

Green Rock Energy Limited

ACN 094 551 336

NOTICE OF ANNUAL GENERAL MEETING

For an Annual General Meeting to be held on

Monday 26 November 2007 at 2.30 pm

(Australian Western Daylight Time)

at The University Club of Western Australia,

Hackett Drive, Crawley, Perth, Western Australia.

This is an important document. Please read it carefully.

If you are unable to attend the Annual General Meeting,
complete the form of proxy enclosed and return it in accordance
with the instructions set out on that form.



TIME AND PLACE OF MEETING AND HOW TO VOTE

Venue

The Annual General Meeting of the shareholders of Green Rock Energy Limited will be held at:

The University Club of Western Australia, Hackett Drive, Crawley, Perth, Western Australia

on Monday 26 November 2007 commencing at 2.30pm (Australian Western Daylight Time).

How to Vote

You may vote by attending the meeting in person, by proxy or authorized representative.

Voting in Person

To vote in person, attend the meeting on the date and at the place set out above. The meeting will commence at 2.30pm.

Voting by Proxy

To vote by proxy, please complete and sign the form enclosed with this Notice of Annual General Meeting as soon as possible and either:

- Send the proxy by facsimile to the Company on facsimile number (08) 9482 0499 (International: + 61 8 9482 0499); or
- Deliver to Unit 6, 38 Colin Street, West Perth, Western Australia, 6005 Australia; or
- Post to PO Box 1177, West Perth, Western Australia, 6872 Australia.

so that it is received no later than 2.30 pm (Australian Western Daylight Time) on Friday 23 November 2007.

Your proxy form is enclosed

Green Rock Energy Limited

ACN 094 551 336

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Green Rock Energy Limited will be held in the Formal Dining Room, Level 1, The University Club of Western Australia, Hackett Drive (Entrance No1), Crawley, Perth, Western Australia, commencing at 2.30 pm (Australian Western Daylight Time) on Monday 26 November 2007.

AGENDA

ORDINARY BUSINESS

1. Annual Accounts

To receive, consider and adopt the financial report of the Company for the year ended 30 June 2007 and the reports by the Directors and Independent Auditor.

Short Explanation: In accordance with section 317 of the Corporations Act, the Company must lay the Annual Accounts (being the Financial Report, the Director's Report and the Auditor's Report) before the Company at the annual general meeting.

2. Resolution 1 - Adoption of Remuneration Report

To consider and, if thought fit, to approve the following resolution as an **ordinary resolution**:

"That shareholders of the Company adopt the Remuneration Report for the financial year ended 30 June 2007 in the Company's annual financial report for the same period."

Note: The vote on this resolution is advisory only and does not bind the Directors of the Company.

Short Explanation: In accordance with section 250R(2) of the Corporations Act, the Remuneration Report must be put to a vote of the Company. In accordance with section 250R(3), the vote is advisory only.

3. Resolution 2 - Re-election of Dr Jörg Baumgärtner as a Director

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Dr Jörg Baumgärtner, being a Director of the Company who was appointed subsequent to the last annual general meeting of the Company pursuant to clause 13.4 of the Company's Constitution, being eligible, be re-elected as a Director of the Company."

Short Explanation: Dr Jörg Baumgärtner was in accordance with the Company's Constitution appointed by the Directors as an additional Director to the board. In accordance with the Company's Constitution, Dr Baumgärtner only holds office until the next annual general meeting, and is to be re-elected at that meeting.

4. Resolution 3 - Re-election of Mr. Alan Knights as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr. Alan Knights, being a Director of the Company, retiring by rotation in accordance with clause 13.2 of the Company's Constitution, being eligible and offering himself for re-election, be re-appointed as a Director of the Company."

Short Explanation: The Constitution requires that at the Annual General Meeting, one third of the Directors for the time being shall retire from office. A retiring Director is eligible for re-election.

5. Resolution 4 - Ratification of Allotment and Issue of Shares

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That for the purposes of Listing Rule 7.4 of the Listing Rules of the Australian Securities Exchange and for all other purposes, the Company approves and ratifies the allotment and issue of 12,000,000 Shares at an issue price of 11 cents each on 11 September 2007 to raise \$1,320,000, to the parties and otherwise on the terms set out in the Explanatory Memorandum accompanying this Notice of Meeting.”

Short Explanation: Resolution 4 seeks shareholders approval to ratify the allotment and issue of 12,000,000 Shares at 11 cents per share, which was completed on 11 September 2007.

For the purposes of Resolution 4, the Company will disregard any votes cast on Resolution 4 by persons who participated in the issue and any associate of those persons. However, the Company will not disregard a vote if:

- *it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;*
- *or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

6. Resolution 5 - Grant of Options to Mr. Alan Knights

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange and section 208 of the Corporations Act and for all other purposes, the Directors be and are hereby authorised to grant and issue to Mr. Alan Knights a total of 750,000 options for no consideration, half vesting on 26 November 2008 and the balance on 26 November 2009, expiring on 26 November 2011 and exercisable at a price, rounded up to the next whole cent, which is 20% above the average of the closing prices of Green Rock Energy Limited shares in the month preceding 26 November 2007, and otherwise granted on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this notice.”

Short Explanation: The Company has given notice through an announcement to the ASX of its intention to issue 750,000 options to acquire ordinary shares each with an exercise price, rounded up to the next whole cent, which is 20% above the average of the closing prices of the Company's shares on the ASX in the month preceding 26 November 2007 to Mr. Alan Knights (Executive Director) as a performance incentive and that this matter would be put before shareholders for approval at their next general meeting. This is the first general meeting since the announcement of the intention by the Company.

The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 5 by Mr. Alan Knights and any associates of Mr. Knights. However, the Company need not disregard a vote if:

- *it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; and*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

7. Resolution 6 - Grant of Options to Mr. Adrian Larking

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange and section 208 of the Corporations Act and for all other purposes, the Directors be and are hereby authorised to grant and issue to Mr. Adrian Larking a total of 1,000,000 options for no consideration, half vesting on 26 November 2008 and the balance on 26 November 2009, and each expiring on 26 November 2011, exercisable at a price, rounded up to the next whole cent, which is 20 % above the average of the closing price of Green Rock Energy Limited shares in the month preceding 26 November 2007 and otherwise granted on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this notice.”

Short Explanation: The Company has given notice by announcement to the ASX of its intention to issue 1,000,000 options to acquire ordinary shares each with an exercise price, rounded up to the next whole cent, which is 20% above the average of the closing price of the Company's shares on the ASX in the month preceding 26 November 2007 to Mr. Adrian Larking (Managing Director) as a performance incentive and that this matter would be put before shareholders for approval at their next general meeting. This is the first general meeting since the announcement by the Company.

The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 6 by Mr. Adrian Larking and any associates of Mr. Larking. However, the Company need not disregard a vote if:

- *it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; and*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

8. Resolution 7 - Grant of Options to Mr Scott Spencer

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange and section 208 of the Corporations Act and for all other purposes, the Directors be and are hereby authorised to grant and issue to Mr. Scott Spencer a total of 300,000 options for no consideration, half vesting on 26 November 2008 and the balance on 26 November 2009, and each expiring on 26 November 2011 and exercisable at a price, rounded up to the next whole cent, which is 20 % above the average of the closing price of Green Rock Energy Limited shares on the ASX in the month preceding 26 November 2007, and otherwise granted on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this notice.”

Short Explanation: The Company has advised of its intention by ASX announcement to issue 300,000 options to acquire ordinary shares each with an exercise price, rounded up to the next whole cent, which is 20% above the average of the closing price of the Company's shares on the ASX in the month preceding 26 November 2007 each to Mr. Scott Spencer (Non-Executive Director) as a performance incentive and that this matter would be put before shareholders for approval at their next general meeting. This is the first general meeting since the announcement by the Company.

The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 7 by Mr. Scott Spencer and any associates of Mr. Spencer. However, the Company need not disregard a vote if:

- *it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; and*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

9. Resolution 8 - Grant of Options to Dr Jörg Baumgärtner

To consider and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 10.11 of the Listing Rules of the Australian Securities Exchange and section 208 of the Corporations Act and for all other purposes, the Directors be and are hereby authorised to grant and issue to Dr Jörg Baumgärtner a total of 1,000,000 options for no consideration, half vesting on 25 April 2008 and the balance on 25 April 2009, and each expiring on 25 April 2011 and exercisable at \$0.11, and otherwise granted on the terms and conditions set out in Annexure B to the Explanatory Memorandum accompanying this notice.”

Short Explanation: The Company has advised of its intention by ASX announcement to issue 1,000,000 options to acquire ordinary shares at an exercise price of \$0.11 each to Dr Jörg Baumgärtner (Non-Executive Director) as part of his employment contract and that this matter would be put before shareholders for approval at their next general meeting. This is the first general meeting since the announcement by the Company.

The Company will in accordance with section 224 of the Corporations Act 2001 disregard any votes cast on Resolution 8 by Dr Jörg Baumgärtner and any associates of Dr Baumgärtner. However, the Company need not disregard a vote if:

- *it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; and*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

10. Resolution 9 - Remuneration of Non-Executive Directors

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

“That pursuant to clause 13.7 of the Constitution and for all other purposes, the Company approves and authorizes the payment of an aggregate maximum of \$300,000 per annum to its Non-Executive Directors”

Short Explanation: Resolution 9 seeks shareholders approval to set the aggregate maximum annual amount that can be paid to Non-Executive Directors as \$300,000.

Clause 13.7 of the Constitution requires that Directors total remuneration does not exceed the fixed annual maximum approved by shareholders in general meeting from time to time.

The Company will disregard any votes cast on Resolution 9 by a director of the Company and any associates of a director of the Company. However, the Company need not disregard a vote if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

11. General

To transact any business which may lawfully be brought forward.

Dated the 19 day of October 2007.

By order of the Board

Nigel Hodder

Company Secretary

Notes:

- 1 Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.
- 2 A shareholder of the Company who is entitled to attend and vote at a general meeting of shareholders is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each must be appointed to represent a specified proportion of the shareholders voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
- 3 A proxy may but need not be a shareholder of the Company.
- 4 The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer of his attorney duly authorised.
- 5 The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the Registered Office of the Company at least 48 hours prior to the meeting. For the convenience of shareholders a Proxy Form is enclosed.
- 6 Where a voting exclusion applies, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form to vote as the proxy decides or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
- 7 For the purposes of section 1047E(2) of the Corporations Act and regulation 7.11.37 of the Corporations Regulations, the Company determines that members holding ordinary shares at 2.30 pm (Australian Western Daylight Time) on 24 November 2007 will be entitled to attend and vote at the Annual General Meeting.
- 8 Please note defined terms used in this Notice of Annual General Meeting have the meanings set out in the Glossary of the Explanatory Memorandum accompanying this Notice.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum is intended to provide shareholders of the Company with sufficient information to assess the merits of each resolution contained in the accompanying Notice of Annual General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Memorandum and its Annexures in full before making any decision in relation to the resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice of Meeting.

1. ANNUAL ACCOUNTS

Shareholders will be given an opportunity to ask questions of the Directors and the Auditors in relation to the Financial Statements and Reports of the Company for the year ended 30 June 2007 at the Annual General Meeting.

2. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

Section 298 of the Corporations Act requires that the annual Directors' Report contain a Remuneration Report prepared in accordance with section 300A of the Corporations Act.

By way of summary, the Remuneration Report:

- (a) sets out the Company's policy and the process for determining the remuneration of its executive officers and Directors;
- (b) addresses the relationship between the remuneration of the Company's executive officers and the performance of the Company; and
- (c) sets out remuneration details for each Director and each of the executive officers of the Company named in the Remuneration Report for the financial year ended 30 June 2007.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. Pursuant to section 250R(3), the vote on this resolution is advisory only and does not bind the Board or the Company.

The Directors recommend that shareholders vote in favour of Resolution 1.

3. RESOLUTION 2 - RE-ELECTION OF DR JORG BAUMGARTNER AS A DIRECTOR

Resolution 2 seeks approval of the re-election of Dr Baumgärtner as a Director with effect from the end of the meeting.

The Constitution (clause 13.4) requires that a Director who was appointed subsequent to the last annual general meeting of the Company will hold office until the next following general meeting and is then eligible for re-election but is not taken into account in determining the Directors who are to retire by rotation at that meeting.

The last annual general meeting of the Company was held on 27 November 2006 and Dr Baumgärtner was appointed on 25 April 2007. He is eligible and offers himself for re-election.

Dr Baumgärtner is a leading practitioner of the development and production of geothermal energy from Enhanced Geothermal Systems (EGS) or Hot Dry Rocks. He is based in Germany and is the Chief Executive Officer of BESTEC GmbH and BESTEC Drilling GmbH companies involved in European deep geothermal projects.

He is a member of both the Management and Supervisory boards of the Soultz Geothermal power project in Soultz-sous-Florets, the foremost EGS project in Europe. He is also responsible for the recent development and commissioning of the Landau geothermal power project in Germany.

4. RESOLUTION 3 - RE- ELECTION OF MR ALAN KNIGHTS AS A DIRECTOR

Resolution 3 seeks approval for the re-election of Mr. Alan Knights as a Director with effect from the end of the meeting.

The Constitution requires that at an Annual General Meeting of the Company one third of the Directors for the time being shall retire from office or, if their number is not a multiple of three, then such number as is appropriate to ensure that no Director holds office for more than 3 years, shall retire from office.

Mr. Knights retires from office in accordance with this requirement and submits himself for re-election.

Mr. Knights holds a Bachelor of Economics and Master of Business Administration degrees. He is a Certified Practising Accountant with 30 years experience in the finance and mining industries. He has held the position of Group Treasurer, Company Secretary and General Manager Finance at Western Mining Corporation (now BHP Billiton Limited) and Chief Financial Officer of Perilya Limited.

Mr. Knights' focus is on financial management and commercial development.

5. RESOLUTION 4 - RATIFICATION OF ALLOTMENT AND ISSUE OF SHARES

Resolution 4 seeks Shareholders approval of the allotment and issue of 12,000,000 Shares at 11 cents per share, which was completed on 11 September 2007.

Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a Company's maximum discretionary power to issue further shares up to 15% of the issued capital of the Company without requiring shareholder approval.

For Shareholders to subsequently approve an issue of Shares, the Company must provide the following information:

- a) the number of Shares allotted and issued was 12,000,000;
- b) the price at which the Shares were issued was 11 cents each;
- c) the Shares allotted and issued were fully paid ordinary shares which rank equally with all other Shares on issue;
- d) the names of the allottees are:

Allottee	Shares
Mr D W Browne	282,092
Mr M W Browne	100,000
Mr P F and Mrs D M Chapman	90,909
Mrs R A Coleman	200,000
Cosmick Pty Ltd	1,363,636
Mr B J and Mrs J K Dunn	90,909
Mr R L and Mrs H R Foster	181,818
Framelb Pty Ltd	100,000
Stephanie Grose Advertising Pty Ltd	90,909
Mr J H Hendrich and Ms D J Rhyon	340,910
Jamason Pty Ltd	909,091
Mr D T Lockhart	227,273
Mr G Mocatta and Ms J Spencer	272,727

Allottee	Shares
Nelcan Pty Ltd	681,818
Nezley Pty Ltd	227,000
Mr P T Reilly	1,363,636
Mrs J A Sarti and Mr R H Sarti	90,909
Silver Hammer Nominees Pty Ltd	90,909
Stardoor Pty Ltd	454,546
Mr T and Mrs E Stella	454,545
Mr M J Toll	363,636
Vallelonga International Pty Ltd	90,909
P J Woodford Pty Ltd	681,818
Mr J Harding	250,000
Calm Holdings Pty Ltd	3,000,000
Total	12,000,000

None of the allottees listed in the above are associates or related parties of the Company; and

e) the funds raised will be used for working capital.

6. RESOLUTIONS 5, 6 and 7 - GRANT OF OPTIONS TO MR ALAN KNIGHTS, MR ADRIAN LARKING, AND MR SCOTT SPENCER

The purpose of Resolution 5 is to approve and authorize the grant and issue to Executive Director, Mr. Knights, of 750,000 Options, half vesting on 26 November 2008 and the balance vesting on 26 November 2009, and each expiring on 26 November 2011 and exercisable at a price, rounded up to the next whole cent, 20% above the average of the closing prices of the Company's shares on the ASX one month prior to 26 November 2007, and otherwise granted on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this notice.

The purpose of Resolution 6 is to approve and authorize the grant and issue to Managing Director, Mr. Larking, of 1,000,000 Options, half vesting on 26 November 2008 and the balance vesting on 26 November 2009, and each expiring on 26 November 2011 and exercisable at a price, rounded up to the next whole cent, 20% above the average of the closing prices of the Company's shares on the ASX one month prior to 26 November 2007, and otherwise granted on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this notice.

The purpose of Resolution 7 is to approve and authorize the grant and issue to Non-Executive Director, Mr. Spencer, of 300,000 Options, half vesting on 26 November 2008 and the balance on vesting 26 November 2009, and each expiring on 26 November 2011 and exercisable at a price, rounded up to the next whole cent, 20% above the average of the closing prices of the Company's shares on the ASX one month prior to 26 November 2007, and otherwise granted on the terms and conditions set out in Annexure A to the Explanatory Memorandum accompanying this notice.

The grant of Options is designed to encourage the recipients to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

Under the Company's current circumstances the Directors consider that the incentives to the parties noted above, represented by these Options, are a cost effective and efficient reward and incentive for the Company, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

Shareholders should note that for the reasons noted above, it is proposed to grant the Options to Mr. Spencer, a Non-Executive Director, notwithstanding Guideline 8.2 of the ASX Corporate Principles and Recommendations which guideline provides that non-executive directors should not receive options.

In the event the Options are exercised, the following amount will need to be paid to the Company

Mr. Alan Knights	exercise price multiplied by 750,000
Mr Adrian Larking	exercise price multiplied by 1,000,000
Mr. Scott Spencer	exercise price multiplied by 300,000

Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving financial benefit to a related party of the public company unless either:

1. the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
2. prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Mr. Knights, Mr. Larking and Mr Spencer are considered to be related parties of the Company as they are Directors of the Company.

Resolutions 5, 6 and 7 provide for the grant of Options to Directors of the Company which constitute the giving of financial benefits to related parties and therefore require Shareholder approval.

Current Holdings

Set out below are details of Mr. Knights', Mr Larking's and Mr Spencer's interests (including any indirect holdings held in the name of the respective associates of Mr. Knights, Mr Larking and Mr Spencer) in the securities of the Company as at the date of this Notice:

Director	Shares	Options
Alan Knights	2,318,232	2,771,993
Adrian Larking	9,500,000	984,375
Scott Spencer	NIL	500,000

Information requirements

For the purposes of Chapter 2E of the Corporations Act the following information is provided.

The related party to whom the proposed resolution would permit the financial benefit to be given:

Subject to shareholder approval, the following maximum number of Options will be granted to the following related parties or their respective nominees:

Name of Related Party	Number of Options
Alan Knights	750,000
Adrian Larking	1,000,000
Scott Spencer	300,000
Total	2,050,000

In respect of the 2,050,000 Options to be granted to Mr. Knights, Mr. Larking and Mr. Spencer, the exercise price will be 20% above the average of the closing prices on the ASX of the Company's shares in the month preceding the date of this Meeting, rounded up to the next whole cent.

The Nature of the Financial Benefit

The proposed financial benefit to be given is the grant of Options for no consideration to Mr. Knights, Mr. Larking and Mr. Spencer as noted above. The terms and conditions of the Options to be granted to Mr. Knights, Mr. Larking and Mr. Spencer are set out in Annexure A to this Explanatory Memorandum.

Directors' Recommendation

All the Directors were available to make a recommendation on Resolutions 5, 6 and 7 for the reasons noted above.

Messrs Larking, Spencer and Baumgärtner (who have no interest in the outcome of Resolution 5) recommend Shareholders vote in favour of Resolution 5. Mr. Knights declines to make a recommendation about Resolution 5 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed issue of options to him individually.

Messrs Baumgärtner, Knights, and Spencer (who have no interest in the outcome of Resolution 6) recommend Shareholders vote in favour of Resolution 6. Mr. Larking declines to make a recommendation about Resolution 6 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed issue of options to him individually.

Messrs Baumgärtner, Knights, and Larking (who have no interest in the outcome of Resolution 7) recommend Shareholders vote in favour of Resolution 7. Mr. Spencer declines to make a recommendation about Resolution 7 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed issue of options to him individually.

Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors

The proposed ordinary resolutions would have the effect of giving power to the Directors to grant 2,050,000 Options on the terms and conditions set out in Annexure A to this Explanatory Memorandum and as otherwise mentioned above.

The Company presently has 159,642,213 issued shares and 40,241,810 listed options on issue (exercisable at 10 cents on or before 18 April 2008). The Company also has the following unlisted options on issue:

Number of options on issue	Exercise Price	Expiry Date
3,500,000	15 cents	28 November 2008
2,500,000	25 cents	21 November 2009
1,000,000	15 cents	9 August 2010
500,000	7 cents	9 March 2011
300,000	15 cents	30 June 2011

If all the Options granted pursuant to Resolutions 5, 6 and 7 were exercised the effect would be to dilute the shareholding of existing shareholders by 1.28% (assuming that no current Options are exercised, nor are the Options the subject of Resolution 8 exercised).

The market price of the Shares during the period of the Options will normally determine whether or not Option holders exercise their Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Shares may be trading at a price which is higher than the exercise price of the Options.

The following table gives details of the highest, lowest and latest price of the Company's Shares trading on ASX over the last 12 months:

Security	Highest Price	Date of Highest Price	Lowest Price	Date of Lowest Price	Latest Price on 15 October 2007
Shares	20.5 cents	21 June 2007	3.7 cents	21 March 2007	12.5 cents

Mr. Knights, Mr. Larking and Mr. Spencer's base salaries per annum (including superannuation) and the total financial benefits to be received by them in this current period as a result of the grant of Options the subject of Resolutions 5, 6 and 7 are as follows:

Director	Base Salary p.a.	Superannuation p.a.	Value of Options*	Total Financial Benefit
Alan Knights	\$183,486	\$16,514	\$69,256	\$269,256
Adrian Larking	\$206,422	\$18,578	\$92,341	\$317,341
Scott Spencer	\$45,872	\$4,128	\$27,703	\$77,703

*Note: An explanation of how the Value of Options is determined is noted below

Value of Options

The Company's advisers have valued the Options to be granted to the directors using the binomial method of valuation. The value of an Option calculated by this method is a function of a number of variables. Their assessment of the value of the Options has been prepared using the following variables:

Variable	Input
Grant Date	26 November 2007
Spot Price	12 cents per share
Exercise Price	15 cents per share
Risk Free Rate	6.21%
Volatility Range	117.59% to 127.83%
Expiry Date	26 November 2011
Vesting Dates	50% of the options on 26 November 2008 50% of the options on 26 November 2009
Expected Dividends	Nil

For the purposes of this valuation the Company's advisers have assumed 26 November 2007 as the grant date. For the share price, the advisors have assumed 12 cents. For the exercise price the advisors have assumed 15 cents, being 20% above the spot price, rounded up to the next whole cent. It has also been assumed that a volatility level of 117.59% to 127.83% is appropriate. Based on the variables and the assumptions, it is considered that the estimated value of Options to be granted to Mr. Knights, Mr Larking and Mr. Spencer is 9.23 cents per Option.

Accordingly, the total value of the 750,000 Options to be granted to Mr. Knights is \$69,256 the total value of the 1,000,000 Options to be granted to Mr. Larking is \$92,341 and the total value of the 300,000 Options to be granted to Mr. Spencer is \$27,703.

The Directors do not consider that from an economic point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits forgone by the Company in granting the Options to Mr. Knights, Mr. Larking and Mr. Spencer.

The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods commencing from 1 July 2005 means that, under AASB2 Share-based Payment, equity-based compensation will be recognised as an expense in respect of the services received.

Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolutions.

Listing Rule 10.11

Listing Rule 10.11 requires Shareholders' approval by ordinary resolution to any issue by a listed company of securities to a related party. Accordingly, Listing Rule 10.11 requires Shareholders to approve the grant of Options to Mr. Knights, Mr Larking and Mr. Spencer under Resolutions 5, 6 and 7.

For the purposes of Listing Rules 10.13, the following information is provided to Shareholders:

- (a) The Options will be granted to Mr. Knights, Mr. Larking and Mr. Spencer and/or their respective nominees.
- (b) The maximum number of Options to be granted to Mr. Knights pursuant to Resolution 5 is 750,000, the maximum number of Options to be granted to Mr. Larking pursuant to Resolution 6 is 1,000,000 and the maximum number of Options to be granted to Mr. Spencer pursuant to Resolution 7 is 300,000.
- (c) The Options will be allotted and granted on one date which will be no later than one month after the date of this Meeting or on such other date as approved by ASX.
- (d) The Options will be granted for no consideration.
- (e) No funds will be raised from the grant of the Options.
- (f) The terms and conditions of the Options are set out in Annexure A to this Explanatory Memorandum.

If approval is given for the grant of the Options to Mr. Knights, Mr Larking and Mr. Spencer under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

7. RESOLUTION 8 - GRANT OF OPTIONS TO Dr JORG BAUMGARTNER

The purpose of Resolution 8 is to approve and authorize the grant and issue to Non-Executive Director, Dr Jörg Baumgärtner of 1,000,000 Options, half vesting on 25 April 2008 and the balance on 25 April 2009, and each expiring on 25 April 2011 and exercisable at a price of 11 cents per share, and otherwise granted on the terms and conditions set out in Annexure B to the Explanatory Memorandum accompanying this notice. The intention of the Company to issue options to Dr Baumgärtner was announced to the Australian Securities Exchange on 5 June 2007.

The grant of Options is designed to give recognition to the value that will be derived from Dr Baumgärtner's expertise in addition to being a performance incentive to strive for the achievement of the Company's objectives by participating in the future growth and prosperity of the Company through share ownership.

Dr Baumgärtner is a leading practitioner of the development and production of geothermal energy from Enhanced Geothermal Systems (EGS) or Hot Dry Rocks. He is a member of both the Management and Supervisory boards of the Soultz geothermal power project which is the foremost EGS project in Europe. He is responsible for the recent development and commissioning of the Landau geothermal power project in Germany.

Under the Company's current circumstances the Directors consider that the incentives to the party noted above, represented by these Options, are a cost effective and efficient reward and incentive for the Company, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

Shareholders should note that for the reasons noted above, it is proposed to grant the Options to Dr Baumgärtner, a Non-Executive Director, notwithstanding Guideline 8.2 of the ASX Corporate Principles and Recommendations which guideline provides that non-executive directors should not receive options.

In the event the Options are exercised, \$110,000 will need to be paid to the Company by Dr Jörg Baumgärtner.

Related Party Transactions

Chapter 2E of the Corporations Act prohibits a public company from giving financial benefit to a related party of the public company unless either:

1. the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
2. prior shareholder approval is obtained to the giving of the financial benefit.

For the purposes of Chapter 2E, Dr Baumgärtner is considered to be related party of the Company as he is a Director of the Company.

Resolution 8 provides for the grant of Options to a Director of the Company which constitutes the giving of financial benefits to related parties and therefore requires Shareholder approval.

Current Holdings

Dr Baumgärtner currently has no interest in the securities of the Company as at the date of this Notice:

Information requirements

For the purposes of Chapter 2E of the Corporations Act the following information is provided.

The related party to whom the proposed resolution would permit the financial benefit to be given

Subject to shareholder approval, a maximum of 1,000,000 Options will be granted to Dr Baumgärtner or his respective nominees:

In respect of the 1,000,000 Options to be granted to Dr Baumgärtner, the exercise price is 11 cents per share.

The Nature of the Financial Benefit

The proposed financial benefit to be given is the grant of Options for no consideration to Dr Baumgärtner as noted above. The terms and conditions of the Options to be granted to Dr Baumgärtner are set out in Annexure B to this Explanatory Memorandum.

Directors' Recommendation

All the Directors were available to make a recommendation on Resolution 8 for the reasons noted above.

Messrs Knights, Larking, and Spencer (who have no interest in the outcome of Resolution 8) recommend Shareholders vote in favour of Resolution 8. Dr Baumgärtner declines to make a recommendation about Resolution 8 as he has a material personal interest in the outcome of that particular Resolution as it relates to the proposed issue of options to him individually.

Other information that is reasonably required by members to make a decision and that is known to the Company or any of its Directors

The proposed ordinary resolution would have the effect of giving power to the Directors to grant 1,000,000 Options on the terms and conditions set out in Annexure B to this Explanatory Memorandum and as otherwise mentioned above.

The Company presently has 159,642,213 issued shares and 40,241,810 listed options on issue (exercisable at 10 cents on or before 18 April 2008). The Company also has the following unlisted options on issue:

Number of options on issue	Exercise Price	Expiry Date
3,500,000	15 cents	28 November 2008
2,500,000	25 cents	21 November 2009
1,000,000	15 cents	9 August 2010
500,000	7 cents	9 March 2011
300,000	15 cents	30 June 2011

If all the Options granted pursuant to Resolution 8 are exercised, the effect would be to dilute the shareholding of existing shareholders by 0.63% (assuming that no current Options are exercised, nor are the Options the subject of Resolutions 5, 6 and 7 exercised).

The market price of the Shares during the period of the Options will normally determine whether or not Option holders exercise their Options. At the time any Options are exercised and Shares are issued pursuant to the exercise of the Options, the Shares may be trading at a price which is higher than the exercise price of the Options.

The following table gives details of the highest, lowest and latest price of the Company's Shares trading on ASX over the last 12 months:

Security	Highest Price	Date of Highest Price	Lowest Price	Date of Lowest Price	Latest Price on 15 October 2007
Shares	20.5 cents	21 June 2007	3.7 cents	21 March 2007	12.5 cents

Dr Baumgärtner's base salary per annum (including superannuation) and the total financial benefits to be received by him in this current period as a result of the grant of Options the subject of Resolution 8 are as follows:

Director	Base Salary p.a.	Superannuation p.a.	Value of Options*	Total Financial Benefit
Dr J Baumgärtner	\$45,872	\$4,128	\$35,000	\$85,000

*Note: An explanation of how the Value of Options is determined is noted below.

Value of Options

The Company's advisers have valued the Options to be granted to Dr Baumgärtner using the binomial method of valuation. The value of an Option calculated by this method is a function of a number of variables. Their assessment of the value of the Options has been prepared using the following variables:

Variable	Input
Grant Date	25 April 2007
Spot Price	5 cents per share
Exercise Price	11 cents per share
Risk Free Rate	6.21%
Volatility Range	117.59% to 127.83%
Expiry Date	25 April 2011
Vesting Dates	50% of the options on 25 April 2008 50% of the options on 25 April 2009
Expected Dividends	Nil

For the purposes of this valuation the Company's advisers have assumed 25 April 2007 as the grant date. For the share price, the advisors have used 5 cents, the average share price in the second half of April 2007. It has also been assumed that a volatility range of 117.59% to 127.83% is appropriate. Based on the variables and the assumptions, it is considered that the estimated value of Options to be granted to Dr Baumgärtner is 3.50 cents per Option.

Accordingly, the total value of the 1,000,000 Options to be granted to Dr Baumgärtner is \$35,000.

The Directors do not consider that from an economic point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits forgone by the Company in granting the Options to Dr Baumgärtner.

The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods commencing from 1 July 2005 means that, under AASB2 Share-based Payment, equity-based compensation will be recognised as an expense in respect of the services received.

Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolutions.

Listing Rule 10.11

Listing Rule 10.11 requires Shareholders' approval by ordinary resolution to any issue by a listed company of securities to a related party. Accordingly, Listing Rule 10.11 requires Shareholders to approve the grant of Options to Dr Baumgärtner under Resolution 8.

For the purposes of Listing Rules 10.13, the following information is provided to Shareholders:

- The Options will be granted to Dr Baumgärtner and/or his respective nominee.
- The maximum number of Options to be granted to Dr Baumgärtner pursuant to Resolution 8 is 1,000,000.
- The Options will be allotted and granted on one date which will be no later than one month after the date of this Meeting or on such other date as approved by ASX.
- The Options will be granted for no consideration.
- No funds will be raised from the grant of the Options.
- The terms and conditions of the Options are set out in Annexure B to this Explanatory Memorandum.

If approval is given for the grant of the Options to Dr Baumgärtner under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

8. RESOLUTION 9 - REMUNERATION OF NON-EXECUTIVE DIRECTORS

Constitution clause 13.7 and Listing Rule 10.17

Clause 13.7 of the Constitution requires that the maximum aggregate annual amount payable to Non-Executive Directors be set from time to time by shareholders in a general meeting.

This amount has not been previously set by the Company.

The Company proposes that \$300,000 be set as the annual maximum amount. Currently, there are only two appointed non-executive directors. The proposed annual maximum amount will enable the appointment, if considered appropriate, of two additional non-executive directors.

GLOSSARY

In this Explanatory Memorandum and the Notice to the Annual General Meeting, the following terms have the following meanings unless the context otherwise requires:

ASX	means ASX Limited ACN 008 624 691, and where the context permits, Australian Securities Exchange operated by ASX Limited.
Board	means the board of Directors of the Company.
Company	means Green Rock Energy Limited ACN 094 551 336.
Constitution	means the constitution of the Company.
Corporations Act	means Corporations Act 2001.
Corporations Regulations	means Corporations Regulations 2001.
Director	means a director of the Company.
Listing Rules	means the Listing Rules of ASX.
Notice	means the Notice of Meeting accompanying this Explanatory Memorandum.
Option	means an option to subscribe for one Share.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a shareholder of the Company.
Vest	means the date from when the holder of an option can exercise the option

ANNEXURE A

TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options the subject of Resolutions 5, 6 and 7 are as follows:

- a) Each Option entitles the holder to one (1) Share in the Company;
- b) 50% of the Options vest on 26 November 2008 and the remaining 50% vest on 26 November 2009
- c) the Options are exercisable at any time on or prior to 5.00 pm (Western Standard Time) on 26 November 2011 (Expiry Date) by completing an option exercise form and delivering it together with the payment for the number of shares in respect of which the Options are exercised to the registered office of the Company;
- d) the Option exercise price per Option is 20% above the average of the closing prices of the Company's shares on the ASX one month prior to 26 November 2007 rounded up to the next whole cent;
- e) an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- f) subject to the Corporations Act, the Listing Rules and the Company's Constitution, the Options are not transferable;
- g) all Shares issued upon the exercise of the Options will rank pari-passu in all respects with the Company's then issued Shares. The Company will apply for quotation of all Shares issued upon exercise of the Options on ASX;
- h) there are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Option holders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue; and
- i) if at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules; and
- j) the Options are not transferable except with the prior consent of the Directors.

ANNEXURE B

TERMS AND CONDITIONS OF OPTIONS

The terms and conditions of the Options the subject of Resolution 8 are as follows:

- a) Each Option entitles the holder to one (1) Share in the Company;
- b) 50% of the Options vest on 25 April 2008 and the remaining 50% vest on 25 April 2009;
- c) the Options are exercisable at any time on or prior to 5.00 pm (Western Standard Time) on 25 April 2011 (Expiry Date) by completing an option exercise form and delivering it together with the payment for the number of shares in respect of which the Options are exercised to the registered office of the Company;
- d) the option exercise price is 11 cents per Option;
- e) an Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised;
- f) subject to the Corporations Act, the Listing Rules and the Company's Constitution, the Options are not transferable;
- g) all Shares issued upon the exercise of the Options will rank pari-passu in all respects with the Company's then issued Shares. The Company will apply for quotation of all Shares issued upon exercise of the Options on ASX;
- h) there are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 business days after the issue is announced. This will give Option holders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue; and
- i) if at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules; and
- j) the Options are not transferable except with the prior consent of the Directors.

PROXY FORM

**APPOINTMENT OF PROXY
GREEN ROCK ENERGY LIMITED
ACN 094 551 336**

2007 ANNUAL GENERAL MEETING

I/We _____

of _____

being a member/members of GREEN ROCK ENERGY LIMITED entitled to attend and vote at the 2007 Annual General Meeting, hereby

appoint _____

Name of Proxy 1

Name of Proxy 2

of _____

Address of Proxy 1

Address of Proxy 2

or failing the person(s) so named or, if no person(s) is/are named, the Chair of the meeting or the Chair's nominee, to vote in accordance with the following directions or, if no directions have been given, at the Annual General Meeting to be held in the Formal Dining Room, Level 1 at The University Club of Western Australia, Hackett Drive (Entrance No 1), Crawley, Perth, Western Australia on Monday 26 November 2007 at 2.30 pm. (Australian Western Daylight Time) and at any adjournment thereof.

Voting on Business of the General Meeting

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of Resolutions 6 and 9, please place a mark in this box.

By marking this box, you acknowledge that the Chair of the meeting may exercise your proxy even if he or she has an interest in the outcome of a Resolution 6 and that votes cast by the Chair of the meeting for Resolutions 6 and 9 other than as proxy holder will be disregarded because of that interest. If you do not mark this box and you have not directed your proxy how to vote, the Chair will cast your votes on Resolutions 6 and 9 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 6 and 9.

The Chairperson intends to vote any undirected proxies in favour of all the Resolutions.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM MAY BE HELD INVALID.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a poll and that your shares are not to be counted in computing the required majority on a poll.

For Against Abstain

Resolution 1 - Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - Re-election of Dr Jörg Baumgärtner as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - Re-election of Mr. Alan Knights as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - Ratification of Allotment and Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 - Grant of Options to Mr. Alan Knights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 - Grant of Options to Mr. Adrian Larking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 - Grant of Options to Mr. Scott Spencer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 - Grant of Options to Dr Jörg Baumgärtner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 - Remuneration of Non-Executive Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



This Proxy is appointed to represent _____ % of my voting right, or if 2 proxies are appointed Proxy 1 represents _____ % and Proxy 2 represents _____ % of my total votes. My total voting right is _____ shares.

Signed this _____ day of _____ 2007

By:

Individuals and joint holders _____ Companies (affix common seal if appropriate)

Signature _____ Director / Individual 1

Signature _____ Director/Company Secretary/Individual 2

Signature _____ Sole Director and Sole Company Secretary

Instructions for Completing ‘Appointment of Proxy’ Form

- a. A shareholder of the Company who is entitled to attend and cast two or more votes at a general meeting of shareholders is entitled to appoint two proxies. When more than one proxy is appointed, such proxy must be allocated a proportion of the members voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
- b. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
- c. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - (i) Directors of the company;
 - (ii) a Director and a company secretary of the company; or
 - (iii) for a proprietary company that has a sole director who is also the sole company secretary - that director

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

- d. Completion of a proxy form will not prevent individual shareholders from attending the Meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy’s authority to speak and vote for that shareholder is suspended while the shareholder is present at the Meeting.
- e. Where a Proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.