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GREENEARTH ENERGY ANNOUNCES $7M COMMONWEALTH FUNDING AGREEMENT NEGOTIATIONS EXTENSION

Greenearth Energy Limited (ASX:GER) on 20 May, 2010 announced that the company had received the draft Geothermal Drilling Program (GDP) funding agreement from the newly formed Australian Centre for Renewable Energy (ACRE) within the Department of Resources, Energy and Tourism (DRET) for the company's flagship Victorian geothermal energy project, the Geelong Geothermal Power Project.

The company has been subsequently advised by ACRE that it has until 17 July, 2010 to execute the $7M GDP funding agreement allowing an initial drawdown of funds in support of the company's flagship hot sedimentary aquifer (HSA) geothermal energy project located in the Wensleydale - Gherang area northwest of Anglesea, Victoria. The original execution date was set by ACRE for 17 June, 2010.

Greenearth Energy is also negotiating contracts with the Victorian State Government further to being awarded $25 million in late 2009 under the Energy Technology Innovation Strategy (ETIS) program for large scale, pre-commercial, sustainable energy demonstration projects for its Geelong Geothermal Power Project.

The Victorian Government awarded the Geelong Geothermal Power Project $5 million for the Stage 1 Proof of Resource and, upon successful completion of Stage 1, a further $20 million for the Stage 2, 12MW_e geothermal energy demonstration plant.

Greenearth Energy's Geelong Geothermal Power Project Stage 1 Proof of Concept is in a unique position, being supported by both State and Commonwealth funding totalling $12 million.

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