ASX ANNOUNCEMENT AND MEDIA RELEASE, 8 October 2010

ANNUAL REPORT CORRECTION

Greenearth Energy Limited (ASX:GER) wishes to correct a paragraph contained in the Directors' Report of the 2010 Annual Report lodged with the Australian Securities Exchange on 30 September 2010.

Within the Review of Operations section labelled "GEP 10 GEELONG AREA" of the Directors' Report on Page 11 the following paragraph was incorrectly included:

"Permeability is expected to be highly variable. Within the Pretty Hill Formation, high permeability's can locally be expected with porosity in the range 20-25%. The high permeability layers within the producing formation produce the bulk of the fluid with little contribution from the low permeability layers. Analysis of the available database of core samples of Pretty Hill Formation rocks from depths greater than 3,000 m indicates a mean permeability of 1.7mD (figure 2).

It would be expected that the reservoir unit would need to have a thickness greater than 250m of permeable rock to achieve a permeability thickness function (Dm) required for commercial rates of flow."

The following information should replace the above paragraph and the Printed 2010 Annual Report sent to shareholders will be amended to include the following:

"Permeability is expected to be highly variable. Within the Pretty Hill Formation, high permeability's can locally be expected with porosity in the range 20-25%. Analysis of the available database of core samples of Pretty Hill Formation rocks from depths greater than 3,000 m indicates a mean permeability of 1.7mD (figure 2). However as the sample is small and the high permeability layers within the producing formation produce the bulk of the fluid with little contribution form the low permeability layers, it is more appropriate to use the mean permeability of all the core samples taken from the formation. The overall core sample mean value of permeability is therefore used to better estimate the productive capacity of the productive aquifer. For the 651 cores with porosity of less than 17% this mean permeability is 12mD. On this basis it would be expected that the reservoir unit would need to have a thickness greater than 250m of permeable rock to achieve a permeability thickness function (Dm) required for commercial rates of flow."

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