

ANNUAL REPORT

GEL 557

LICENCE YEAR 4

**29 June 2013
to
28 June 2014**

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Olympic Dam Geothermal Project

GEL 557

29 June 2013 to 28 June 2014

Licence Year 4

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1. INTRODUCTION

1.1. Background

Exploration for geothermal energy was focussed on stored heat in buried hot rocks surrounding the Olympic Dam mine and in close proximity to high voltage power lines.

1.2. Licence Data & Period

Geothermal Exploration Licence (GEL) 557 was granted on the 29th June 2010 for a period of five years.

This report includes activities on GEL 557 during the period 29th June 2013 to 28th June 2014. This is the fourth annual report for the renewed licence period.

1.3. Licensees

GEL 557 is held 100% by Green Rock Energy Limited. There was no change in the working interest of the licence during the period.

2. WORK REQUIREMENTS

A work program over GEL 557 was approved and entered on the public register on the 29th June 2010. As a result the exploratory operations required to be conducted in GEL 557 are :

Year	Minimum Work Requirements
1	Geological and geophysical studies
2	Shallow drilling and radon/ temperature survey
3	Geological and geophysical studies
4	Geological and geophysical studies
5	Drill one well

On 15 October 2012 a new minimum work program was approved as follows:

Year	Minimum Work Requirements
1	Geological and geophysical studies
2	Geological and geophysical studies
3	Geological and geophysical studies
4	Geological and geophysical studies
5	Drill one well

3. WORK CONDUCTED DURING REPORTING PERIOD

In previous years Green Rock Energy participated in a project to develop a rapid, shallow penetration, heat flow tool and new exploration methodology to map surface heat flow distributions.

Green Rock Energy continued to evaluate previous geological, geophysical and thermal work carried out within the Licence area. No field work was carried out in the Licence area during the reporting period.

4. COMPLIANCE WITH PETROLEUM & GEOTHERMAL ENERGY ACT

4.1. Regulated Activities

No regulated activities were carried out during the report period.

4.2. Compliance

Work carried out during the fourth licence year was evaluation of geological and geophysical including temperature surveys carried out in respect of the licence in previous years. This work was in compliance with the year 4 minimum work requirements.

4.3. Management Systems

Green Rock Energy is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve, the Company has been guided by the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations. The Company has in place a detailed Health, Safety and Environment Management Plan, Occupation Health and Safety Procedures and Emergency Response Procedures to cover the activities of the Company, its contractors and visitors. No significant change was made to these procedures which were initiated in the first licence year.

4.4. Relevant Reports and Data

No reports were completed during the licence period.

The year 3 annual report due for submission by 29/06/2013 was submitted late on 19/11/2013 and resubmitted on 07/02/2014 and in that respect was not in compliance.

4.5. Reportable Incidents

There were no reportable incidents.

4.6. Foreseeable Threats

No material threats have been identified.

ANNEXURE

5. YEAR'S EXPENDITURE (commercial in confidence)