

ASX Announcement

Company Announcements Office
Australian Securities Exchange

19 December 2014

(ASX Code GRK)

COMPANY UPDATE ON PROSPECTUS AND COMPLETION OF GRAPHITE ACQUISITIONS

Green Rock Energy Limited ("Green Rock or "the Company") (ASX: GRK) notes that further to the announcement to the ASX on 15 December 2014, it provides the following status update:

- Following a review by the Australian Securities & Investment Commission (ASIC) of the Independent Expert's Report appended to the Shareholder Notice of Meeting dated 14 November 2014, the Independent Expert informed the Company of its decision to withdraw their consent to allow the Independent Expert's Report to be used for the purposes noted in the Shareholder Notice of Meeting.
- As a result, the Company was unable to finalise Resolution 8, for the "Approval of issue of securities to Mr Stephen Copulos (or his associates) under the capital raising."
- Due to the issues raised by ASIC to the Independent Expert regarding their report, which precipitated the withdrawal of Resolution 8 at the 15 December 2014 General Meeting, the Company is now unable to close the prospectus dated 4 December 2014. The prospectus was due to close today on 19 December 2014.
- Because of the above issues, **Green Rock now confirms that the Prospectus dated 4 December 2014 has been withdrawn.** All funds received under this prospectus will be returned to shareholders immediately.
- Due to ASIC's view that the Independent Expert's Report was inadequate and the Expert's withdrawal of their consent, the knock on effect to the Company has been its inability to finalise the acquisition of the Tanzanian Graphite Projects (as previously announced to the ASX). These Tanzanian Graphite Projects were contractually due to be acquired on or before 31 December 2014.

- The company is now in negotiations with the vendors of the Tanzanian Graphite Projects and is seeking an extension through to 31 March 2015. The extension being sought will enable Green Rock to satisfy the requirements under the purchase contracts including the re-compliance of Green Rock under Chapters 1 & 2 of the ASX Listing Rules.
- Green Rock is now progressing the following pathway to achieve its objective to become a Tanzanian focussed resources company:
 - (i) Re-Engage RM Corporate Finance Pty Ltd to complete a new Independent Expert's Report;
 - (ii) Seeking to negotiate an extension to the purchase contracts with the Vendors of the Tanzanian Graphite Projects, through to 31 March 2015;
 - (iii) Following step (ii) above, Green Rock will then seek to hold a further Shareholder General Meeting in early 2015, including a new resolution for the "Approval of issue of securities to Mr Stephen Copulos (or his associates) under a capital raising";
 - (iv) Re-issue a new Prospectus to enable Green Rock to raise sufficient funds to complete the acquisitions of the Tanzanian Graphite Projects and meet the requirements of ASX Listing Rules Chapters 1 & 2; and
 - (v) The renegotiation of the Lead Manager Mandate with Cygnet Capital Pty Ltd

Green Rock's board of directors are very disappointed with the delay caused by the inadequate nature of the Independent Expert's report, however it is now seeking to have the finalisation of the acquisition of the Tanzanian Graphite Projects completed at the earliest opportunity.

Green Rock will continue to keep the market updated as it progresses the above steps to allow it to become a successful Tanzanian focussed resources company.

Green Rock appreciates the support and patience of its shareholders during these difficult circumstances, the Company also acknowledges the support provided by the vendors in opening negotiations to seek an extension to the completion of the acquisition of the Tanzanian Graphite Projects.

For further information

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