



ASX/Media Announcement

18 January 2012

HOT ROCK FURTHER EXPANDS GEOTHERMAL PORTFOLIO IN EMERGING SOUTH AMERICA MARKETS

New tenement in Peru granted

Hot Rock Limited (ASX: HRL) is pleased to announce the expansion of its geothermal exploration portfolio in South America, with the recent granting of the "Turu" geothermal tenement located in Southern Peru (**Figure 1**).

With this award, Hot Rock now holds four granted tenements in Peru, in addition to 13 tenements in Chile. Five more tenement applications for volcanic geothermal prospects in Southern Peru remain in processing and are expected to be granted this year.

The Turu tenement is associated with a volcanic caldera complex and shows good field evidence for a geothermal reservoir with subsurface temperatures suitable for electrical power generation. More details on the prospect are attached.

Hot Rock's Executive Chairman Dr Mark Elliott said "With this grant, Hot Rock further cements its position as the leading geothermal company within two of the most exciting, emerging geothermal provinces in the world today, in Peru and Chile."

"We are now able to commence community consultation work at Turu after which we will proceed with surface exploration studies, comprised of geology, geochemistry and geophysics".

"Of note, these activities will be undertaken outside of a Joint Venture program that we are currently advancing with the Energy Development Corporation (EDC) from the Philippines, the largest integrated geothermal company in the world, involving our already granted Quellaapacheta and Chocopata projects. This will allow Hot Rock to independently proceed with the proving and development of our fully-owned projects in Peru, in parallel with the two Joint Venture projects".

He concluded "that Hot Rock has clearly got off to a great start for the New Year and has a very exciting program ahead".

Mark Elliott
Executive Chairman

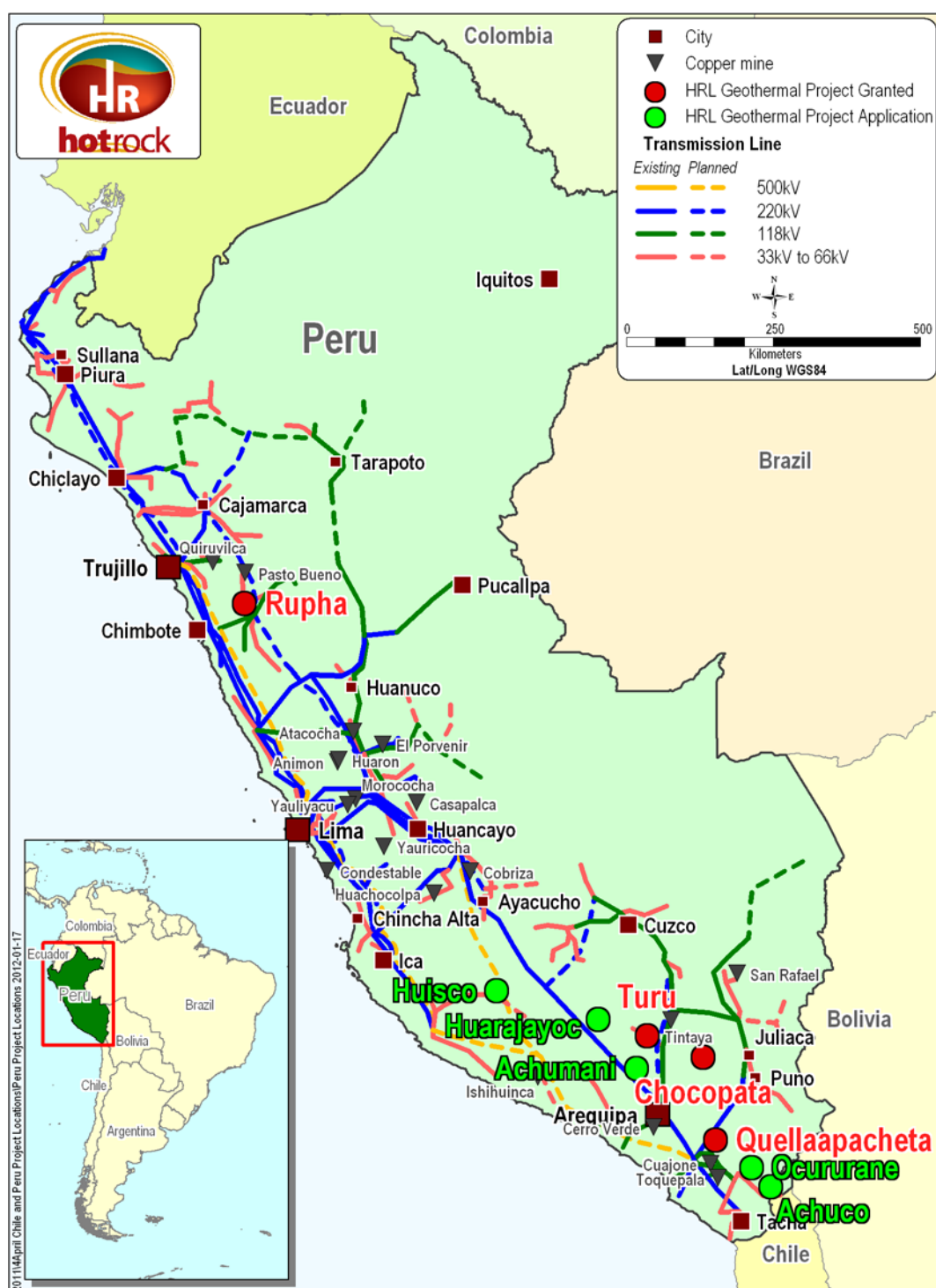


Figure 1: Locations in Peru of geothermal tenements granted to HRL (red) and tenements still in process (green), showing the location of the recently granted Turu project

About the Turu Geothermal Project

The Turu geothermal tenement is located in Southern Peru (**Figure 2**), 130 km north of Arequipa city in the provinces of Caylloma (Arequipa Region) and Espinar (Cusco Region), 100 km northwest of HRL's Chocopata project (granted) and 50 km north of HRL's Achumani prospect (in application). It comprises a land area of 170 km².

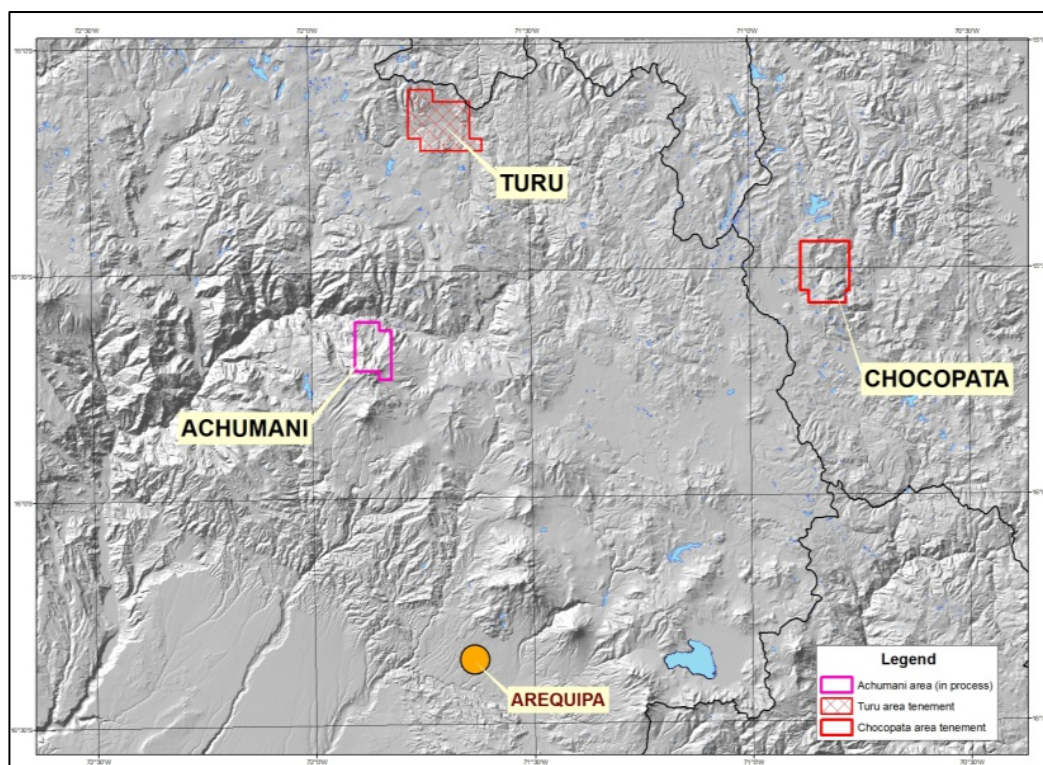


Fig. 1. Location of the Turu geothermal tenement.

Geologically, the tenement is located in the Andean volcanic belt, within the Caylloma Caldera on the northern flank of the Cosana volcanic center and comprised of tuffs, andesites and pyroclastic flows, from the de Caylloma event with an age of Plio-Pleistocene.

With the tenement there are a number of thermal springs with temperatures ranging from 36 °C to 56 °C, with mature chloride chemistry. These include hot springs at Coñicmayo (**Figure 3**), Cencoyo and Pusa Pusa, located around the margins of the Caylloma Caldera, and several areas further to the northwest showing sulphate-rich precipitates and clay alteration products at surface.

The geological setting, impressive surface thermal activity and spring chemistries indicative of a high temperature geothermal resource at depth highlight the excellent prospectivity of the Turu project.

The Turu project has good access to power markets for the sale of future geothermal electricity via:

- an existing 138 kV electrical transmission line within 30 km of the project and a planned future 220 kV transmission line that will run within 20 km distance of the project

- close proximity (within 40km) of a substantial local mining industry comprised of at least 5 mine sites either in production or under development, with estimated copper metal reserves in excess of 10 million tonnes

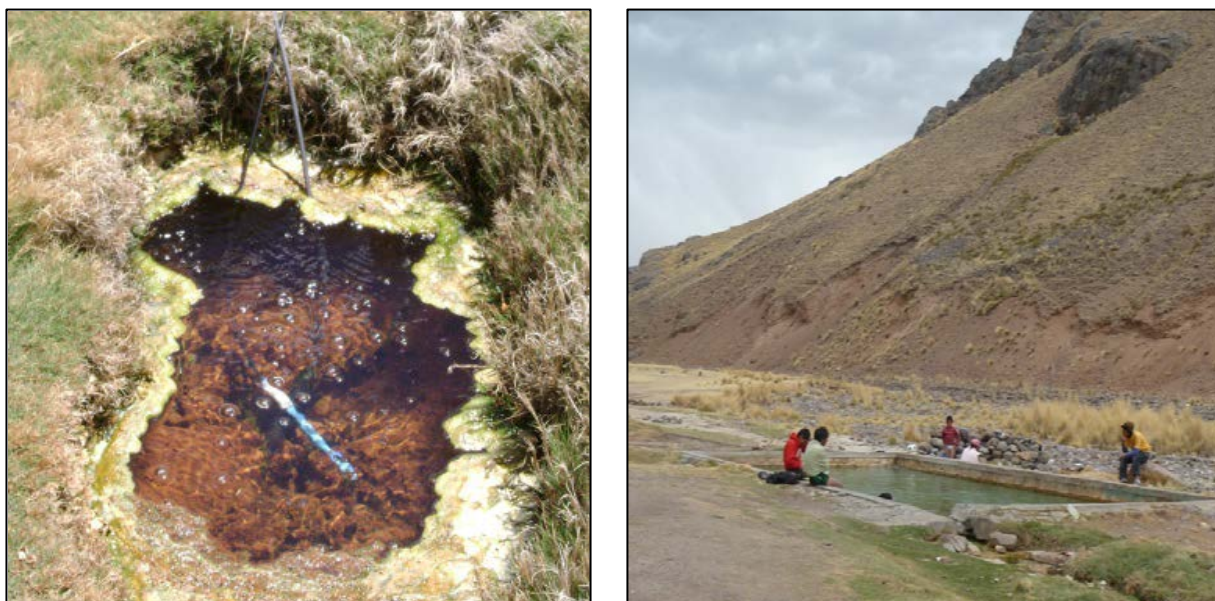


Fig. 3 Coñicmayo hot springs

About Hot Rock Limited

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 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. Energy Development Corporation (EDC), the largest geothermal company in the world is entering into a joint venture with HRL to fund two projects in Chile and two projects in Peru.

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