



ASX/Media Announcement

10 August 2011

Hot Rock to apply for Emerging Renewables Program Funding

Initiative could expedite Victoria's first 'proof of concept' geothermal drilling program

Hot Rock Limited (ASX: HRL) is to apply for new Government funding for its Koroit geothermal project in Victoria in accordance with the Emerging Renewables Program as announced on Monday by Martin Ferguson, Minister for Resources and Energy.

Mr Ferguson announced that the Emerging Renewables Program will have funding of \$126m with geothermal companies able to benefit from the new program design. It allows for a more flexible approach to funding including the opportunity for collaboration between applicants and to better suit geothermal programs.

The Emerging Renewables Program and the Government's recently announced Clean Energy Future package, which includes a carbon price and \$13.2 billion in clean energy funding initiatives, is set to benefit HRL's Australian geothermal projects.

HRL's Australian flagship project at Koroit in the Otway Basin has the potential to become one of the first commercial geothermal electricity utilities in the nation, servicing southwest Victoria with population coverage of 5 million. HRL believes that Koroit is one of the best lower risk geothermal projects in the nation, given its similarities to commercially operating Hot Sedimentary Aquifer type projects overseas, proximity to existing transmission lines and a large energy market. Currently, the project has identified sufficient indicated and inferred resources to supply 1,000MW of clean base-load 24/7 power to over a 1,000,000 homes. A geothermal plant could be operational within 2 years following a successful drilling and testing program.

The project has already passed a rigorous technical review by the government and was selected for the preceding Federal Government's geothermal funding program.

Koroit is now ready to drill with the test site selected, steel casing and wellheads procured for the first well and the second well's preparation is very advanced.

Hot Rock Executive Chairman Dr Mark Elliott said: "We are committed to developing the Koroit Geothermal Project in Victoria and welcome the opportunity to apply for

the Australian Government's new Emerging Renewable Program to fund geothermal projects that can deliver economic benefits to Australia.

"There are very few clean energy projects currently being advanced in Australia that can provide the amount of base-load energy to households as quickly as Koroit can. As such, we believe that the project can certainly contribute to the nation achieving its 2020 renewable energy target of 20%."

About Hot Rock

Hot Rock Limited 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 24/7 power generation. Strategically, HRL has elected to focus on the commercially proven Volcanic Geothermal and Hot Sedimentary Aquifer (HSA) 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 Australian government and potential joint venture partners to fund this project.

HRL has expanded internationally via South America with the establishment of offices in Santiago and Lima in 2009. Exciting volcanic prospects in Chile and Peru are being granted with exploration underway with one maiden resource already announced. HRL is consolidating its position in South America, where high quality geothermal resources exist and attractive regulatory environments and market conditions are present.



Mark Elliott
Executive Chairman

For further information please contact:

Dr Mark Elliott,
Managing Director,
+61 7 3212 6200 or 0409 998 840
mark.elliott@hotrockltd.com

or visit the website www.hotrockltd.com

For media enquiries, contact:

Robert Williams
FCR (Financial & Corporate Relations)
+61 2 8264 1003
r.williams@fcr.com.au



MEDIA RELEASE

MARTIN FERGUSON

Minister for Resources and Energy
Minister for Tourism

8 August 2011

APPLICATIONS OPEN FOR EMERGING RENEWABLES FUNDING

The Australian Government today opened its *Emerging Renewables* program to applications from promising renewable energy technology projects such as geothermal, solar and ocean.

The *Emerging Renewables* program aims to reduce the cost of new technologies, improve skills across the renewable energy industry and leverage finance from the private sector as well as state and territory governments.

“With this program the Government is taking on an innovative design for merit-based grant programs following the Australian Centre for Renewable Energy’s (ACRE) extensive consultation with the renewable energy industry and financiers,” the Minister for Resources and Energy, Martin Ferguson AM MP, said at this morning’s launch..

“It allows a flexible approach to funding across the technology innovation chain, in line with stakeholder feedback to improve the sector’s competitiveness.

“For emerging technologies this flexibility is critical. It will help ensure government support is tailored to the needs of industry as they evolve over time, while also putting in place the appropriate safeguards for taxpayer funded investments.

“On this basis we have also increased funding by \$26 million for the *Emerging Renewables* program with funds returned from the *Geothermal Drilling Program*.

“This takes the total program funding to \$126 million. Geothermal companies will benefit from the new program design with at least one-third of the total program funding expected to be available to support geothermal energy.”

The program design is based on the independent ACRE Board’s *Strategic Directions* and provides a streamlined applications process as well as the opportunity for greater collaboration amongst applicants. It employs a continuously open application model allowing companies to submit applications as and when they need to with no arbitrary cut off dates or set funding rounds.

ACRE will administer the program until the \$3.2 billion Australian Renewable Energy Agency (ARENA) is established.

“Opening the program now is important to keep up momentum in the industry and continue providing government support for renewable energy technologies as we introduce a price on carbon and establish ARENA and the \$10 billion Clean Energy Finance Corporation,” Minister Ferguson said.

The *Emerging Renewables* program will fund promising renewable energy and enabling technologies under two categories: ACRE Projects and ACRE Measures. More information on

these categories and a copy of the *Emerging Renewables Program Information Guide for Applicants* is available at www.acre.gov.au

Minister Ferguson opened the *Emerging Renewables* program at the launch of a new rooftop solar research project, supported by a \$3.2 million Australian Solar Institute grant. The project based at the Australian National University aims to improve the efficiencies of rooftop solar by providing a cost effective, all-in-one solar energy system for heating, cooling, hot water and electricity to supply households and businesses.

“Projects such as the hybrid system launched today demonstrate that there is still a huge amount of innovation potential in solar technology for researchers and companies to develop,” Minister Ferguson said.

“They will pave the way for the next generation in solar technology, and through the Government’s Clean Energy Future package these next generation projects will have access to more support than ever before.”

Media contact: Fiona Scott – 0457 542 330