

ASX ANNOUNCEMENT, 26 AUGUST 2013

**GEELONG GEOTHERMAL POWER PROJECT -
ARENA FUNDING UNSUCCESSFUL**

- Greenearth Energy notified of unsuccessful GGPP submission to ARENA;
- ARENA submission issued in March 2013 following renegotiated ETIS terms;
- Greenearth Energy considering next steps for its Australian Geothermal interests.

Greenearth Energy Ltd ("Greenearth Energy" – ASX:GER) has been unsuccessful in its Expression of Interest ("EOI") for funding under the Federal Government's Emerging Renewables Program ("ERP") for the company's Geelong Geothermal Power Project.

Further to quarterly updates and ASX Announcement on March 8th, 2013, Greenearth Energy had renegotiated its ETIS funding grant with the Victorian Government. This included an extension period under which Greenearth Energy could apply for match funding 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.

The geothermal team at Greenearth Energy had submitted a detailed EOI in March 2013, in partnership with Melbourne University, which proposed a de-risked approach to commercialising geothermal resources in Victoria. Greenearth Energy subsequently answered two rounds of further questions from ARENA relating to this proposal.

The EOI was compiled with the assistance of a highly experienced team of industry experts including former directors of Greenearth Energy, Mark Miller and Robert King, along with Dr Adrian Williams and leading geothermal experts at Melbourne University. The submission also included an independent expert reports from Sinclair Knight Merz ('SKM'), a world leading engineering consulting firm. The fact that ARENA has declined this proposal at such an early stage of the process is a concern for the industry as a whole and Greenearth Energy is now considering its next steps for the GGPP.

Greenearth Energy will seek to hold discussions with other key parties to the GGPP (including the Victorian Government, Melbourne University and others) in order to determine the best way forward for Greenearth Energy's Australian geothermal interests.

Greenearth Energy maintains that the GGPP is a compelling geothermal prospect for Australia and we are disappointed with the feedback on the EOI request, particularly given our application was in-line with ARENA's proposal and provided a very clear five stage path to commercialisation. While we continue these GGPP discussions, we maintain a strong focus on growing our Energy Efficiency business; along with assisting the NewCO2 Fuels team to bring the Technology proof of concept to fruition at the end of this calendar year.



Samuel Marks
Managing Director
Greenearth Energy Limited

About Greenearth Energy Ltd

Greenearth Energy Limited is a diversified Australian-based renewable energy company with interests in conventional geothermal resources in Australia and the wider Pacific Rim as well as technology-focussed solutions in the energy efficiency and CO₂ to fuel conversion markets.

Greenearth Energy Ltd - <http://www.greenearthenergy.com.au>