



## ASX ANNOUNCEMENT AND MEDIA RELEASE, 8 March 2013

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### EXTENSION FOR EXISTING \$25 MILLION GRANT UPDATE - GEELONG GEOTHERMAL POWER PROJECT

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- Greenearth Energy negotiates extension of \$25m ETIS grant until 30 Sept 2013;
- Negotiation includes favourable terms which assist in obtaining federal funding;
- New de-risked approach includes new partnership with Melbourne University;
- Subsequent submission to ARENA fund for federal government funding;
- Management is enthusiastic about progress and impact on geothermal in Victoria;

Greenearth Energy Limited (ASX:GER) ('Greenearth Energy') is pleased to advise that the Victorian Government has approved a time extension for the \$25 million grant for the Geelong Geothermal Power Project ('GGPP'). The \$25 million grant was issued under the Victorian Government's Energy Technology Innovation Strategy (ETIS) for large scale, pre-commercial, sustainable energy demonstration projects.

The funding was originally awarded in December 2009, however due to the financial environment, the grant was not able to be utilised during the initial time-frame.

Subsequently, Greenearth Energy negotiated an extension in January 2013 with the Victorian Department of Primary Industries ('DPI') which had various conditions attached. As of the 4th March 2013, these conditions were met and Greenearth Energy has therefore been granted until 30 September 2013 to activate the ETIS grant of \$25 million.

More recently, Greenearth Energy has been working with the public and private sectors, along with the University of Melbourne, to advance the GGPP. It has adopted a plan to de-risk the next stage of the project by increasing the focus on geosciences to address well productivity and deciding to drill a low-cost exploration well to confirm the prognosis ahead of drilling more expensive production-scale wells and building a 12 MWe demonstration plant.

This de-risked next stage, with its focus on well productivity and a low-cost exploration well, has been submitted in a funding application under the Federal Government's Emerging Renewables Program, overseen within the \$3.2 billion Australian Renewable Energy Agency (ARENA), a part of the Clean Energy Future package.

Since the inception of this project, Greenearth Energy has established agreements with prominent Australian companies including Alcoa of Australia Ltd, Leighton Contractors Pty Ltd, Holcim Australia Pty Ltd, Lakes Oil N.L and the University of Melbourne. Should Greenearth Energy prove successful in their application for funding from ARENA, Greenearth Energy will be able to utilise the initial \$5m of the \$25m grant, along with funding and other support from these partners to assist in the drilling of a deep geothermal well at the GGPP site.

The ETIS grant, totalling \$25 million, comprises an initial \$5 million that can be applied to the next stage, with the remaining \$20 being available to support the following 12 MWe Demonstration Plant stage.

Greenearth Energy is very pleased with the ongoing support of the Victorian Government in assisting to develop a sustainable, base-load, clean power resource for Victoria.

Samuel Marks, Managing Director of Greenearth Energy Ltd said: "The ongoing support from the Victorian Government, in assisting in realising the potential for geothermal energy in Victoria, is a fantastic opportunity for the industry, as well as the state. Along with the support of Melbourne University and other potential industry partners this is an exciting continuation of the fantastic work completed over the past four years. We look forward to hearing from ARENA on the viability of our proposal and, should we be successful, see this de-risking process as a fundamental step in the right direction for a financially viable, sustainable, base-load clean power resource for Australia."

For more information, please contact Samuel Marks on (03) 9620 7299.

A handwritten signature in black ink, appearing to read 'S. Marks', written in a cursive style.

**Samuel Marks**  
Managing Director  
Greenearth Energy Limited

