

ASX ANNOUNCEMENT, 6 JUNE 2013

**GREENEARTH ENERGY EFFICIENCY
Business Unit Update & Increase in Shareholding to Fully Owned**

- Greenearth Energy Efficiency ('GEE') continues to grow & deliver on sales contracts;
- Ongoing development of GEE third party distributor relationships;
- Greenearth Energy Ltd takes ownership of GEE from 85% to 100%;
- Further development of GEE business model with new routes to market.

Further to our March Quarterly activities report, I wanted to take this opportunity to provide an update to the Greenearth Energy Ltd ('Greenearth Energy' – GER:ASX) shareholders on our Greenearth Energy Efficiency business unit.

Greenearth Energy Efficiency continues to demonstrate its ability to win and fulfil new sales orders. In a recent example, it supplied an intelligent energy efficient lighting system for the new & innovative Pharmatrans Warehousing & Distribution facility developed by Linfox at Erskine Park, just outside Sydney. This high security, fully temperature controlled site is being equipped with the most advanced and efficient SmartHID Metrolight EcoPOD lights available. The Greenearth Energy Efficiency developed solution included Metrolight EcoPOD lights with optical systems customised for illuminating the warehouse aisles, reducing both the quantity of lights required to be installed at the facility and the power rating of the installed lights. The lighting system is also controlled by a Metrolight digital energy management system that continually adjusts the light produced by each individual light fitting to offset daylight entering the space and compensate for the long term effect of lamp ageing minimising both energy use and maintenance.

The Energy Efficiency business is maintaining and growing its Original Equipment Manufacturer (OEM) customer base for Metrolight SmartHID technology, adding value to their product range and creating synergies in marketing:

- New third party OEM customers continue to be added, including Advanced Lighting Technologies, a global group that designs and markets a range of high intensity discharge (HID) luminaires, lamps (Venture Lamps) and LED luminaires. Our Metrolight SmartHID technology has recently been installed in some of their fittings to provide them with energy efficient technology for their customers.
- Business from established OEM customers continues to grow, including successful delivery by Hella of their first tranche of SmartHID equipped MaxiLUME floodlights to a mining customer in northern QLD, and supply by Wadco Lighting of SmartHID equipped exterior lighting to the above mentioned Pharmatrans project.

In conjunction with the continuing ability of GEE to deliver ongoing sales, Greenearth Energy is pleased to advise that it has increased its shareholding in GEE from 85% to 100%, by acquiring the remaining 15% from Advance Publicity Pty Ltd ('Advance'), also a significant shareholder of GER. This acquisition results in GEE becoming a wholly owned subsidiary of Greenearth Energy. Greenearth Energy wishes to thank Advance for its ongoing involvement in building the GEE business unit, including its assistance in the negotiation of the distribution rights for the Metrolight products and in the development of sales channels in Australia. We look forward to continuing the relationship with Advance as a shareholder of Greenearth Energy, including reviewing new opportunities to implement GEE's lighting model within Advance's portfolio, as GEE concentrates on its next phase of growth as a 100%

owned business unit. The transaction involved consideration in the form of 3,095,500 Greenearth Energy shares at a nominal value of 3.2c, being a combination of newly issued shares and transfer of shares resulting from the previous sale of the PHP business.

Greenearth Energy Efficiency continues to make good progress towards developing its international network. Relationships are established in New Zealand where opportunities are being developed directly, as well as through our OEM customer base, whilst further afield our advanced optics for Metrolight EcoPod systems are being offered to European customers through the Metrolight sales network. Additionally, we have recently begun evaluating some exciting cooperative opportunities in South East Asia.

We are excited about the ongoing development of this Energy Efficiency business and look forward to being able to update our shareholders in due course.

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

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

Samuel Marks
Managing Director
Greenearth Energy Limited

