



ASX Announcement

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11 October 2011

CAPITAL RAISING TO ADVANCE PROJECT PORTFOLIO

Hot Rock Limited (ASX:HRL) today announced it has received firm commitments for a \$785,000 million capital raising by way of placement of 31.5million ordinary shares at \$0.025 each to help fund ongoing exploration and evaluation on the Company's portfolio of geothermal projects.

Hot Rock's Managing Director Mark Elliott said the level of support received had been pleasing given the current challenging market environment.

"The outlook for geothermal energy is strong and the funds raised will enable the Company to continue to progress its portfolio of projects towards development. HRL is the largest holder of granted volcanic geothermal projects in Chile and Peru. All tenements are 100% owned providing the opportunity for favourable farm-out terms to fund future exploration and development costs to fast track projects." he said.

A total of 20,000,000 (\$500,000) shares will be placed and issued without shareholder approval with the balance of 1,200,000 (\$30,000) being subject to the receipt of shareholder approval. It is proposed that 10,200,000 (\$255,000) of the placement shares will be offered by the Company for subscription to Directors or entities related to Directors of HRL, subject to shareholder approval. A notice of meeting will be sent to shareholders advising details of the approval process.

Use of Funds

Current activities for which the funds raised will be used include:-

- Field and community consultation activities required for future geological, geochemical and geophysical studies programs in Chile and Peru
- Investigation of additional geothermal project opportunities in Chile and Peru
- On-going working capital

A copy of the Company Presentation used in relation to the capital raising is attached to this announcement. \$250,000 of the capital raising was undertaken by Intersuisse Limited and its associate company Phillip Capital Pty Ltd.

For and on behalf of the Board

Paul Marshall
Company Secretary

For further information contact:

Dr Mark Elliott,
Executive Chairman
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Investor Presentation

7th October 2011

ASX Code: HRL
www.hotrockltd.com

Disclaimer

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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 (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. Investment Highlights**
- 2. Corporate and Management Overview**
- 3. Geothermal Energy Background**
- 4. Geothermal ASX Sector**
- 5. Chile**
- 6. Peru**
- 7. Australia**
- 8. Milestones – To June 2011**
- 9. Why Invest in HRL**



Investment Proposition

- HRL is the leading ASX listed company in volcanic geothermal exploration.
- Hot Rock is geothermal energy company on the path to becoming one of the leading clean energy generators in the Southern Hemisphere with potential of **3000MWe** of generation within its extensive portfolio of world-class projects.
- It is focused on developing conventional commercially proven geothermal projects in diverse low-risk markets.
- Strong management team with proven track record in exploring and developing projects.
- 100% ownership of projects allows HRL to farm-out or joint venture projects to partners or other attractive commercial deals.
- Plan to fast-track development timetable towards development.



Corporate Overview as at 6 October 2011

- ASX Code: HRL
 - Share price: 3.4 cents
 - Shares on issue (million): 156.3
 - Unlisted options (million): 28
 - Market Cap: A\$5.3 m
 - Cash position: A\$0.2 m
- Shareholders: 1,121
 - 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	7,366,183	4.71%
4	HSBC CUSTODY NOMINEES	5,217,684	3.34%
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	ALBIANO HOLDINGS PTY LTD	3,749,394	2.40%
9	JP MORGAN NOMINEES AUSTRALIA	2,807,442	1.80%
10	PETER RODNEY BARNETT	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 35 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.



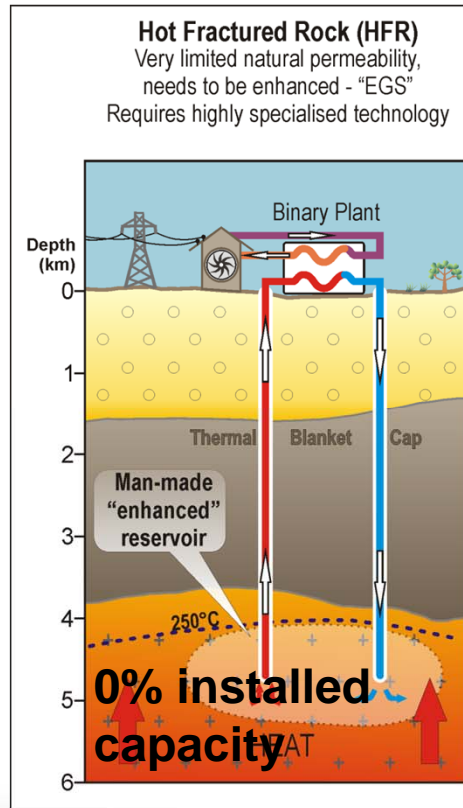
Mr Stephen Bizzell Non-exec Director
15 years experience in corporate finance, the energy industry and capital markets. Previously executive director of Arrow Energy and Chairman of a boutique investment banking firm and funds management group.

Geothermal Models- focus on conventional projects

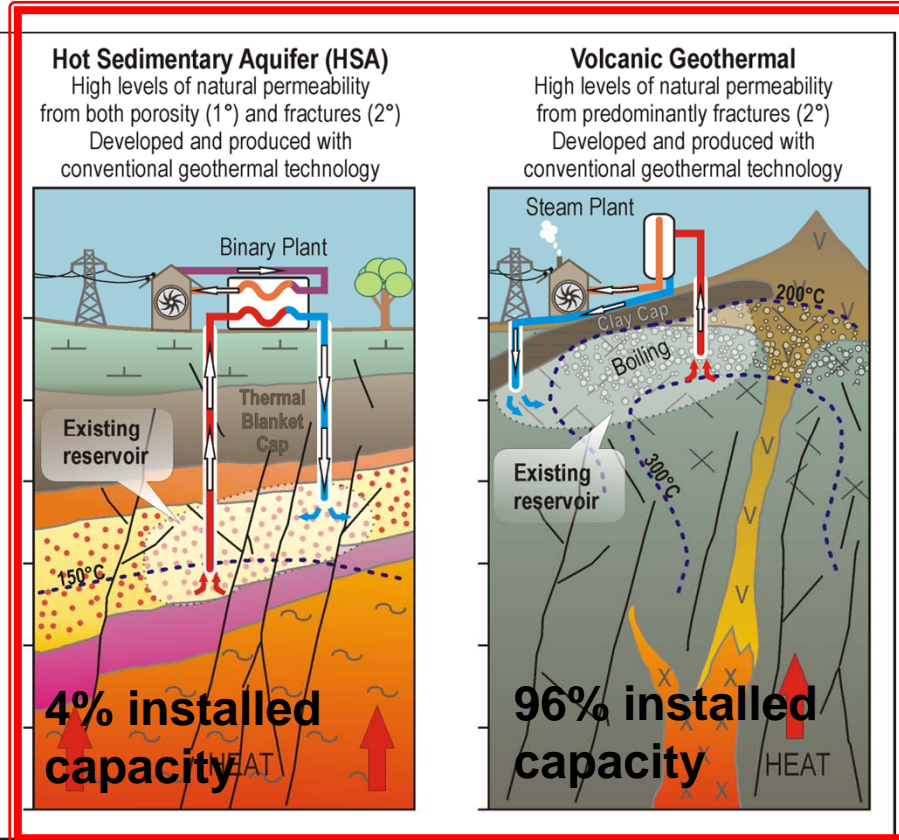
Conventional Geothermal projects

HRL Australia

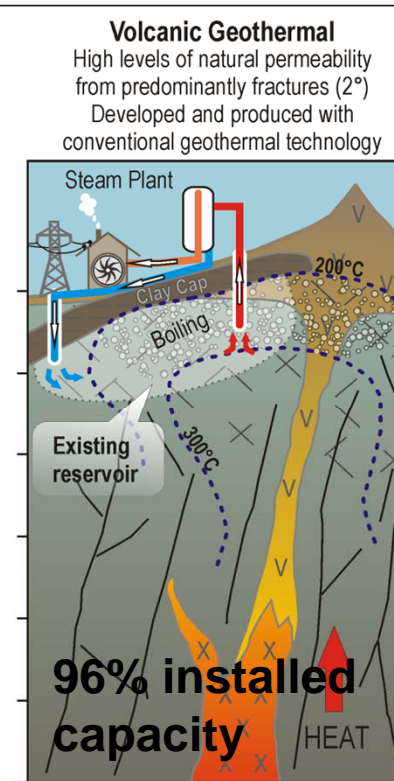
HRL Chile & Peru



No commercial operations



Operating for over 25 years in USA

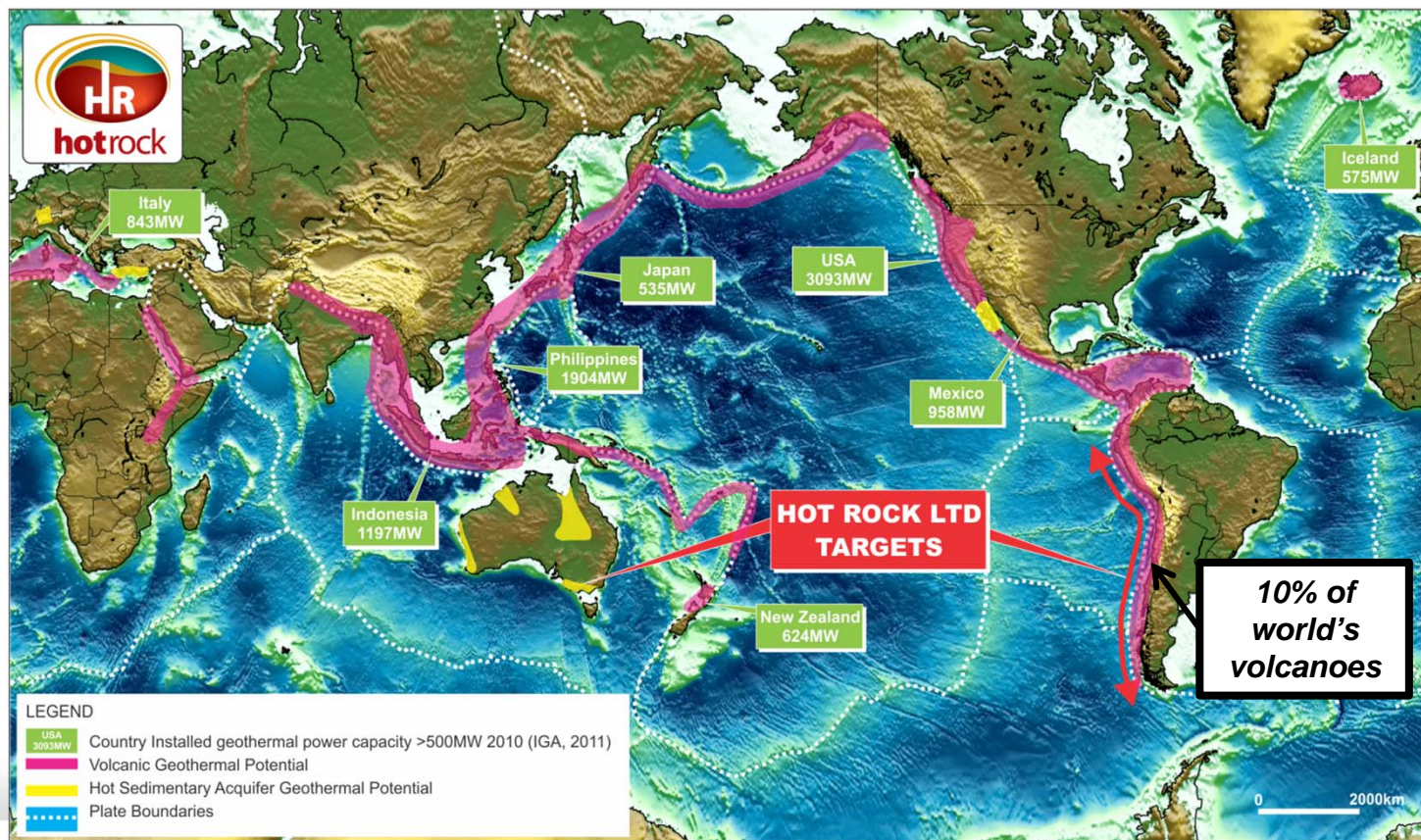


Operating for nearly 100yrs



Geothermal Target Areas and Major Generation Nations


- 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.



Why Geothermal Energy?

- Geothermal is the only clean base-load energy that can replace fossil fuel power generation in a carbon constrained economy.

	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

HRL is the #1 ASX Listed Company in Geothermal Volcanic Projects as at 6 October 2011

- HRL has huge MWe growth potential

Geothermal Stocks	ASX Code	Market Cap \$m	Project Focus	Location Focus	Volcanic Resource	Volcanic Projects
Geodynamics	GDY	74.2	EGS HSA	Australia Australia		
Petratherm	PTR	14.5	EGS HSA EGS Volcanic	Australia Australia Spain Spain	-	1
Earth Heat Resources	EHR	12.5	Volcanic Volcanic EGS	Argentina Djibouti Australia	30MWe ^{(1) (4)} 150MWe ^{(1) (4)}	1 1
Green Rock Energy	GRK	10.1	EGS HSA	Australia Australia		
Panax Geothermal	PAX	7.1	Volcanic HSA	Indonesia Australia	165MWe ^{(4) (5)}	4
Hot Rock	HRL	5.9	Volcanic Volcanic HSA	Chile Peru Australia	320MWe^{(2) (3)}	7 3
Greenearth Energy	GER	5.9	EGS HSA	Australia Australia		
KUTh Energy	KEN	4.4	EGS Volcanic	Australia Vanuatu	83MWe ⁽³⁾	1
Torrens Energy	TEY	3.8	EGS	Australia		
Geothermal Resources	GHT	3.6	EGS HSA	Australia Australia		

Source: Company websites and ASX releases

Notes

(1) Earning interest in projects via funded exploration & development programs

(2) HRL resources from 2 Chile projects

(3) Code compliant assessment (Australian Geothermal Reporting Code 2010 2nd edition)

(4) Non code compliant assessment

(5) Panax is farming into a 60MW project and has 106MW in two projects.



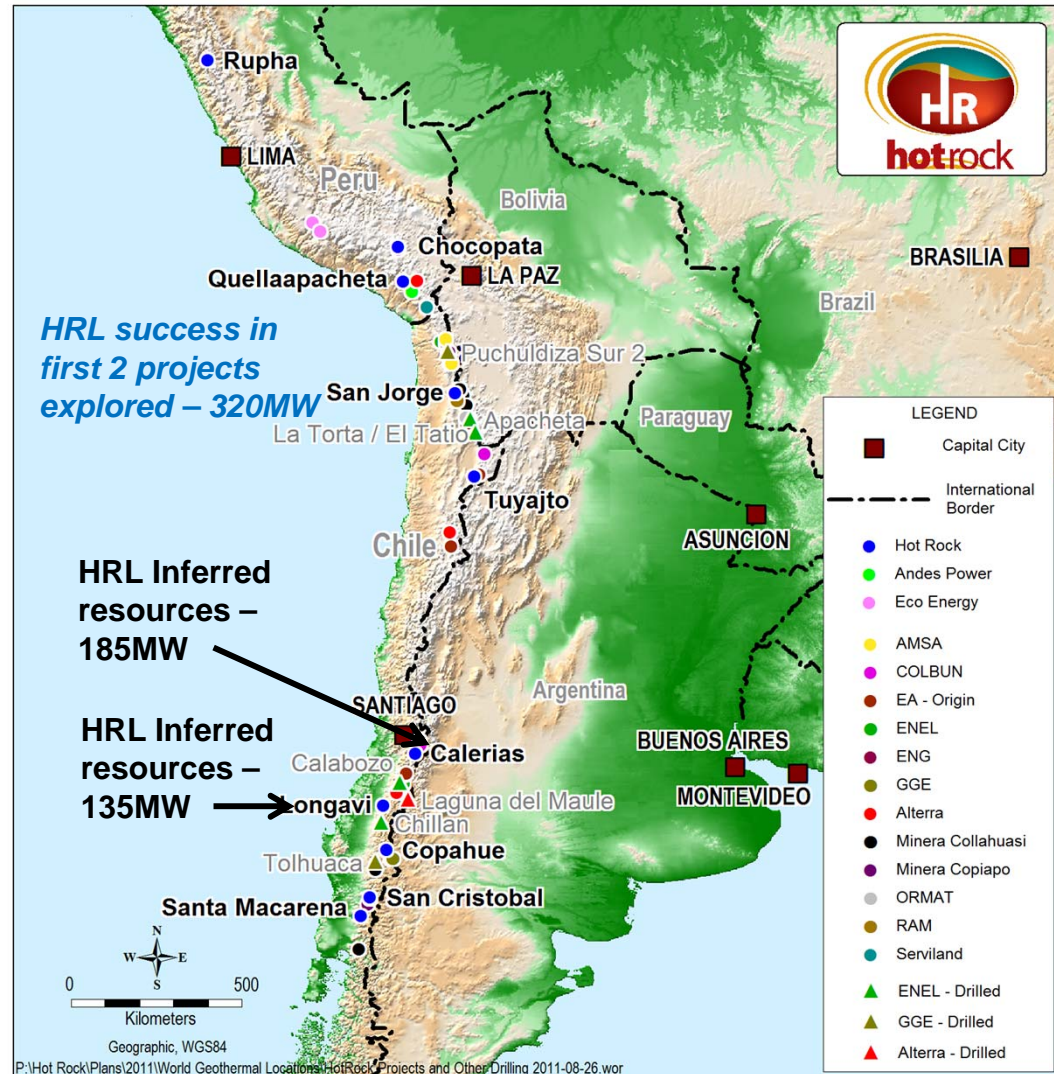
Why is HRL in Chile? – High development potential & low sovereign risk

- High GDP growth of 6%.
- Potential for discovery of 27% to 145% of current world installed capacity.
- Demand requires doubling generation over next decade- (\$75billion spending in mining).
- Highest power costs in south America.
- Stable investment environment with a low political and investment risk.
- Low tax rate: 17% to 20%.
- Strong government support via grants and geothermal drilling failure insurance.



Chile – Large portfolio of granted geothermal projects

- Early mover advantage -2008.
- Built the largest granted project portfolio – 7 projects with 13 tenements.
- 100% HRL owned.
- Recent geothermal pegging rush in Chile by large companies.
 - Ormat – Market leader with 89% of binary plant installations & 553MW's of own geothermal generation.
 - EDC – World's largest geothermal generation company based in Philippines.
 - Origin Energy – Purchased 40% of exploration geothermal company in May 2011.
- Projects close to transmission grid.



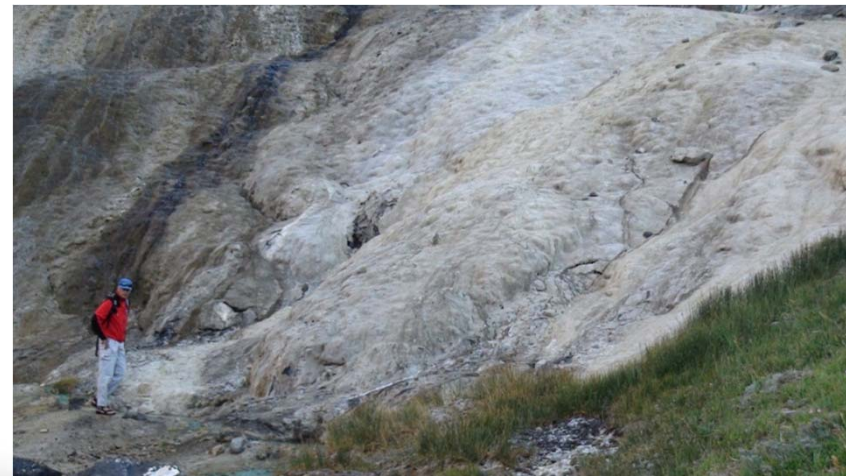
Chile – Calerías Project (100% HRL)

- Maiden inferred geothermal resource – 185MW¹.
- Resource open, potential to double size.
- Current resource can power 250,000 households.
- Grid and power market present
 - e.g. El Teniente Cu plant 35kms NW, Santiago 100kms N.
- Drilling planned early 2012.

Note 1. The 185MW's is estimated from 7,400PJ of in-place heat energy using a recovery factor of 15% and a power plant thermal efficiency of 14% for a capacity factor of 90%.



Hot springs and sinter deposits



Large sinter deposit made by hot springs

Chile - Longavi Project (100% HRL)

- Maiden inferred geothermal resource – 135MW¹.
- Resource open, potential to double size.
- Current resource can power 190,000 households.
- Grid and power market present.
- Drilling planned early 2012.



MT station



Hot springs



Note 1. The 135MW's is estimated from 5,400PJ of in-place heat energy using a recovery factor of 15% and a power plant thermal efficiency of 14% for a capacity factor of 90%.

Why is HRL in Peru? – World-class geothermal projects

- High GDP growth 7%.
- Classic world-class volcanic geothermal systems are present.
- Demand requires doubling generation over next 6 years (\$56 billion spending in mining over next decade).
- Strong 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.
- Projects close to transmission grid.



Peru – Large portfolio of granted geothermal projects

- Early mover advantage – 2009.
- Built the largest granted project portfolio – 3 prospects with more to come.
- 100% HRL owned.
- Geophysical surveys commence early 2012.



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



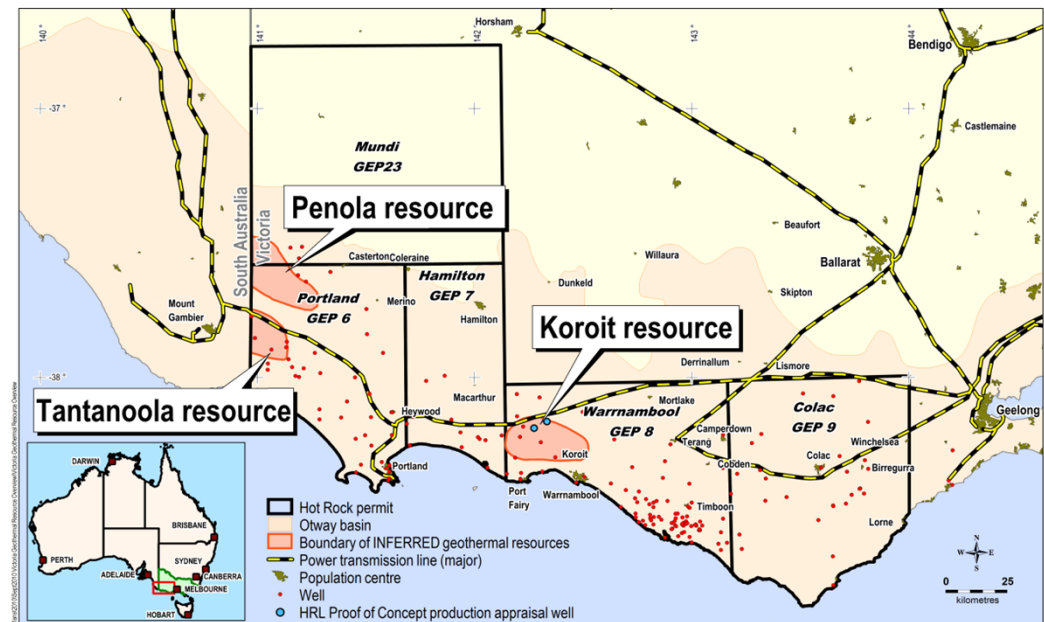
High flow rate hot spring provides evidence of potentially significant resource at depth within Quellaapacheta project.

Australia - HRL holds large HSA resources

- Large geothermal resources assessed at 180,000PJ.
- Or 1,300MWe to supply 1.3m households.
- Surrounded by the power market and grid.
- Ready to drill 2 exploration wells at Koroit HSA resource.
- Free access to extensive petroleum drilling and seismic database.
- Carbon price and government funding initiatives enhance projects.

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



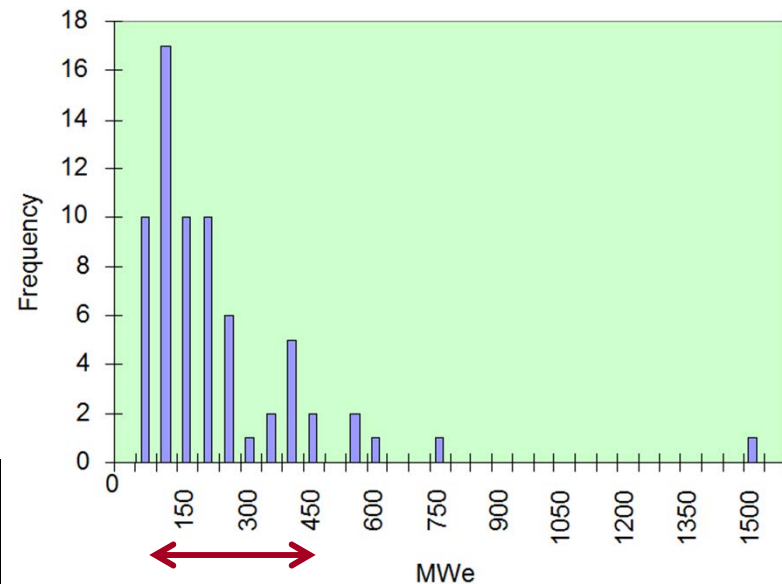
HRL Power Target – 3000MWe

- 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

Notes:

- Largest developed fields in the world are in the USA at the Geysers (750MW) and in the Philippines at Leyte (720 MW).
- 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.



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



Milestones- To June 2012

Consistent News Flow

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



Why Invest in HRL? – Large potential value growth

- **#1 ranked ASX geothermal company in conventional proven volcanic projects.**
- **Outstanding growth potential targeting 3000MWe in Chile, Peru & Australia.**
- **Exploration success in Chile at first two projects with 320MWe resources already declared.**
- **Highly experienced technical and commercial team with proven track record to build company.**
- **Strategy to fast-track development with partners.**



Investment Highlights

- Early mover advantage has secured a large number of quality projects at low cost.
- HRL is one of the largest holders of granted volcanic geothermal projects in Chile and Peru with initial exploration programs already outlining resources for testing and development.
- All tenements are 100% owned providing the opportunity for favourable farm-in or joint venture terms or other attractive commercial deals 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.
- Strategy to fast-track exploration and development with partners.

