



19 July 2012

EDC commencing exploration on JV projects in Peru

Hot Rock Limited (**HRL**) is pleased to announce that Energy Development Corporation (**EDC**) is currently incorporating the Peruvian Quellaapacheta and Chocopata joint venture companies as required in accordance with the agreements signed in May. EDC has notified HRL that it intends to commence detailed field work programs in August including geological, geochemical and geophysical magno-telluric (MT) surveys at Quellaapacheta followed by Chocopata.

HRL will receive from EDC an initial payment of US\$0.8 million (\$0.4m for each of the Peru projects) after the exploration tenements are transferred into the newly incorporated JV companies. If EDC withdraw from a project within 6 months of the tenement being transferred into the JV company, the \$0.4m is refundable. A further payment of US\$1.2 million (US\$0.6 million for each project) will be paid if EDC continues with the Peruvian projects past an initial 15 month period.

EDC is sole funding up to US\$12 million at each project for surface exploration and deep exploration drilling activities before the EDC (70%) and HRL (30%) pro-rata joint venture contribution commences for any future resource development phase.

Hot Rock Executive Chairman, Dr Mark Elliott stated: "We are pleased to be commencing exploration on our two joint venture Peruvian projects with the initial objectives of defining drill targets at both projects and commencing exploration drilling in 2013".

In order to progress the Peruvian Joint Ventures HRL has decided not to pursue any potential legal action against EDC for their withdrawal from the Longavi project in Chile. The project will now revert to being 100% owned by HRL and the company will investigate alternatives for its development.

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About the Projects

Quellaapacheta – Peru

The Quellaapacheta exploration tenement is located 120 km north of Tacna, near the town of Calacoa along the Putina River in the province of Moquegua in Southern Peru. The project is associated with the Ticsani Volcano in the Peruvian Southern Cordillera Volcanic Zone.

Steaming ground and fumaroles have recently been discovered by Hot Rock on the upper flanks of the Ticsani volcano. At least fifteen hot springs occur at lower elevations along the Putina and Cuchumbaya rivers, tributaries of the Rio Tambo. These range in temperature from 54°C to 89°C with pH's ranging from 5.8 to 8.3. In geochemical terms the springs are described as mixed chloride-bicarbonate waters indicating the presence of a benign geothermal reservoir at depth. Carbonate and silica sinter deposition products occur around the lower elevation thermal features.

The presence of chloride-rich water actively depositing silica sinter at low elevations and fumarolic activity at higher elevations confirms that Quellaapacheta is a classic steep terrain, high temperature geothermal volcanic system.

Chocopata – Peru

The Chocopata exploration tenement is located 120 km north-east of Arequipa and 100km north west of Puno. The tenement is flanked north, east and west by three 138 kV transmission lines, all located about 70 km from the centre of the tenement.

The main thermal area at Chocopata is called Pinaya and is located close to the southern edge of the tenement. This is characterized by numerous hot springs with temperatures ranging between 40 to 90° C and with pH's ranging from 5 to 6. The Pinaya hot springs have a substantial flow rate estimated at 10 l/s. Similar to Quellaapacheta, the occurrence of a primary chloride reservoir with indications for high reservoir temperatures suggest that Chocopata is a classic steep terrain, high temperature geothermal volcanic system.

Overall, the geological setting, the strong surface geothermal activity and the proximity of the projects to the national grid highlight the excellent prospectivity of the Chocopata project.

About Hot Rock Limited

Hot Rock Limited (ASX: HRL) 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 in south-west Victoria. The flagship Koroit project is ready to drill and test and is awaiting the outcome of ongoing discussions with the Federal government and potential joint venture partners to fund this project.

HRL has expanded internationally into South America where high quality geothermal resources and attractive regulatory environments and market conditions are present. The Company established offices in Santiago and Lima in 2009. Exploration tenement applications covering exciting volcanic prospects have been granted to Hot Rock in both countries and exploration is now well advanced at a number of these tenements.