

20:20 Investor Series
Event on South America
Sydney: 3 May 2012

HOT ROCK LIMITED
“Driving value in clean energy”

Investor Presentation



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 (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.



Leveraged to a major shift in geothermal demand

Hot Rock Limited

- \$150m joint venture secured with world's largest geothermal company
- Volcanic systems identified seeking to generate clean base-load power in high growth markets with serious energy needs: Chile and Peru
- Exceptional Team with the requisite technical skills and company building track record
- Hot Rock provides exposure to potential long-duration, multi-billion dollar revenue power assets at the ground floor



Corporate Overview as at 1 May 2012

- ASX Code: HRL
- Share price: 5.2 cents
- Shares on issue (million): 232
- Unlisted options (million): 28
- Market Cap: **A\$12m**
- Cash position: **A\$0.7m**
- (before receipt of \$US3M pursuant to EDC transaction)

- Shareholders: 1,232
- Top 20 Shareholders: 47%
- **Board & management: 16%**

Investment Fund

- WF Asian Reconnaissance Fund 6.2%

Top 10 Shareholders

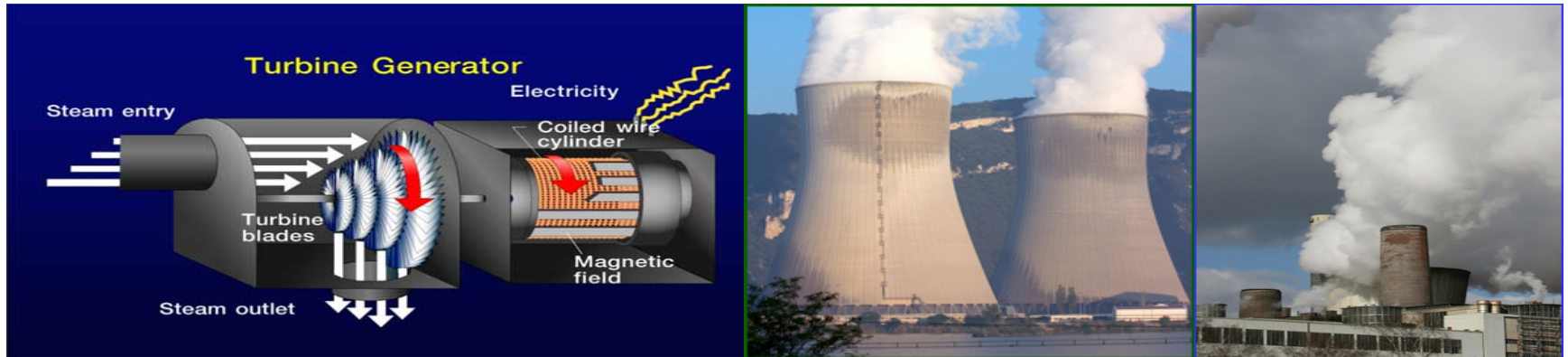
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	15,278,893	6.58%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LTD A/C 2	14,350,470	6.18%
3	ELLIOTT NOMINEES PL	12,100,000	5.21%
4	LORRAINE ZILLMAN	11,100,000	4.78%
5	ALBIANO HOLDINGS PL	6,447,049	2.78%
6	DR BARRY & JAYE BARKER	6,100,000	2.63%
7	JOSE LEVISTE JNR	5,000,000	2.15%
7	IAN CAMPBELL	5,000,000	2.15%
8	PETER BARNETT	4,800,000	2.07%
9	CITICORP NOMINEES PTY LIMITED	4,626,000	1.99%
10	NORM & LORRAINE ZILLMAN	4,600,000	1.98%

12 Month Share Price History



The World Needs Energy

- Power generation is at the core of modern economies
- Currently 80% of power is generated by heating water to produce steam to drive turbines and produce electricity



Main non-renewable fuel sources:

- Coal - Dirty and rising costs, supply issues
- Nuclear - Hazardous, unappealing post Fukushima, no waste solution
- Gas - Security of supply, logistics, price volatility

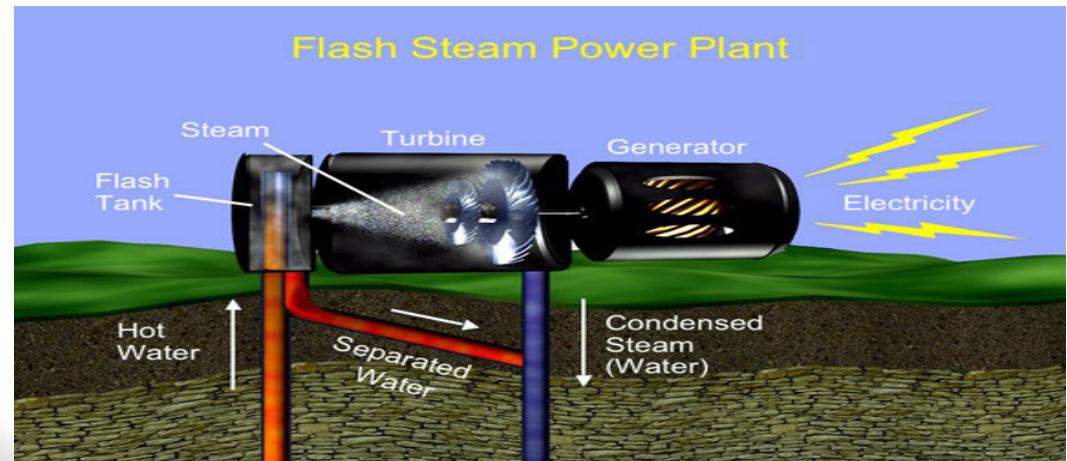


OR now a superior clean alternative: GEOTHERMAL

Natural Source of Steam



- Safe and clean
- 24hr/7days: Base-load (unlike solar, wind or hydro)
- Zero fuel Cost once fuel source is developed
- “Fuel” is on-site
- Geothermal steam passed directly into a **conventional turbine generator**



Geothermal is 100yrs old, proven technology. Important factors: Base-load, low emissions, very high plant availability

USA 1st commercial plant 1960



Philippines uses 22% geothermal power



New Zealand uses 17% geothermal



El Salvador uses 25% geothermal power



Geothermal Models- HRL focused on conventional technology

Conventional & proven - HRL

Chile & Peru

Volcanic

- Med-high temperature
- >50 years operation
- Proven technology
- 96% installed capacity

Australia

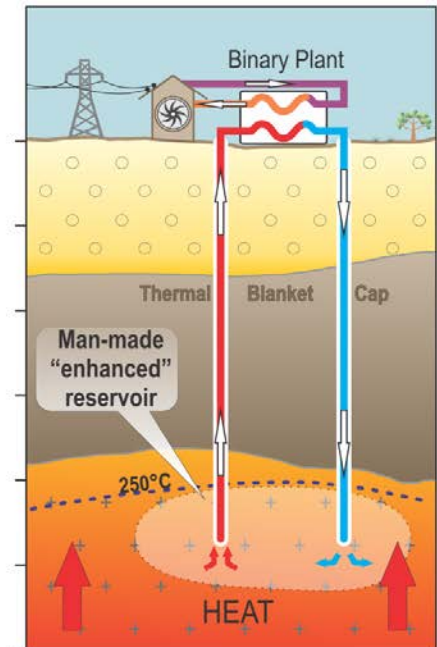
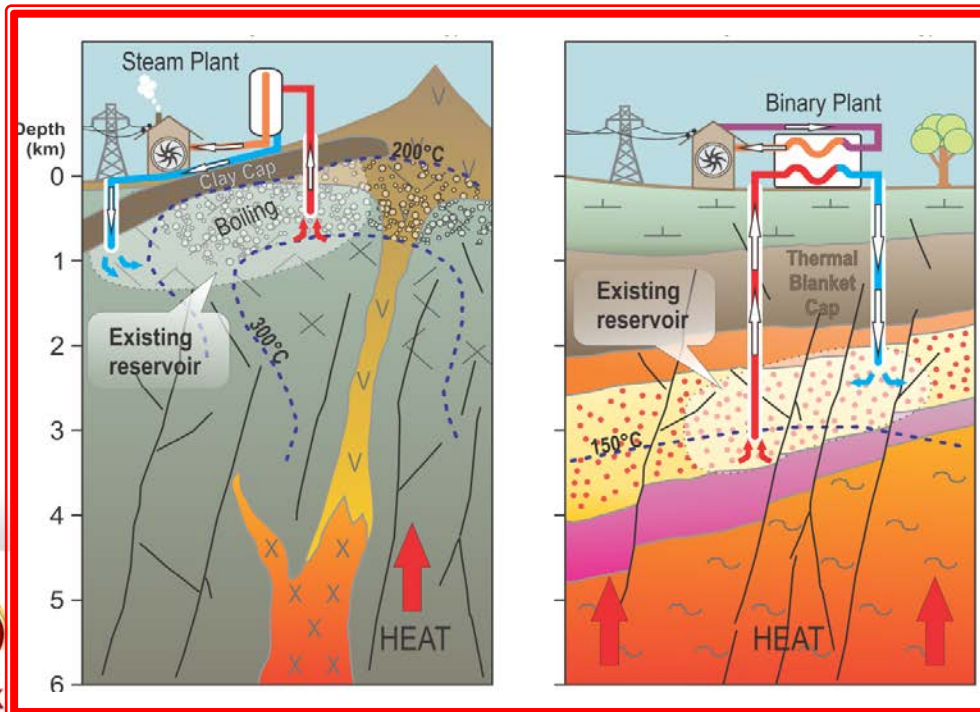
Hot Sedimentary Aquifer

- Low-med temperature
- >25 years operation
- Proven technology
- 4% installed capacity

Unconventional

Hot Fractured Rock

- Deep
- Expensive
- No commercial operations



HRL has a strong **COMMERCIAL** and technical focus

Volcanic Systems have the best potential for technical success

Other essentials for commercial success:

- ✓ Low sovereign risk country
- ✓ Growing stable economy
- ✓ High growth power demands
- ✓ Large pipeline of new mining projects
- ✓ Geothermal projects with access to transmission grid

Chile and Peru tick all of these boxes:

- Democratic governments
- Economies growing circa +5%pa
- Power demand doubling in 6 to 10 years
- Chile 1st and Peru 2nd largest copper producers in the world
- Extensive transmission grids



- **HRL has a major first mover advantage**

HRL is one of the largest holders of projects in Chile and Peru

- **First mover advantage** in the best emerging geothermal region in the world today
- Classic world-class volcanic geothermal systems are present
- HRL has secured one of the **largest combined geothermal footprint** in both Chile and Peru
- Projects close to transmission grids
- Strong government support for renewable power



Partnered to Perfection

- **Energy Development Corporation (EDC) and HRL signed binding JV agreements covering 3 projects committing up to \$150m to be spent on HRL's projects**

The deal removes many hurdles faced by a small company:

- **Funding:** Partner to fund large part of projects. EDC's balance sheet is a major plus when seeking development finance
- **Development expertise:** EDC has 5 operating geothermal projects and 35 years of exploration and development experience
- **Technical expertise:** EDC has over 2000 employees
- HRL 30% interest and EDC has gained a 70% interest by sole funding exploration up to \$12m per project (total \$36m). A further \$38m for resource development drilling on each project on a pro rata basis (total \$114m) through to financial close



Who is EDC?

- EDC is the world's largest geothermal owner/operator with over 35 years exploration, development and operational experience
- EDC market cap **\$2.4 Billion** with **1,140 MW** of geothermal generation
- HRL's current resource potential is **3,000 MW** with a cap of only **\$12m**
- The EDC deal is major validation of Hot Rock's potential from the pre-eminent developer and operator of geothermal projects in the world



- * EDC is advancing 3 major projects in JV with HRL.
- * HRL retains 100% interest in 8 other projects across Chile and Peru providing the ability for more deals.

Geothermal - Billion dollar, long duration assets

- Attractive to pension funds
- Some attributes of geothermal projects:
 - Renewable energy with 30 year plant life design
 - Plant production measured in mega-watts per hour of electricity generated (MWh)
 - Renewable electricity prices in South America ~ \$110 per MWh
 - A 200MW plant could generate revenue of $200\text{MW} * \$110\text{MWh} * 24\text{hr} * 365\text{days} * 95\%$ (capacity factor) = +\$5.5billion revenue over 30 year life.
 - Minimal OPEX – 15% of revenue
 - High Upfront Capex – \$3.8m to \$5m per MW installed capacity
 - EDC balance sheet will assist financing projects

Next Steps

- Evaluating geothermal resources
- Drilling for temperature & flow rates
- EDC wants rapid developments
- Initial plant sizes 50MWe followed by expansions to suit resource
- HRL has 11 granted projects and building resources
- More projects under application

Management & Board

Proven team of resource project developers



Dr Mark Elliott **Executive Chairman**
Economic geologist with 35 years experience in exploration, project development and mining covering minerals and energy. 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 13 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.

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.

Why invest in HRL? Tremendous upside!

Joint ventures on several projects with the world's largest integrated geothermal company EDC funding up to US\$150 million

- Commercially focussed – two of the fastest growing markets with direct access to volcanic geothermal systems – Chile and Peru
- Only 3 projects are captured by the JV agreement. Opportunity on a further projects to add significant value with EDC or other players
- Outstanding growth potential targeting 3,000MWe
- Technical and commercial team second-to-none with impressive track record in geothermal and project development

Growing substantial shareholder value

- ✓ **Base-load geothermal cannot be ignored**
- ✓ **Experienced team**
- ✓ **High quality multiple development projects**
- ✓ **Funded to drill & evaluate 3 projects**
- ✓ **High probability of developments proceeding**
- ✓ **Backed by world's largest geothermal company**



**Surface hot springs indicate
geothermal reservoirs at depth**

Quellaapacheta JV Project
High flow vents



**Surface hot springs indicate
geothermal reservoirs at depth**

**Achumuni Project
Steam vent**



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