

ASX ANNOUNCEMENT, 15th December 2015

VIVID INDUSTRIAL TO ACQUIRE ILUM-A-LITE

Greenearth Energy Limited ("GER")("Greenearth") wishes to advise that its wholly owned subsidiary, Vivid Industrial, has entered into a Heads of Agreement to acquire 100% of Ilum-a-Lite Pty Ltd.



Founded in 1996, Ilum-a-Lite specialises in creating highly effective, energy-saving lighting solutions for commercial, industrial and government clients that generate significant cost savings and reduce environmental impact. Shareholders include Mark Rutherford (co-founder & CEO), the Cleantech Australia Fund and the Victorian Clean Technology Fund. The company derives most of its income from providing lighting upgrades on a supply and install basis as part of Energy Performance Contract upgrades via global energy efficiency technology leaders, and an innovative lighting product sales business.

Key transaction highlights include:

- Current work in hand on existing lighting upgrade projects is expected to deliver over \$5m revenue
- Expected to make a positive EBIT contribution to group FY16 results
- Improves Vivid Industrial's customer base and expands revenue sources
- Provides immediate Sydney operating footprint
- Ilum-a-Lite co-founder and CEO to enter into long term employment agreement with GER with 24 month escrow on equity component of consideration

The acquisition is subject to confirmatory due diligence, final agreements and customary conditions, with completion expected to occur in the second half of FY16. The purchase price is expected to total approximately \$3m and will be determined based on the audited results of Ilum-a-Lite for the 2016 financial year (30 June 2016). The majority of this consideration will be in the form of new Greenearth shares (which will be subject to voluntary escrow provisions), with the remainder in cash. The cash component is expected to be funded from cash reserves.

Mark Rutherford, co-founder and current CEO of Ilum-a-Lite said, "We are delighted to be joining Vivid Industrial, who we respect as an innovative and highly regarded industry operator. We are very confident that the combination of the two companies will deliver a compelling proposition to customers in what is an exciting and fast growing industry. I and the other vendors have taken the majority of consideration in the form of GER shares, which highlights my confidence in the combined group's prospects".

Sam Marks, Managing Director of Greenearth, added "We see Ilum-a-Lite as a highly complementary business to Vivid Industrial, with this transaction aimed at leveraging the combined expertise of the two businesses to enhance the offering to customers and delivering an immediate impact on group results. Mark and his team have a proven track record of delivering solutions and high end lighting products to customers both nationally and internationally which we look forward to working closer with in the roll-out of our technologies".

Samuel Marks
Managing Director
Greenearth Energy Limited

Please direct all enquiries to Samuel Marks, Managing Director, telephone 03 9620 7299.

About Greenearth Energy Limited

Greenearth Energy Limited is a diversified Australian-based renewable energy company with interests in technology-focussed solutions in the industrial energy efficiency and CO₂-to-fuel conversion markets.

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

About Vivid Industrial

Vivid Industrial is a subsidiary of Greenearth Energy Ltd. Vivid Industrial provides customised, intelligent and energy efficient cloud based solutions for our growing industrial and infrastructure client base. The "internet of lights" and "cloud based monitoring" delivers quantifiable efficiencies and significant cost savings with environmentally sustainable benefits for our customers.

The business' core technologies are designed for application in warehouses, distribution centres, cold storage facilities, ports, stadiums, car parks, roads and tunnels. Vivid Industrial is a trusted partner to our customer base of blue chip, industrial companies.

Vivid Industrial – <http://www.vividindustrial.com>