓	✓	✗	✓	✗	✓


 GEOTHERMAL HAS A UNIQUE COMBINATION OF BENEFITS

LCOE analysis shows geothermal is the cheapest source of large scale clean energy

Cost comparisons:

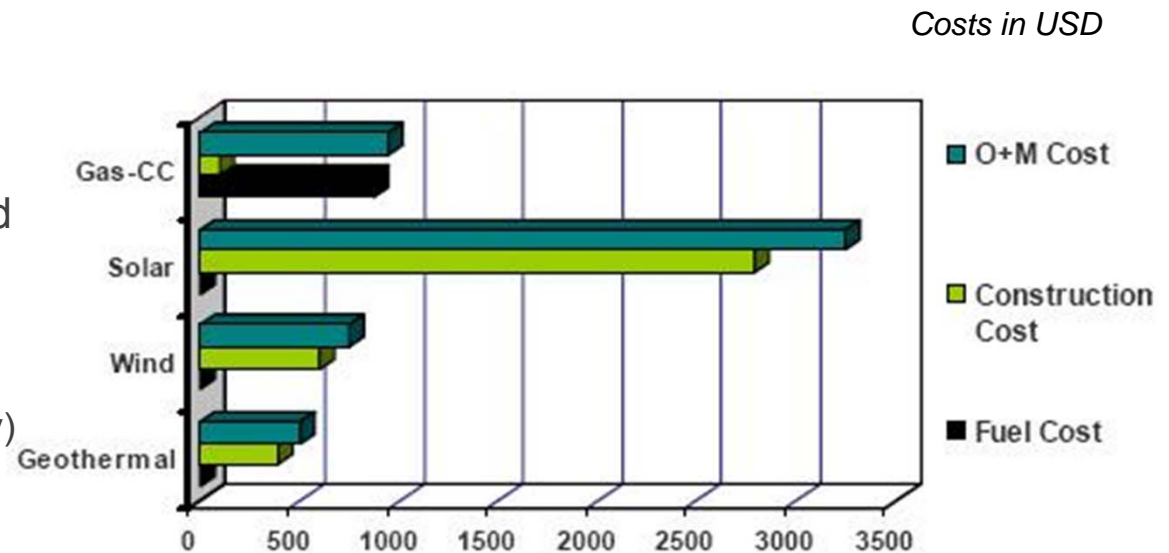
- 30 year life for 23,652GWh power plant (Source: RBC Capital Markets)

	Geothermal	Wind	Solar	Gas-CC
Plant Size (MW)	100	300	380	108
Construction Cost (\$M)	\$400	\$600	\$2,800	\$101
Capacity Factor	90%	30%	25%	85%
MWh generated – 30 yrs	23,652,000	23,652,000	23,652,000	23,652,000
Fuel Cost: 30 yrs (\$M)	\$0	\$0	\$0	\$745
O&M Costs: 30 yrs (\$M)	\$108	\$135	\$371	\$106
All-in-costs: 30 yr plant life	\$508	\$735	\$3,251	\$951

Power Plant All-in cost comparison:

- 30 year plant life
- Assuming capacity gap filled by increasing plant size (Source: RBC Capital Markets)

(LCOE = Levelised cost of electricity)



Costs in million USD



HRL is an undervalued growth company

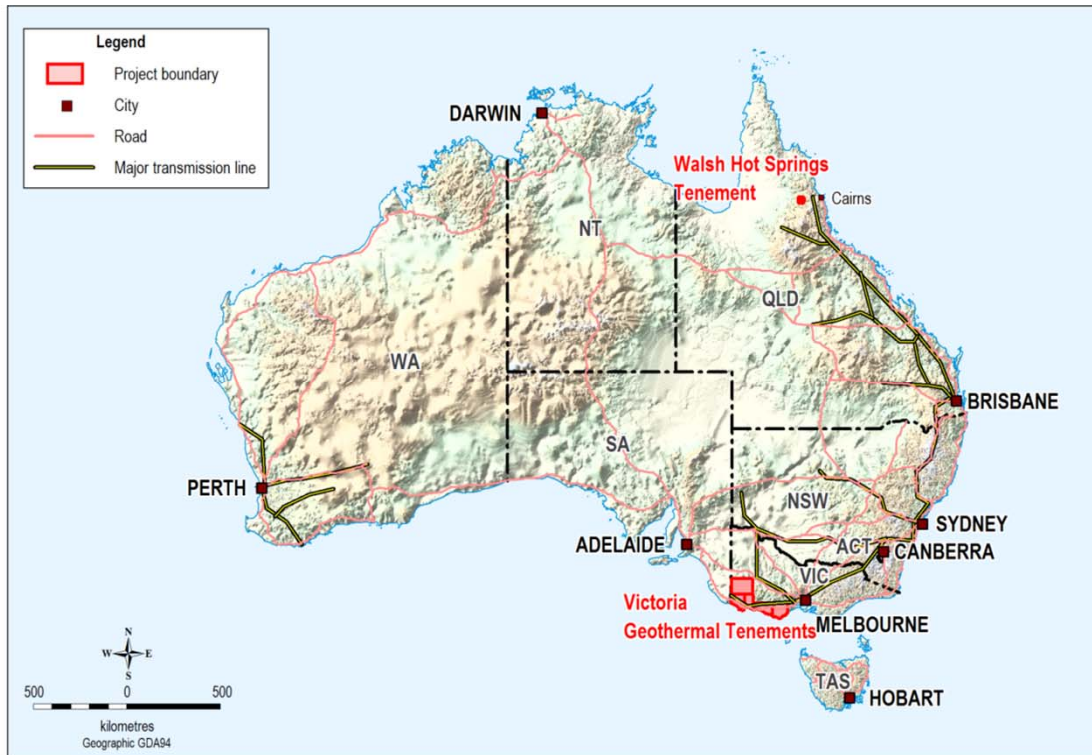
Geothermal Stocks	ASX Code	Market Cap \$m	Project Focus	Location Focus	Volcanic Resources	Volcanic Projects
Geodynamics	GDY	84.3	EGS HSA	Australia Australia		
Earth Heat Resources	EHR	18.8	Volcanic Volcanic EGS	Argentina Djibouti Australia	30MWe ^{1,4} 150MWe ^{1,4}	1 1
Petratherm	PTR	15.2	EGS HSA EGS Volcanic	Australia Australia Spain Spain	-	1
Green Rock Energy	GRK	10.8	EGS HSA	Australia Australia		
Panax Geothermal	PAX	8.5	Volcanic HSA	Indonesia Australia	165MWe ^{1,4}	3
Greenearth Energy	GER	6.7	EGS HSA	Australia Australia		
Hot Rock	HRL	5.8	Volcanic Volcanic HSA	Chile Peru Australia	320MWe^{2,3}	7 3
Geothermal Resources	GHT	5.4	EGS HSA	Australia Australia		
KUTh Energy	KEN	4.4	EGS Volcanic	Australia Vanuatu	83MWe ³	1
Torrens Energy	TEY	3.5	EGS	Australia		
Source: Company websites and ASX releases						
1. Earning interest in projects via funded exploration & development programs.			3. Code compliant assessment (Australian Geothermal Reporting Code, 2010, 2nd Edition)			
2. Resources from 2 Chile projects			4. Non Code compliant assessment			



Note: Table as at 30 August 2011

HRL Projects

Australia



Medium temperature (130 to 180°C)
HSA Targets

South America



High temperature (180 to 350°C)
Volcanic targets



Chile – Impressive world class geothermal potential

- GDP real growth for 2011¹: 5.3%est.
- Emerging renewable power markets with world class potential.
- 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%.
- Strong government support via grants and geothermal drilling failure insurance.

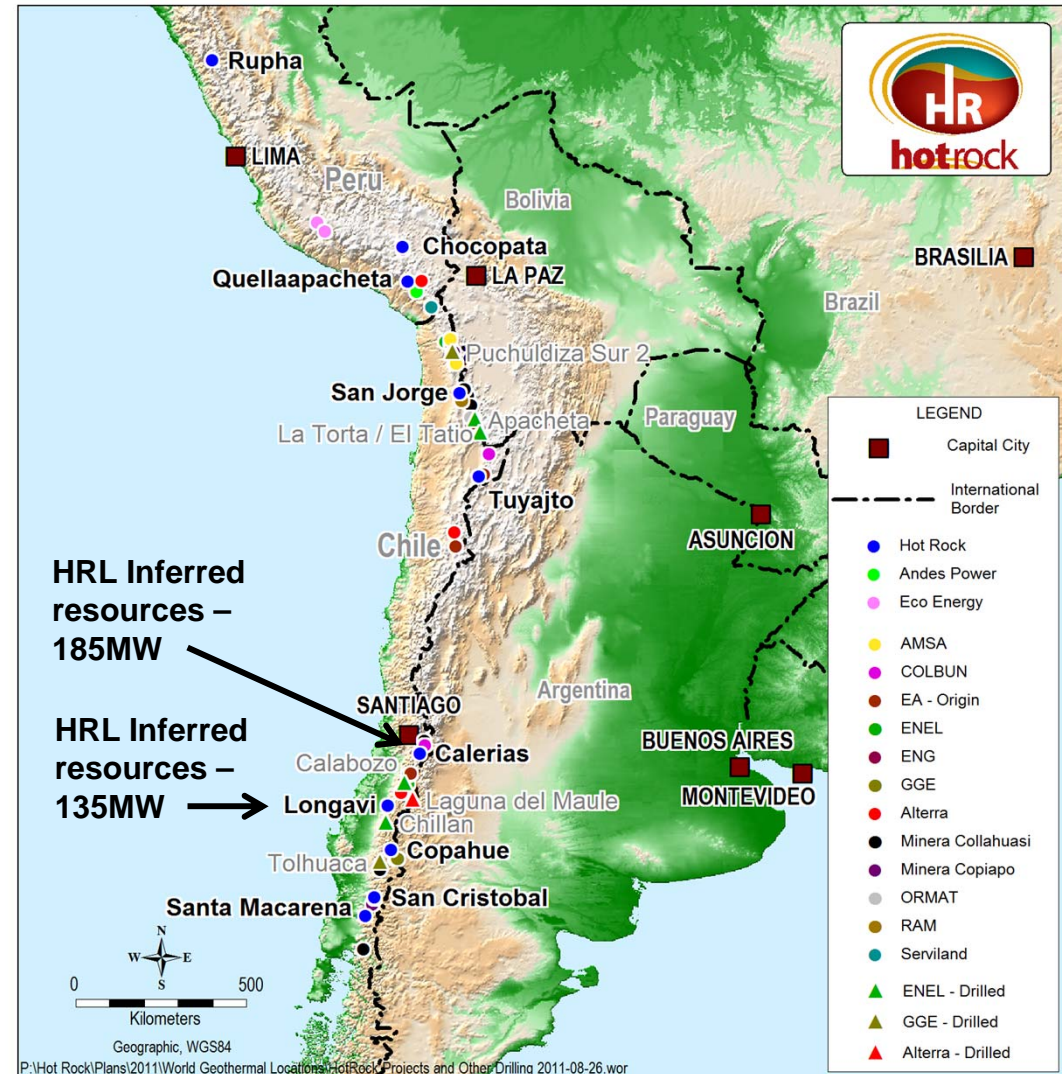
¹www.indexmundi.com

²www.ondd.be



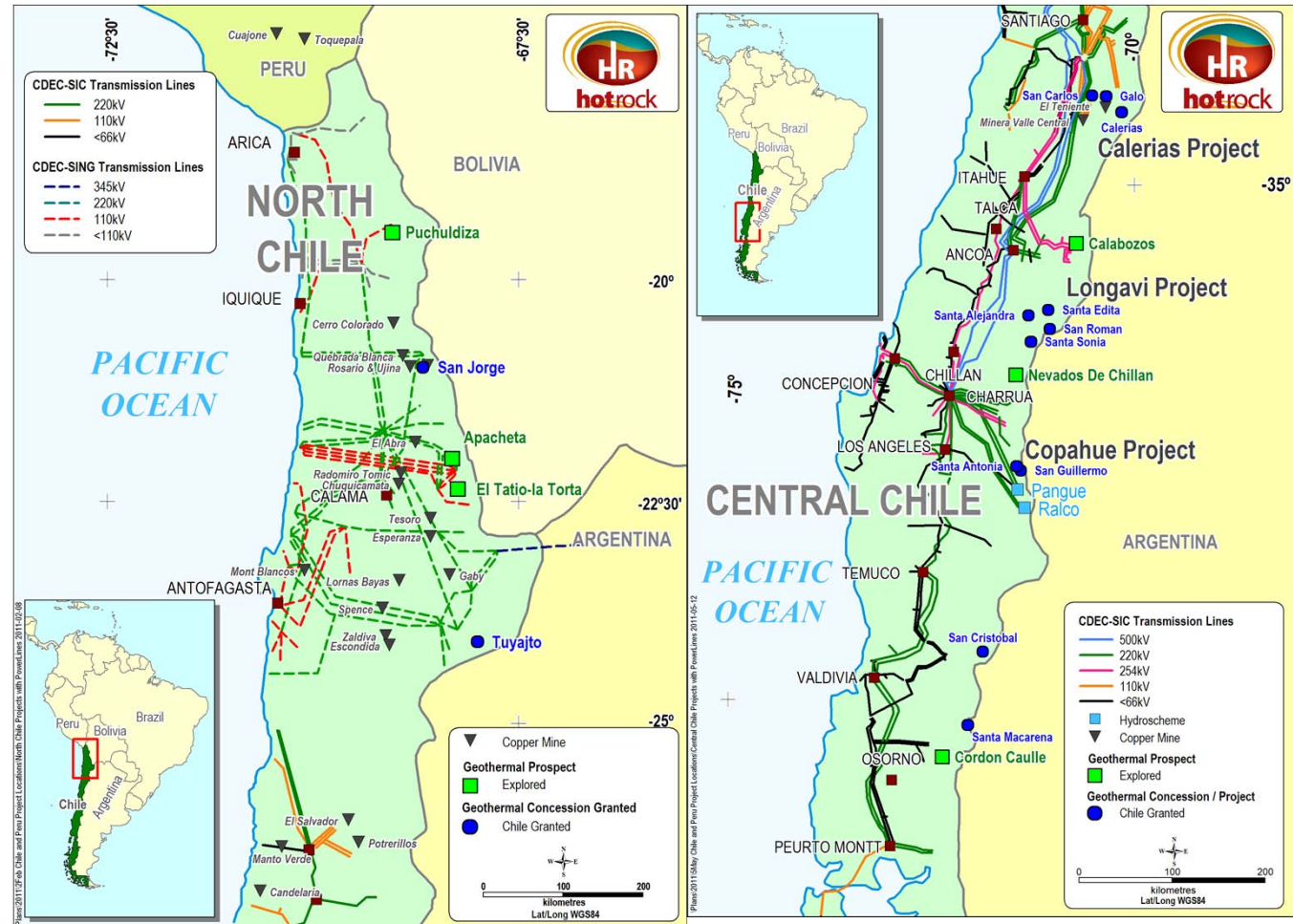
Chile – New discoveries in Chile

- First geothermal power generation in Chile scheduled for 2014.
- Growing industry with 3 groups recently announcing discoveries via drilling and proceeding with power developments.
 - Apacheta – ENEL/ENAP/Codelco.
 - Laguna del Maule - Alterra Power.
 - Tolhuaca – GeoGlobal Energy/ Mighty River Power.
- Major geothermal pegging rush in Chile by large companies.
 - Ormat – Market leader, manufacturing 89% of global geothermal binary plant installations + own and operate 553MWe of geothermal generation capacity.
 - EDC – World’s largest geothermal generation company based in Philippines.
 - Origin Energy – Purchased 40% of major Chilean exploration geothermal company in May 2011.



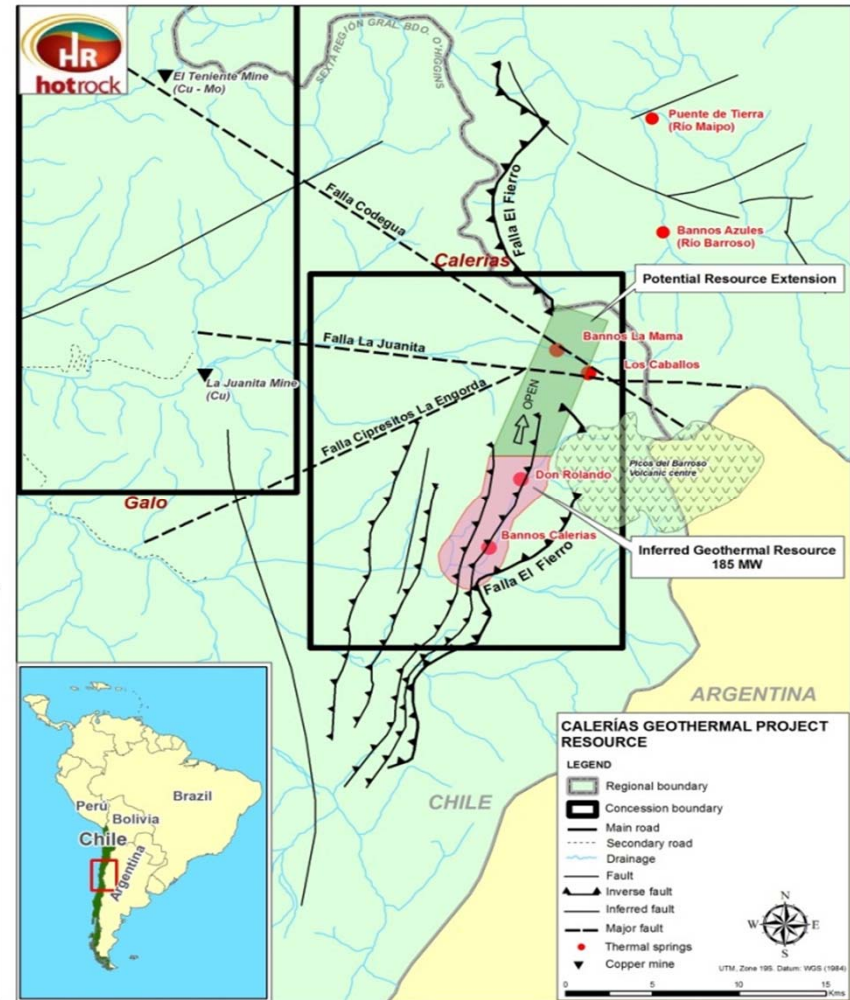
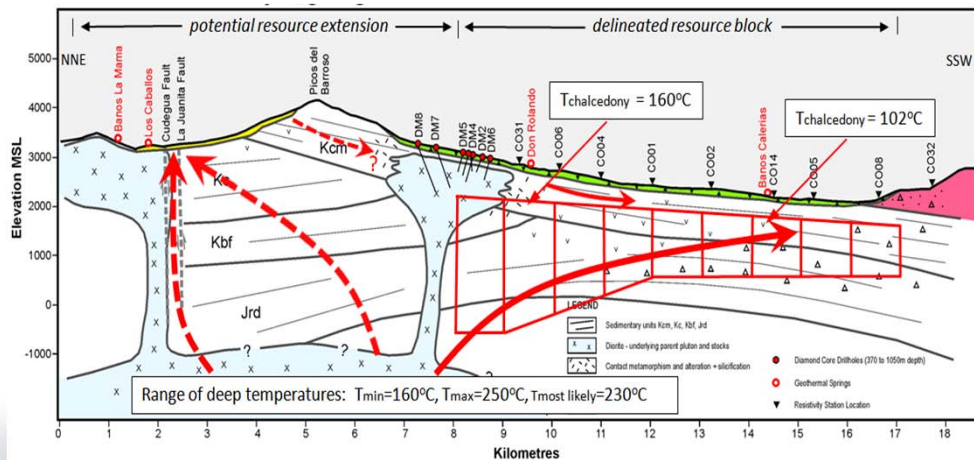
Chile –HRL projects close to major power markets & grid

- Chile is the world's largest copper producer with high demand for power.
- Highest power costs in South America >\$100/MWh.
- Power shortages due to increasing demand and drought.
- Large opportunities for both on-grid and off-grid power sales.
- HRL has large portfolio - 13 granted tenements covering 5,660km².
- HRL tenements close to grid and markets.



Chile – Calerías Project (100%HRL)

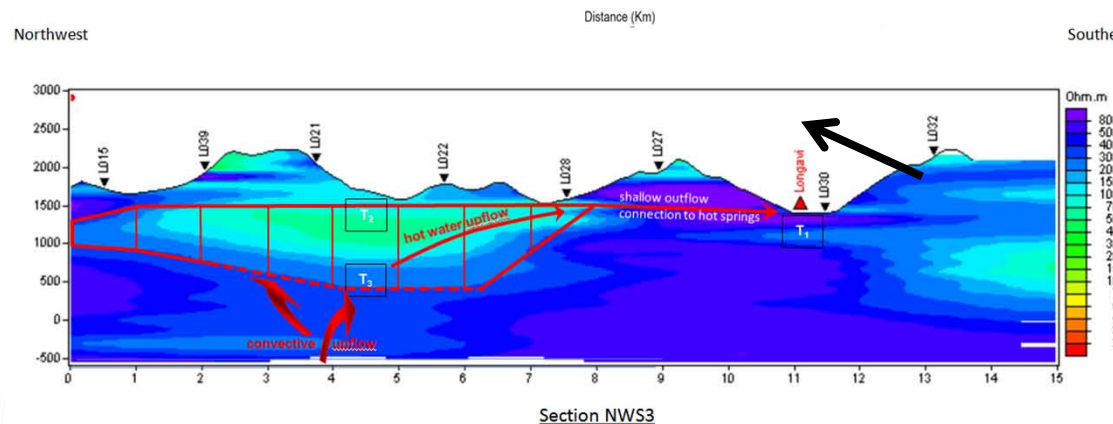
- 9 groups of hot springs with discharge temperatures up to 75°C.
- Excellent geothermal development potential.
- Grid and power market present
 - e.g. El Teniente Cu plant 35kms NW, Santiago 100kms N
- Inferred geothermal resource of 185MWe
- Potential to double this with further



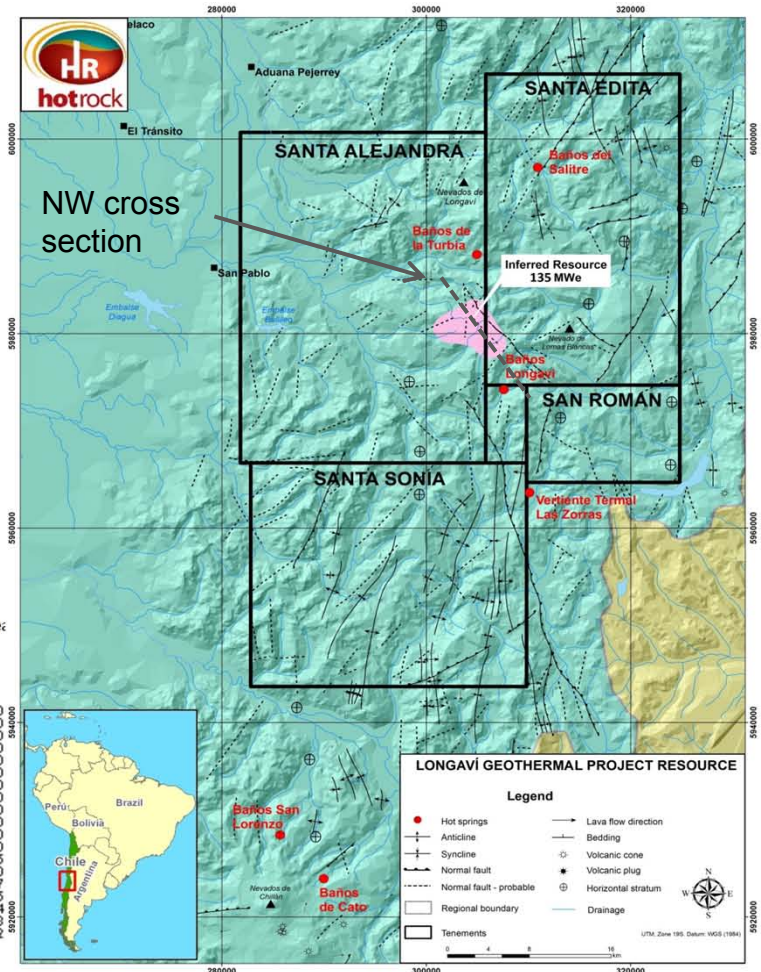
NNE Cross-section showing resource model

Chile - Longavi Project (100%HRL)

- Extensive hot springs and sinter deposits with surface discharge temperatures up to 81°C present.
- Excellent geothermal development potential.
- Grid and power market present.
- Inferred geothermal resource – 135MWe
- Potential to increase this with further MT surveys to allow for greater depth delineation to resource



NW cross-section of Resource model



Peru – Impressive world class geothermal potential

- GDP real growth for 2011¹: 7.8%est.
- Power generation capacity set to double to 14,000MW over the next 6 years.
- Legislated support for renewable power e.g. **Renewable energy Law 1002 (May 2008)**
 - Priority connection to grids.
 - 20 year “take or pay” contracts 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.
- 3 geothermal tenements granted in early 2011.
- 5 further volcanic tenement applications being processed.

■ [1www.indexmindi.com](http://www.indexmindi.com)



Peru Projects - Great Potential

- Most Peru prospects have surface features indicating presence of classic high temperature volcanic geothermal systems.
 - e.g. extensive surface geothermal features such as hot springs and sinters indicating subsurface reservoir temperatures $>230^{\circ}\text{C}$ at Quellaapacheta.
- Highly prospective projects for development.
- Nearby transmission lines and markets.



Hot spring sampling at Quellaapacheta provides subsurface reservoir temperature of $>230^{\circ}\text{C}$



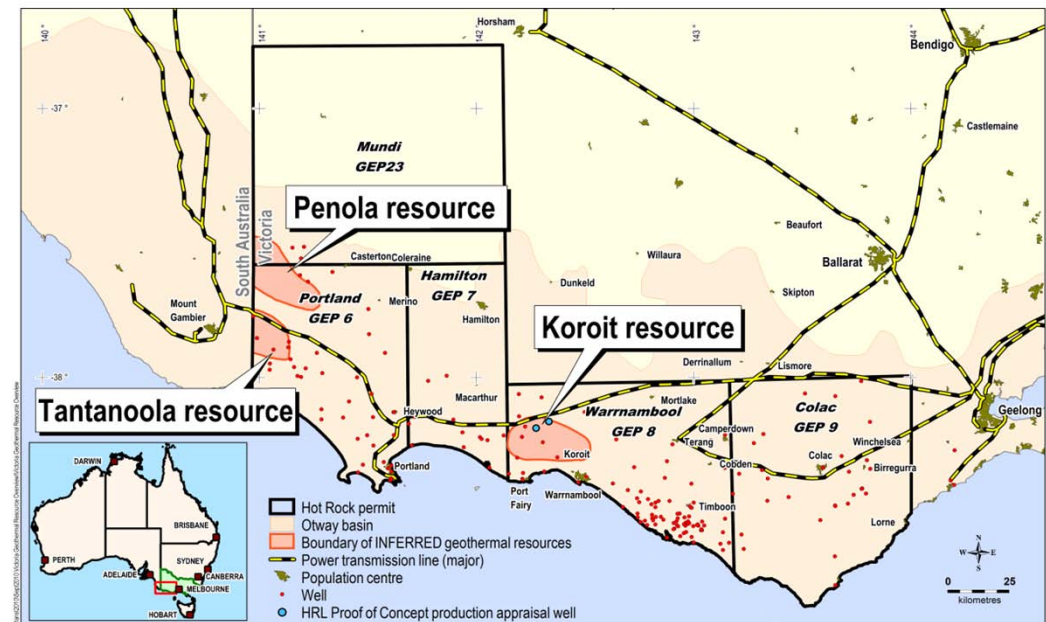
High flow rate artesian hot springs provide evidence of a potentially significant resource at depth within Quellaapacheta project

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). Based on 5% recoverable energy.
- Ready to drill and test two deep exploration wells at Koroit HSA resource to prove potential generation capacity.

HRL HSA geothermal resource assessments

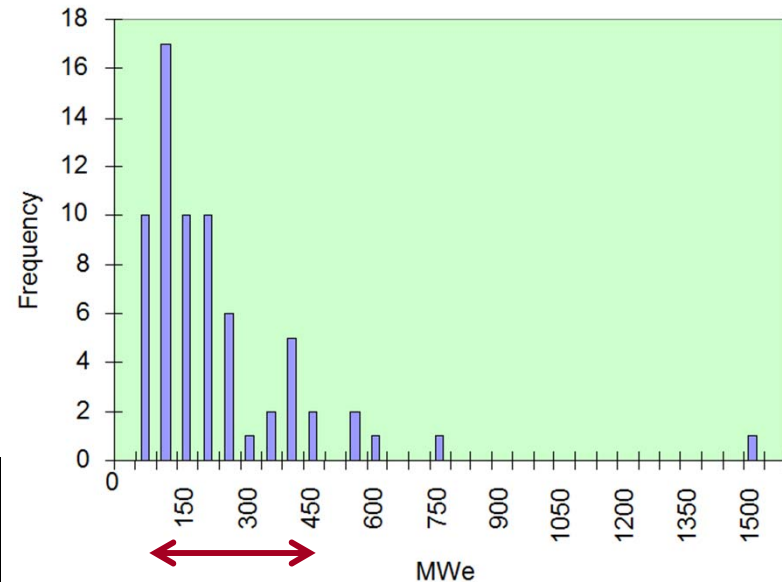
Name	Area km ²	Volume km ³	Indicated PJ	Inferred PJ	Total PJ
Koroit	450	387	7,600	59000	66,300
Penola	440	490	6,700	84,000	90,700
Tantanoola	180	130		22,000	22,000
Total	1,070	1,010	14,300	165,00	180,000



Power Generation Target – 3000MW

- Geothermal power development targets are based on:
 - considerations of proven sizes of developed geothermal fields worldwide; and
 - assumed 66% success rate for power developments from HRL's portfolio of quality exploration prospects i.e. 2 out of 3 exploration prospect expected to be developed.

Country	No. of HRL Projects	Target size (MW) per project	Total (MWe) Target
Chile	7	100 to 200	1000
Peru	8	100 to 200	1000
Australia	3	100 to 500	1000
Total	18		3000



Histogram of estimated power producing capacity of the world's developed high temperature geothermal fields (78)

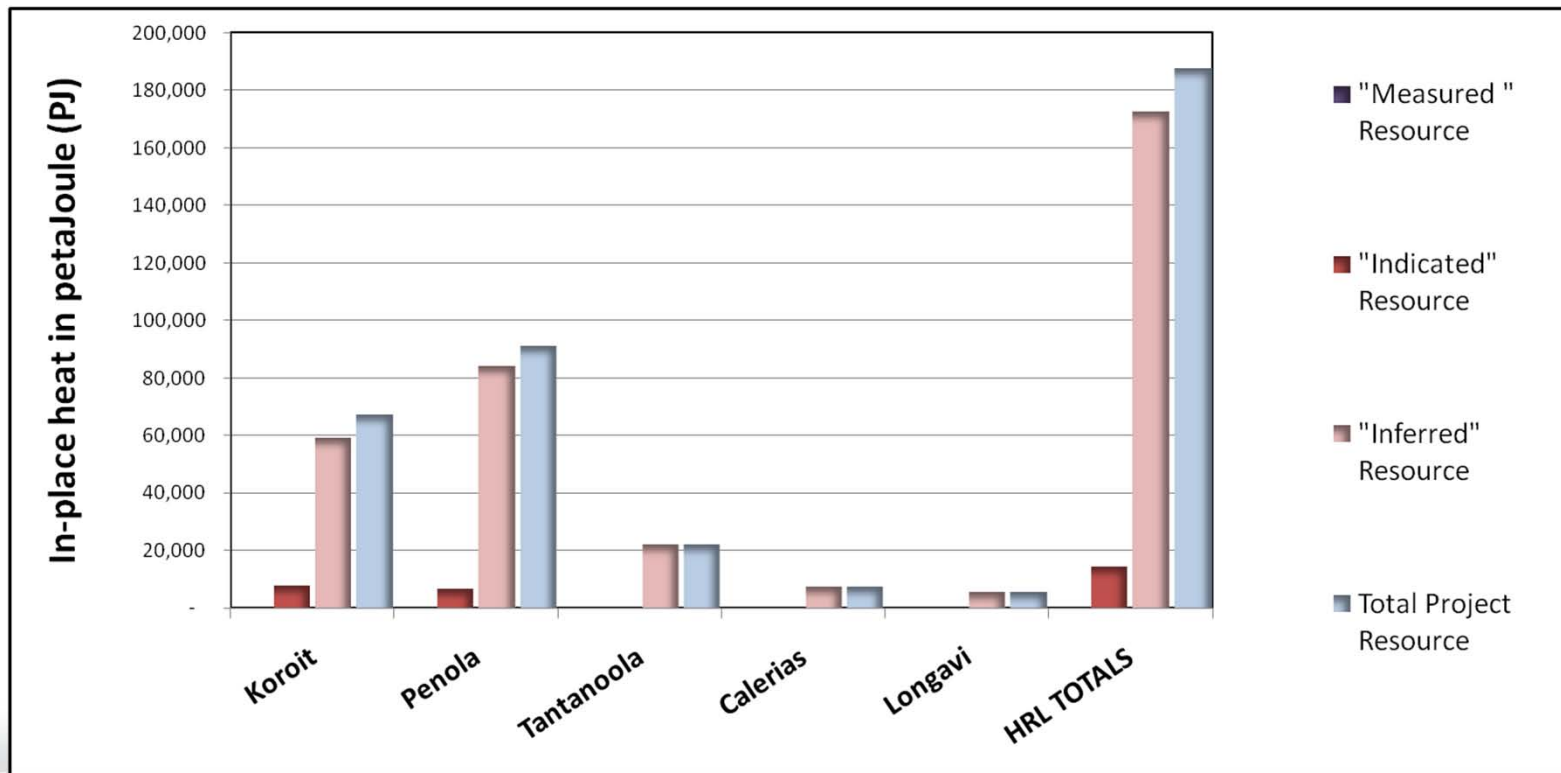
Notes:

- Largest developed fields in the world are in the USA at the Geysers (750MW – “dry” steam) and in the Philippines at Leyte (720 MW – “wet” steam).
- Typical sized field in Volcanic terrains is approximately 200MW.
- Typical sized fields in Hot Sedimentary Aquifer (HSA) terrain in the Salton Sea area (USA) are up to 100MW and undergoing expansion.



Total Resource Potential Identified todate – Chile + Australia

Resource Area	Resource Volume	"Measured " Resource	"Indicated" Resource	"Inferred" Resource	Total Project Resource	Report Date
1,090	1,050	-	14,300	172,400	187,400	25-Jul-11



Milestones- To June 2012

Location	Project	2011				2012					
		September	October	November	December	January	February	March	April	May	June
Chile	Calerías	Farm-out/JV			MT ²		Drilling				
	Longavi	Farm-out/JV		MT ²			Drilling				
	Santa Macarena	Community & land access			Field expl	MT	Resources				
	Tuyajto	Community & land access				Field expl	MT	Resources			
	Copahue	Community & land access									
	San Cristobal	Community & land access									
	San Jorge			Community & land access							
Peru	Quellaapacheta	Land access	Field expl					MT	Resources		
	Chocopata	Community & land access		Field expl					MT	Resources	
	Rupha	Community & land access									
Australia	Koroit	Discussions with govt & JV partner funding								Drilling	
	Otway Basin	Discussions with govt & JV partner funding									
	Walsh Springs		Field exploration								

Notes:

1. Future programs will depend on exploration success and access to capital via equity and partners
2. MT = first stage Magneto Telluric (MT) geophysical survey with large areal coverage. MT = second stage, smaller, closely spaced MT survey for confirming locations of exploration drill sites
3. "Resources" = resource modeling and assessment
4. All projects 100% HRL owned



Investment Highlights

- HRL is the largest holder of granted volcanic geothermal projects in Chile and Peru, now exploring and estimating resources for testing and development.
- All tenements are 100% owned providing the opportunity for favourable farm-out terms to fund future exploration and development costs to fast track projects.
- High growth potential targeting 3,000MW in Chile, Peru and Australian tenements.
- Highly experienced technical and commercial team with proven track record to complete programs.
- Fast-track exploration and development with farm-in partners.
- Undervalued growth company.

