

# **ANNUAL REPORT**

**GELs 244, 245, 246, 247 and 248**

**Term 1 Year 5**

**15 November 2011**

**to**

**14 November 2012**

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## **Upper Spencer Gulf Project**

### **GEL 244, 245, 246, 247 and 248**

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**15 November 2011**

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## 1. INTRODUCTION

### 1.1 Background

The proposed work within the area of the five Geothermal Exploration Licences granted is designed to ascertain the geothermal energy potential of these areas.

### 1.2 Period

Geothermal Exploration Licences GEL 244 (246 km<sup>2</sup>), 245 (341 km<sup>2</sup>), 246 (391 km<sup>2</sup>), 247 (470 km<sup>2</sup>) and 248 (490 km<sup>2</sup>), were granted on 15 November 2007 for an initial term of 5 years each.

This report covers the activities in respect of the above five GELs for year five.

### 1.2 Licence Data

There was no change in the area of the licences during the year.

### 1.3 Licensee

GELs 244, 245, 246, 247 and 248 are held solely by Green Rock Energy Limited.

There was no change in working interests for any of the licences during the reporting period.

## 2. WORK REQUIREMENTS

The minimum work requirements for GELs 244, 245, 246, 247 and 248 were varied and entered into the public record on the 13<sup>th</sup> April, 2012. The new conditions are as follows:

Year	Minimum Work Requirements
1	<ul style="list-style-type: none"><li>• Geological and geophysical studies.</li></ul>
2	<ul style="list-style-type: none"><li>• Geological and geophysical studies.</li><li>• Re- entry (if possible) and geophysical logging of existing drill holes to measure in-situ rock temperatures.</li><li>• Conduct thermal conductivity measurements on existing core samples</li></ul>
3	<ul style="list-style-type: none"><li>• Economic studies.</li></ul>
4	<ul style="list-style-type: none"><li>• Geological and geophysical studies.</li></ul>
5	<ul style="list-style-type: none"><li>• Geological and geophysical studies.</li></ul>

### **3. WORK CONDUCTED**

#### **3.1 Current Work Program**

During the report year, Green Rock Energy reviewed the geothermal and commercial prospectivity of the project. The Company decided the current economic conditions and the results of its exploration of the Licences was not sufficient at this time to encourage more detailed exploration and appraisal necessary for the exploitation and commercialisation of EGS geothermal resources within the Spencer Gulf group of tenements. In consequence the Company has decided not to pursue further geothermal activities in the Spencer Gulf group of licences and to allow the licences to expire.

#### **3.2 Forward Work Commitment**

No further work is expected and the licences will be allowed to expire.

### **4. COMPLIANCE WITH PETROLEUM ACT**

#### **4.1 Regulated Activities**

No field work was carried out within the GELs.

#### **4.2 Compliance**

No instances of non-compliance were noted during the reporting period.

#### **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, contractors and site visitors.

No significant changes were made to these procedures during the reporting period.

#### **4.4 Relevant Reports and Data**

There were no relevant reports produced during the reporting period.

**4.5 Reportable Incidents**

There were no reportable incidents during the reporting period.

**4.6 Foreseeable Threats**

No material threats were identified during the reporting period.