GREEN ROCK ENERGY LIMITED
(ABN 59 094 551 336)

MANAGING DIRECTOR'S ADDRESS
DELIVERED AT THE ANNUAL GENERAL MEETING
HELD ON 26 NOVEMBER 2007 AT 2.30PM, THE UNIVERSITY CLUB,
UNIVERSITY OF WESTERN AUSTRALIA

LADIES AND GENTLEMEN,

I am pleased to welcome you all this afternoon to Green Rock Energy's Annual General Meeting and especially pleased to welcome Dr Jörg Baumgärtner to his first Annual General Meeting as a Director of Green Rock Energy.

In 2005 Green Rock Energy switched its focus to become a major producer of clean renewable geothermal energy.

This was timely. Increasing concerns about CO_2 emissions has meant that our activities are strongly aligned with the public concerns about the green house gas emissions from fossil fuel energy sources. The newly elected Federal Labour Government's geothermal energy policy incentives, announced earlier this month, has considerable potential to assist us with our Australian projects. I will explain how in a few minutes.

Much of what I will say today has been covered in our Annual Report. However, I will provide a brief overview.

During the year we commenced operations in Hungary, carried out various studies at Olympic Dam in preparation for deep drilling and added two new project areas in Australia. This is in line with our objective to build a portfolio of commercial geothermal projects.

At our Olympic Dam Project in South Australia, the CSIRO carried out work on our core, and geophysical logs, from Blanche No.1 well which we have drilled to over 1.9km deep. The CSIRO identified a geological stress regime which should favour horizontal fluid flow in the hot granites. They suggested that this result is positive for the project and will allow a maximum distance between the deep production and injection wells.

GeothermEx, a leading international geothermal consulting company specialising in resource estimation, carried out a study on our Olympic Dam project to determine the potential well productivity at various depths. Their findings were also encouraging as they estimated the potential net power output from each production well. The actual net power output we achieve will be dependent upon the water flow rates that can be circulated through the hot rocks. Our next step is to carry out a hydrofracture stress measurement (previously referred to by us as a "mini-frac") in the Blanche No. 1 well. This hydrofracture, in which water is pumped into the hot rocks under pressure, will measure the magnitude of the pressure required to open existing fractures, cracks or zones of weakness, in the hot

granites 2 km below the surface. We were hoping to carry out this hydrofracture stress measurement this month but delays with equipment procurement, a common problem it seems worldwide at present, means we are now expecting the work to be carried out this coming January. The results will be used in the design of the two deep wells, to be drilled to approximately 5km, the fracture stimulation connecting the wells and associated water circulation testing between these wells.

Given success, the water circulating between the wells will be used to drive a 3 to 5 MWe pilot power plant, which will complete the evaluation stage of the Project. The design and development of the commercial power plant will then occur, based on the findings from the drilling, water circulation testing and the pilot power plant.

The location of Olympic Dam is a major commercial advantage. The project is located only a few kilometres from BHP Billiton's giant Olympic Dam mine and the high voltage power line connected to the national electricity grid. Another key advantage is the amount of valuable data which we have acquired by agreement with WMC, or now, BHP Billiton.

In line with our intention to increase our portfolio of attractive geothermal energy projects, in recent months we have added two new project areas to our holdings in South Australia. The Upper Spencer Gulf geothermal exploration licences, totalling 1,938 sq kms, have been acquired for purposes of using geothermal energy as the energy source to desalinate sea water. This is the first project in Australia specifically aimed at using geothermal energy directly for sea water desalination. The heat recovered from the geothermal water will be used directly to desalinate seawater using the distillation process. By using the heat from the geothermal water as the direct energy source for the desalination plant, the process does not lose some of the energy by first having to converting it to electricity to drive a reverse osmosis desalination process. We are working with the University of Western Australia and the CSIRO in combining the use of geothermal energy with water desalination. This is a new project for us which we are pursuing vigorously.

The Company also acquired three geothermal exploration licences, totalling 1,483 sq kms in the Patchawarra Trough in the Cooper Basin, South Australia. The Patchawarra Trough contains geological formations which are prospective for high flows of hot geothermal water. These are considered potentially suitable for generation of geothermal electrical energy by pumping the hot water from sedimentary aquifers using conventional pumps. The aquifers in the trough reach a thickness in excess of 1,200m in this location. These thick, deep aquifers have the potential to contain high temperature water flows suitable for conventional geothermal energy production.

This time last year we had taken our first step outside Australia when we entered into a Joint Venture in Hungary with two strong international energy companies. Our aim is to build up a pipeline of power projects in Hungary.

I understand we were the first Australian geothermal energy company to venture outside Australia. We went to Hungary as it has some of the hottest natural waters in Europe and a pricing and marketing regime which is attractive for electricity generated from geothermal energy. Our Joint Venture, in which we have a 32% interest, gives us access to a wealth of existing technical data and data acquired from thousands of wells owned by our Hungarian Venturer, MOL. This is a considerable advantage as it saves us and our co-venturers considerable time and money for the acquisition of the data needed for the selection of our target sites.

In January this year the Joint Venture re-entered two unused deep wells, drilled for petroleum many years ago, in Zala County in the west of Hungary, and carried out short term geothermal water production testing of the naturally hot water discovered in the wells. The wells are now suspended for possible future use as the water did not flow at a sufficient rate to generate electricity economically, but as expected, the geothermal water produced was of good quality and suitable temperature. We are expecting a refund very soon from the Geofund of around $1.3 million for our share of costs incurred. The Geofund is a technical risk insurance set up and implemented jointly by the World Bank and the IFC for geothermal energy projects in Central Europe.

The Joint Venture's technical team has selected two areas in Hungary for the next two projects with the plan to commence drilling and testing next year. We are very encouraged by the work undertaken by the technical team and are confident of participating in the first geothermal power plant in Hungary.

Other notable events in the last financial year include:

The appointment of Dr Jörg Baumgärtner to our Board. Jörg's background, in both conventional and engineered geothermal systems, will be invaluable and will provide a considerable advantage to the Company. Jörg is a member of the management and supervisory boards of the Soultz Geothermal Project in France, which is the foremost engineered geothermal system project in Europe. In addition, last week he successfully commissioned the development of Germany's first electricity plant powered by geothermal energy. This is an exciting milestone in the global geothermal energy scene.

We have also appointed three leading renewable energy consultants to assist us both in Australia and abroad.

- Roy Baria, a geophysicist and engineer, worked alongside Jörg Baumgärtner at the Soultz geothermal project, where he was Scientist in Charge. Roy specialises in seismic profiling and geothermal reservoir engineering.
- Ian Campbell, until May a senator in the Australian Federal Government and Minister for Environment and Heritage.
- Jeff Harding, the former CEO of Pacific Hydro, one of Australia's leading renewable energy companies, oversaw the dynamic growth of Pacific Hydro, which included the successful completion of major wind and hydro projects in Australia and overseas.

The Company is pleased that it has continued its good record of health and safety with no reports of lost time injuries for employees or contractors and no breaches of environmental compliance requirements.

During the financial year the Company raised around $5.3 million dollars mainly to fund the Hungarian project. As mentioned we expect a refund of about $1.3 million from the Geofund very soon and we have options over our shares which mature in April which should bring in $4 million.

Once again we would like to thank our team of capable employees and key consultants for their valuable contributions and dedication at a time when there are shortages of skilled people. At last year's AGM the shareholders approved a share option scheme for employees and key contractors to recognise their ability and contributions to the success of

the Company and to assist the Company to attract and retain competent staff in this climate where skills shortages have become an issue for many industries. We have sought the approval today of our shareholders for the allocation of options under this scheme.

To summarise, I am pleased to report that substantial progress has been made in the past year towards building a portfolio of geothermal projects in alignment with Green Rock Energy's mission to become a major producer of clean renewable geothermal energy. We also stand to benefit from the new Federal Government's policy to support geothermal energy and its stated intention to have Australia sign the Kyoto protocol. The new government announced that $50 million of a Renewable Energy Fund will be allocated to assist geothermal energy companies with the cost of drilling geothermal production wells. The funds will be provided as a dollar for dollar subsidy up to a $5million grant per well, with individual companies eligible for up to two grants each. We see this as positive for the geothermal industry generally and Green Rock Energy in particular.

I thank you for your past support, and I am confident we can all look forward to a rewarding future.

Adrian Larking
Managing Director

26 November 2007