



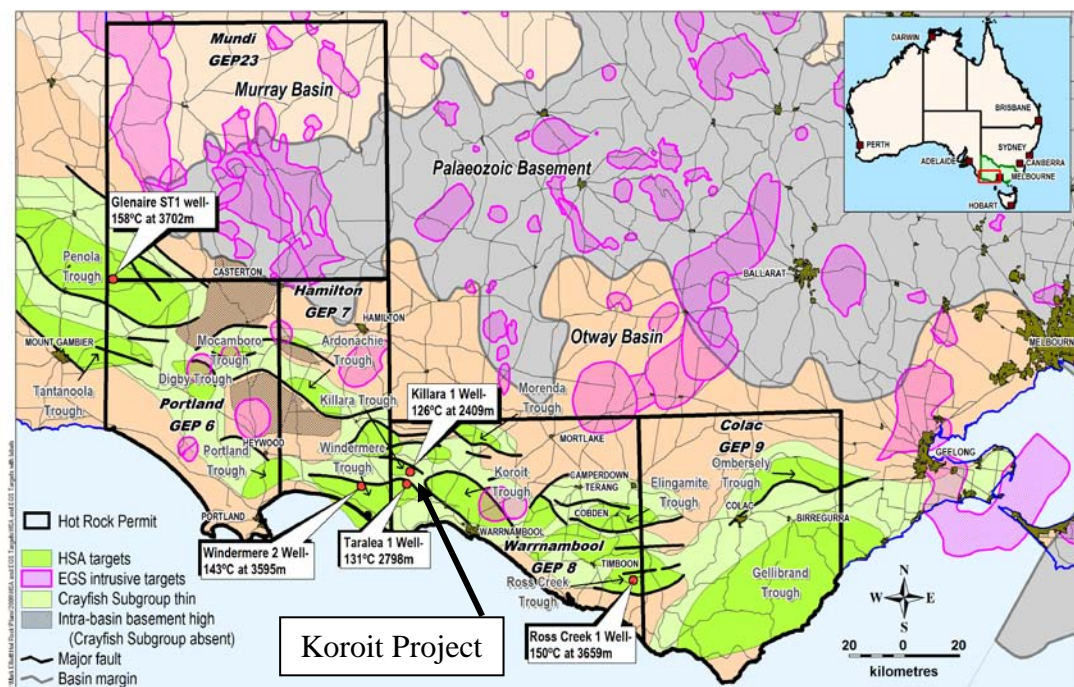
## ASX/Media ANNOUNCEMENT

14 August 2009

# Application for \$7 million Australian Government grant accepted for Koroit Project

Hot Rock Limited (“HRL”) (ASX code HRL) is pleased to announce that it has been advised by the Department of Resources, Energy and Tourism (DRET) that our Geothermal Drilling Program grant application for \$7 million meets all the required criteria. It will now proceed to a full merit assessment.

HRL is focussed on developing base load renewable geothermal energy from Hot Sedimentary Aquifer (HSA) projects in our permits located in the Otway Basin, Victoria. Figure 1 shows that these permits contain numerous sedimentary troughs, which have thick accumulations (>500m thick) of porous rocks that are full of hot water (geothermal reservoir). HRL has free access to an extensive database from over 180 petroleum and water wells as well as over 9,000 line kilometres of seismic data. Direct measurement of temperatures between 126°C and 158°C has been recorded from existing petroleum wells between depths of 2,400m and 3,700m. Importantly, these temperatures are suitable for generating geothermal power using modern available binary cycle power plant technology.



**Figure 1:** HRL's five Geothermal Exploration Permits (GEP's) in the Otway Basin, Victoria, showing measured temperature and depths in the target HSA reservoir (green)

In addition, these projects are located near existing transmission lines and the South Australian and Victorian electricity markets. The most prospective of these troughs for Hot Sedimentary Aquifer (HSA) geothermal development is located over a 450 sq km geothermal resource that has been delineated near Koroit.

The application that HRL has submitted to DRET is for the drilling and testing of two "proof of concept" wells in the Koroit geothermal resource. These wells are designed to measure the temperature and well flow rate of the geothermal reservoir from a depth of 2500m to 3500m. HRL has secured a suitable rig and drilling slot from MB Century Drilling to complete the proof of concept drilling and testing program. We expect to spud the Koroit KG1 well in early 2010 and are planning to spud Koroit KG2 well immediately following a successful KG 1 well.

The completion of two wells will enable HRL to advance quickly through the "proof of concept stage" of the Koroit Project and to complete well flow testing and a feasibility study to commence installation of a pilot plant in late 2010. Successful performance of the pilot plant will enable HRL to move quickly into the development of larger geothermal plants in the project area.



Mark Elliott  
**Managing Director**

**For further information please contact:**

**Dr Mark Elliott,**  
Managing Director,  
**+61 7 3212 6200 or 0409 998 840**  
[mark.elliott@hotrockltd.com](mailto:mark.elliott@hotrockltd.com)

or  
Kevin Kartun or Brian Mahoney, FCR (Financial & Corporate Relations)  
(02) 8264 1003

or visit the website [www.hotrockltd.com](http://www.hotrockltd.com)