



**QUARTERLY ACTIVITIES REPORT  
FOR THE THREE MONTHS ENDED  
30 June 2010**

*Harnessing the heat  
beneath our feet*

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## CORPORATE DIRECTORY

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### **Directors**

Robert J. Annells (Non-executive Chairman)  
John T. Kopcheff (Non-executive Director)  
Robert L. King (Executive Director)

### **Managing Director**

Mark Miller (Managing Director)

### **Company Secretary**

Vicki M. Kahanoff BBus CPA

### **Registered Office**

Level 14  
500 Collins Street  
Melbourne Victoria 3000

**Telephone:** (03) 9620 7299

**Facsimile:** (03) 9629 1624

### **Securities Exchange**

Australian Securities Exchange Limited  
Level 45, South Tower, Rialto  
525 Collins Street  
Melbourne Victoria 3000  
ASX code: GER

### **Auditors**

Pitcher Partners

### **Bankers**

Westpac Banking Corporation

### **Address for Correspondence**

P.O. Box 24  
Collins Street West  
Victoria 8007

**Email:** [greenearth@greenearthenergy.com.au](mailto:greenearth@greenearthenergy.com.au)

**Web site:** [www.greenearthenergy.com.au](http://www.greenearthenergy.com.au)

### **Share Registry**

Computershare Investor Services Pty. Ltd.  
Yarra Falls 452 Johnston Street  
Abbotsford Victoria 3067  
(03) 9415 5000

### **Legal Advisors**

Baker & McKenzie

## HIGHLIGHTS

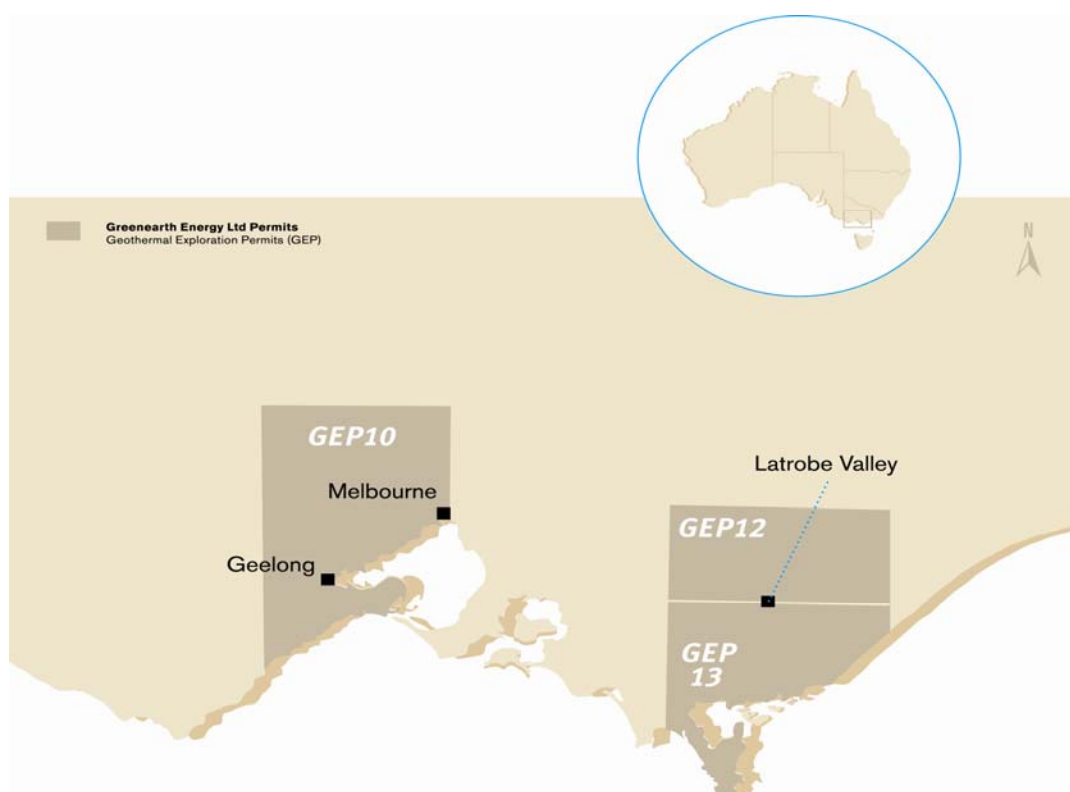
- ❖ **Draft Funding Deed received for \$7M Geothermal Drilling Program (GDP)**
- ❖ **Establishment of Community Reference Group (CRG) for GGPP**
- ❖ **PT Geopower Indonesia signs MoU**
- ❖ **Greenearth Energy hosts Professor Jacob Karni**

### ABOUT GREENEARTH ENERGY LIMITED

Greenearth Energy Limited (Greenearth Energy) listed on the Australian Securities Exchange (ASX:GER) on 4 February 2008.

The company holds three geothermal exploration permits (GEP's) in Victoria where the major energy companies are situated and any potential geothermal resource found will be close to existing infrastructure.

Greenearth Energy is also interested in other areas in particular Indonesia, New Zealand and the wider Pacific Rim.



## REVIEW OF OPERATIONS

### CORPORATE DEVELOPMENTS

During May Greenearth Energy attended the World Geothermal Congress (WGC) 2010 in Bali Indonesia. The company delivered a presentation on “Multi Use Triple Play Hot Sedimentary Aquifer Potential of Victoria, Australia.” In addition to the company presentation, Greenearth Energy participated in the trade show at WGC2010 with a joint Greenearth Energy/PT Geopower Indonesia booth as well as participating in the “Team Australia” Australian Geothermal Energy Association (AGEA) exhibition.

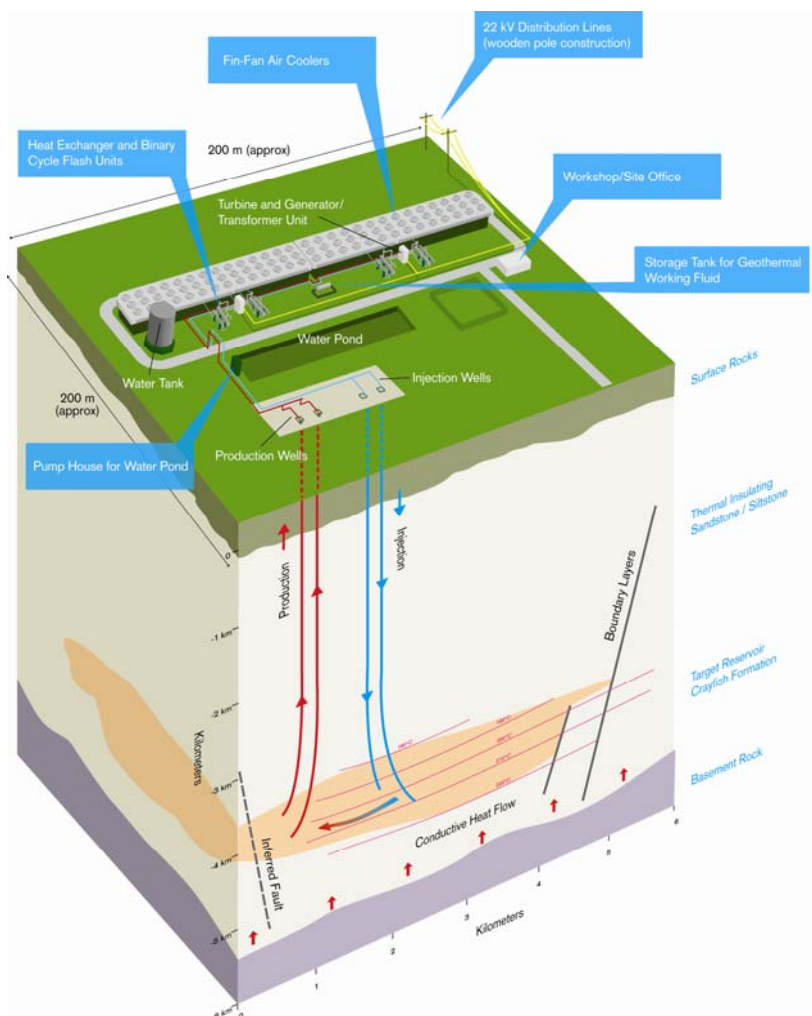
On 1 July, 2010 the company announced the resignation of its founding Chairman Mr Simon Molesworth AM QC after three years in the role as non-executive Chairman. Mr Molesworth, an internationally renowned environmental lawyer and environmental policy formulator, who is a passionate advocate for all renewable energy, particularly geothermal energy. The Greenearth Energy Board wishes to express its appreciation to Simon for his outstanding support of the Company overseeing its transition through the IPO process to public listing and then through its initial three year period exploring opportunities in Australia and in Indonesia with geothermal energy and other renewable energy technologies. In order to maintain the continuity and momentum of the good work of the past Chairman, Mr Robert Annells, assumed the role of Non Executive Chairman. Mr Annells is a founding Non Executive director of Greenearth Energy Limited, Chairman of PT Geo Power Indonesia and Executive Chairman of Lakes Oil N.L.

### Geelong Geothermal Power Project

The company received the draft \$7M 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 (GGPP) on 20 May 2010. The initial timeframe indicated a negotiation period of 30 days prior to execution.

The company was subsequently, advised by ACRE on two separate occasions that its GDP funding negotiation period had been extended. The current deadline for the execution of its agreement has been set for 16 August 2010. Upon execution of the agreement an initial drawdown of funds will be possible.

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 GGPP \$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<sub>e</sub> geothermal energy demonstration plant.

Community and Stakeholder Engagement activities continued throughout the quarter, with the announcement of the intention to form a Community Reference Group (CRG).

The aim of the CRG is to provide a transparent, representative and accessible forum to address issues of community interest related to the project and to capture community feedback and suggestions. The CRG also exists to assist with the decision making for the Geelong Geothermal Power Project, to increase understanding about the project within the community, and ensure a more effective response from the project team to any arising issues and concerns.

Advertisements calling for nominations from interested members of the community and representatives of stakeholder groups were placed in publications circulated in the project area at the beginning of the quarter. A number of nominations were received, representing a diverse range of community groups in the Wensleydale, Gherang, Anglesea, and Geelong region as well as some interested individuals.

An independent selection panel, consisting of representatives from Department Sustainability and Environment (Bellarine Region), Barwon Water and the Surf Coast Shire considered all

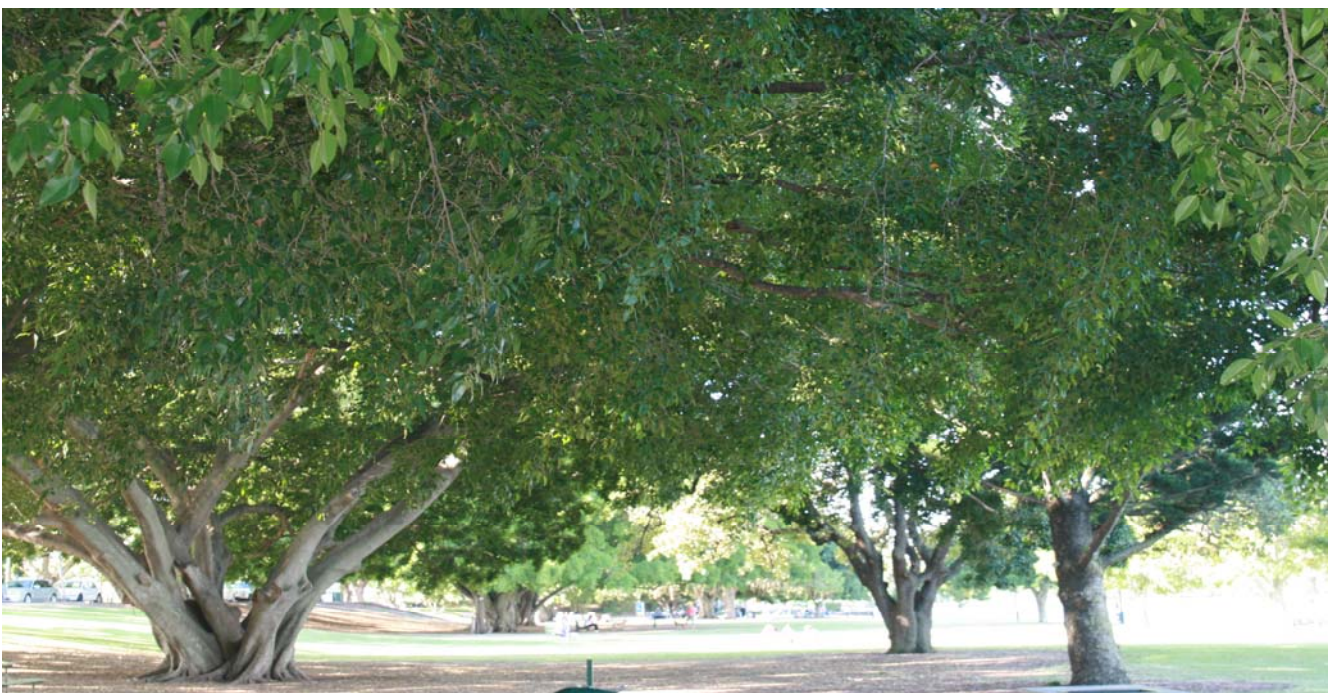
nominations and made selections based on the Terms of Reference and Criteria Specifications. Successful nominees have been notified by mail of their selection.

The CRG will consist of an Independent Chair, 10 members representing various stakeholder and community groups and a Greenearth Energy representative, Executive Director, Mr Robert King. Greenearth Energy will also provide secretarial support to the CRG.

The role of independent chair will be undertaken by Ms. Chris Johnston. Chris is a strategic planner who specialises in heritage and community planning projects. She has skills in strategic thinking and policy analysis, and is solutions orientated in her approach. Working with communities, especially in relation to their connection to place and landscape is a key part of her work, Chirs has a national reputation for her contributions to the development of social significance methods.

Chris has extensive experience as an independent chair including: Chair of Mt Egerton Environment Review Group; Chair of Montrose Quarry Stakeholder Reference Group and Chair of Melbourne Water's Eastern Treatment Plant Community Liaison Committee.

More details in relation to the CRG will be placed on the Greenearth Energy website in coming weeks as will planning and communication with members regarding the first meeting of the Geelong Geothermal Power Project CRG.



## PT Geopower Indonesia signs Memorandum of Understanding (MoU)

On 5 July Greenearth Energy announced that PT. Geo Power Indonesia had signed a non binding Memorandum of Understanding (MoU) with the Cengiz Holding A.S. of Turkey to develop a Java based site in Indonesia for the production of geothermal power.

Greenearth Energy is happy to report that progress is being made and this dynamic group collective have the skills, experience and track record to successfully deliver Geothermal Power development in Indonesia.



## Greenearth Energy hosts Professor Jacob Karni



Greenearth Energy continues its exploration into other renewable technologies that align with its corporate objectives. As part of this process, Greenearth Energy had the pleasure of hosting Professor Jacob Karni during July 2010.

Professor Jacob Karni of the Weizmann Institute of Science in Israel has 20 years of

research and development experience with keen interest in the development of new methods for concentration, absorption, conversion, transmission and storage of concentrated solar energy, and implementing these methods in genuine solar power-conversion systems.

Professor Karni's main research interests centres around the utilization of concentrated solar energy at high temperatures.

Several introductory meetings were held, during the Professor's visit along with a formal luncheon where Professor Karni briefly outlined his current project. Greenearth Energy was delighted with the response to the Professors visit and looks forward to working with Professor Karni and the Weizmann Institute on an ongoing basis.

## OPERATIONAL ACTIVITIES

### Otway Basin - Geelong Area (GEP 10) - 100% Equity

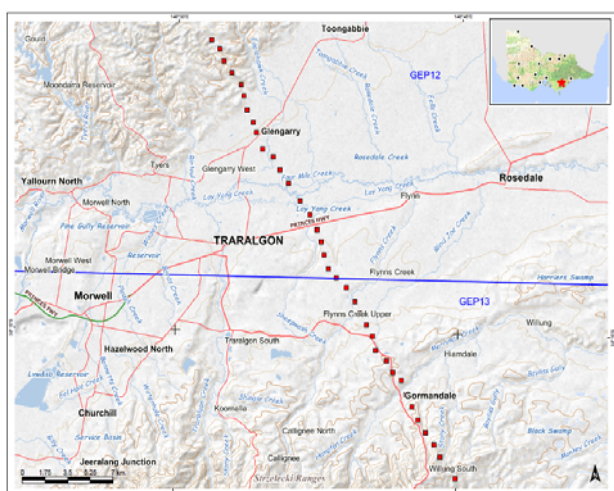
#### Geelong Geothermal Power Project (GGPP)

Work continued to largely focus on the preparation of the GGPP drilling program. The Preliminary well design has been expanded into a detailed individual well design specific for the geological conditions of the project area.

#### Bellarine Magneto-telluric (MT) Data Interpretation

Modelling and interpretation of Magneto-telluric (MT) data from Greenearth Energy's 2008, Bellarine MT survey was undertaken by Sinclair Knight Merz (SKM). The MT data has been reviewed and interpreted against existing geological and geophysical data to assist in our understanding of the underlying geology within the Bellarine area, and to assess the potential of the MT resistivity method for deep geothermal exploration within the Otway and Gippsland basin environments.

The results of this work are still being assessed; however initial indications are that whilst the target geothermal aquifer formations may not be clearly delineated by resistivity, indications of deeper basement structure may be possible with this method.



Indicative Positions of the Latrobe Valley MT Survey Sites.

### Gippsland Basin (GEP 12 and 13) - 100% Equity

#### Latrobe Valley Magneto-telluric (MT) Geophysical Survey.

Planning is well underway for a Magneto-telluric (MT) geophysical survey in the Latrobe Valley area. The MT method measures naturally occurring magnetic and electric fields which propagate through the earth. The MT survey will assist Greenearth Energy in its interpretation of the geology underlying the Latrobe Valley in the onshore Gippsland basin.

The MT data will be acquired along a NNW line between Glengarry Nth and Willung South that transects the width of the Latrobe Valley. An Operations Plan has been submitted to the Department of Primary Industries (DPI), which requires approval prior to the commencement of surveying work.

Relevant stakeholders including the DPI, Department of Sustainability and Environment (DSE), Latrobe City Council, Wellington Shire Council, West Gippsland Catchment Management Authority (WGCMA), Aboriginal Affairs Victoria (AAV), and private and public land holders have been consulted and the necessary access agreements obtained.

A geophysical survey company has been contracted to carry out the survey and is expected to commence in August 2010.

**SIGNED ON BEHALF OF GREENEARTH ENERGY LTD.**

Mark Miller  
Managing Director  
Greenearth Energy Limited