



Quarterly Activities Report

For the three months ended
31 March 2008



CORPORATE DIRECTORY

Directors

Simon R. Molesworth AM, QC (Chairman)
Robert J. Annells (Non-executive Director)
John T. Kopcheff (Non-executive Director)
Robert L. King (Executive Director)

Company Secretary

Vicki M. Kahanoff BBus CPA

Registered Office

Level 11
500 Collins Street
Melbourne Victoria 3000

Telephone: (03) 9620 7299

Facsimile: (03) 9629 1624

Stock Exchange

Australian Stock Exchange Limited
Level 3 530 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

Web site: 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

The company operates a web site (www.greenearthenergy.com.au) which directors encourage you to access for the most recent information on the Greearth Energy Group.

HIGHLIGHTS

- Company commenced trading on the ASX on 4 February 2008
- Discussion held potential end users within the Gippsland permits
- Joint drilling to one kilometre depth in Gippsland Permit GEP 13 at Alberton
- Assessment of Hot Fractured Rock (EGS) potential of the Geelong area of GEP 10 completed
- Expansion of Thermal mapping of all permit areas

OVERVIEW OF ACTIVITIES

CORPORATE DIRECTIONS

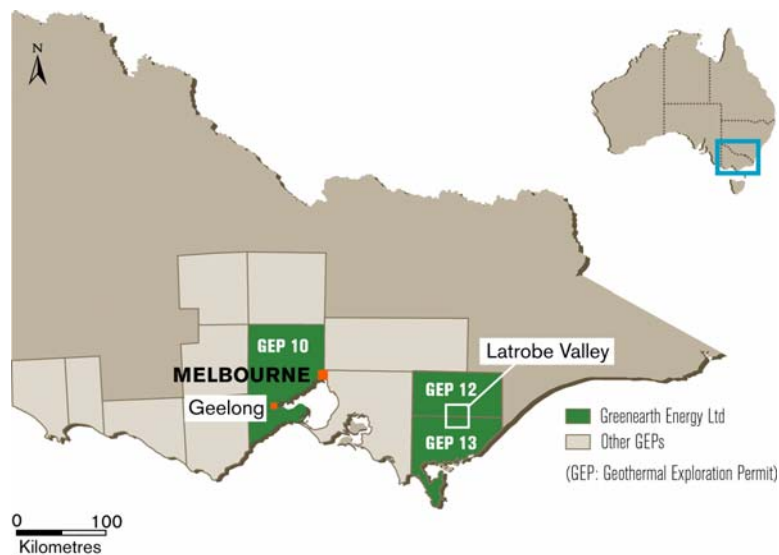
Greenearth Energy Limited listed on the Australian Stock Exchange (ASX) on 4 February 2008, after conducting a successful IPO. Prior to listing, the company began analysis on its Victorian permits and participated in the drilling of two exploration wells in its Gippsland permits.

Since listing the company has engaged a number of consultants including Hot Dry Rocks Pty Ltd, Paul St John, Sinclair Knight Merz (SKM), etc to assist in advancing the company's strategic objectives of lower geothermal exploration close to major markets and near existing electricity infrastructure. The company is continuing to evaluate all its permits and areas of interest in terms of conventional hydrothermal and Hot Dry Rock geothermal potential

Greenearth Energy Limited identified a number of potential end users within its permits while preparing for its IPO. Discussions have been initiated and are continuing with a number of parties with the aim to establish a mutually beneficial working relationship.

During the quarter General Manager, Enrico Bombardieri ceased his employment with the company. Greenearth Energy Limited is actively seeking a suitable replacement.

OPERATIONAL ACTIVITIES



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

The Gippsland area is currently the primary focus of the company. This area contains historical data that can be used to confirm that this area is a prospective geothermal area. Operations in these areas have been a mixture of geological studies and exploration drilling.

Gippsland Basin (GEP 12 and 13), - 100% Equity cont...

Greenearth Energy Limited and Lakes Oil N.L jointly drilled an exploration well named Alberton 1 well, in the southern part of GEP 13 near the coast. The well was drilled to a depth of 1,000m. Temperature measurements were taken at depth and core sampled for thermal conductivity analysis. The calculated thermal conductivity of the well is 92.5 mw/m², which is significantly above the Australian Mean and validates the initial studies suggesting high heat flow in this coastal zone.

The company contracted Hot Dry Rocks Pty Ltd to carry out thermal mapping work within all its permit areas. The initial work results which were included in the IPO Prospectus, indicated specific areas of relatively high heat flows. Hot Dry Rocks Pty Ltd will be building on the first phase with the aim to validate the phase 1 results and extend the mapping to include areas where data was initially absent.

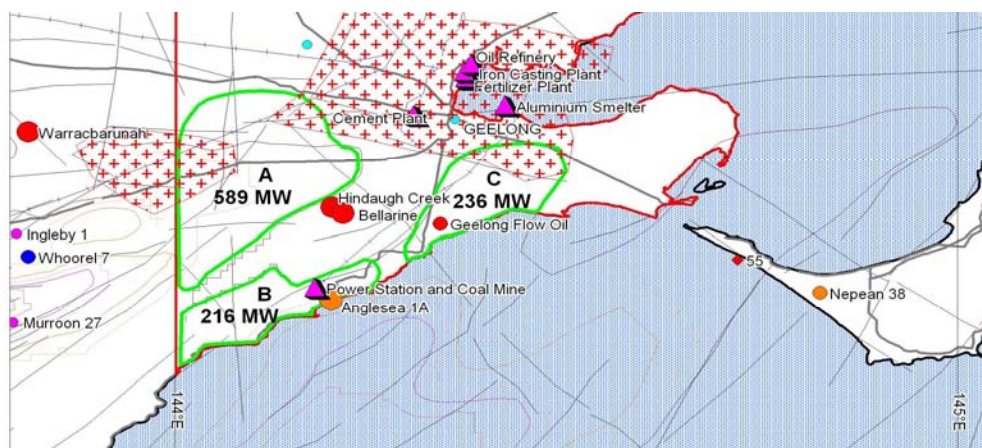
Greenearth Energy has agreed to fund research at Melbourne University on developing a thermal model for heat flow beneath the Latrobe Valley and work has commenced with delivery at end 2008.

Good progress was made on the application of appropriate geophysical techniques to image the rock units beneath the thick Latrobe Valley brown coals and work commenced on a forward program.

Discussions were held with the energy generators in the Latrobe Valley on common interests as well as a number of companies that use significant quantities of heat as part of their industrial processes. Discussions were also held with industry on opportunities for drying brown coals as a greenhouse gas mitigation strategy, and tertiary institutions on renewable energy technologies. It is planned that further discussion will be held in the coming quarter.

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

Greenearth Energy made good progress on furthering potential of the geothermal potential of GEP 10 in the area south and southwest of Geelong. A preliminary assessment was conducted of the Enhanced Geothermal System (EGS, Hot Fractured Rock) potential of the area generally south of Geelong. The study showed that GEP 10 has at least three "Areas of Interest" where the insulating sediments are at least 3 km thick, underlying rock consisting in part granite and the heat flow is high in the range 72-107 mw/m². Although not the subject of the study, the report also highlighted the potential for shallower wet systems that overlie the deeper EGS potential areas Preliminary geothermal resource (EGS) estimates were calculated and a sample preliminary assessment of the south Geelong area, with regards to estimated cost for an 82.5 MW binary geothermal plant, had a positive NPV.



Preliminary assessment Engineered Geothermal System in GEP 10

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

This preliminary EGS assessment also showed that by applying a geothermal systems approach to assessing the EGS potential within 100 km of major cities rates Melbourne, as number 1 compared to 40 cities internationally.

A forward program has commenced with subsurface facies mapping of the base Cretaceous to further refine the geothermal potential of this exciting area

The second phase of Heat flow mapping also commenced in this permit. This program of temperature measurement and thermal conductivity analysis is designed validate and build upon the first phase of heat flow mapping.

Signed on behalf of Greenearth Energy Ltd.



Robert L King
Executive Director

Dated 30 April 2008

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

GREENEARTH ENERGY LIMITED

ABN

60 120 710 625

Quarter ended ("current quarter")

31 MARCH 2008

Consolidated statement of cash flows

	Current quarter \$A ' 000	Year to date (9 months) \$A ' 000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration and evaluation	(40)	(967)
(b) development	-	-
(c) production	-	-
(d) administration	(452)	(981)
(e) capital raising costs	(491)	(555)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	95	108
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 (a) Net movement in GST suspense account	(42)	(97)
Net operating cash flows	(930)	(2,492)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	(200)	(200)
(c) other fixed assets	-	(55)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	60
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Debtors	-	-
Net investing cash flows	(200)	(195)
1.13 Total operating & investing cash flows (carried forward)	(1,130)	(2,687)

Appendix 5B – Greenerth Energy Limited (GER)
Mining exploration entity quarterly report – 31 March 2008

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.13 Total operating & investing cash flows (brought forward)	(1,130)	(2,687)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares options, etc.	10,034	11,284
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Farm-in/Joint Venture contributions	-	-
Net financing cash flows	10,034	11,284
Net increase (decrease) in cash held	8,904	8,597
1.20 Cash at beginning of quarter/year to date	254	561
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	9,158	9,158

**Payments to Directors of the entity and associates of the Directors;
Payments to related entities and associates of the related entities.**

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	135
1.24 Aggregate amount of loans to the parties included in item 1.10	-
1.25 Explanation necessary for an understanding of the transactions	
Directors Fees: \$78,332 Consulting and professional fees paid to Director-related entities: \$57,000	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
- | |
|------|
| None |
|------|
- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest
- | |
|------|
| None |
|------|

Appendix 5B – Greenerth Energy Limited (GER)
Mining exploration entity quarterly report – 31 March 2008

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements – Bank overdraft	-	-

Estimated cash outflows for next quarter

	\$ A'000
4.1 Exploration and evaluation	
4.2 Development	-
Total	

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$ A'000
5.1 Cash on hand and at bank (item 1.22)	9,158	253
5.2 Deposits at call	45	45
5.3 Bank overdraft	-	-
5.4 Investments in listed companies (market value)	70	-
Total: cash at end of quarter	9,273	298

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

Appendix 5B – Greenerth Energy Limited (GER)
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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Number issued	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-		
7.2 Changes during quarter	-	-		
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	66,780,758	42,714,094		
7.4 Changes during quarter				
(a) Increases through issues	33,447,425	33,447,425	\$0.30	\$0.30
(b) Decrease through returns of capital, buy-backs	NIL	NIL		
7.5 +Convertible debt securities <i>(description)</i>	-	-		
7.6 Changes during quarter				
(a) Increases through issues	-	-		
(b) Decreases through securities matured, converted	-	-		

Appendix 5B – Greenerth Energy Limited (GER)
Mining exploration entity quarterly report – 31 March 2008

7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
<i>Directors</i>	4,500,000	-	45 cents	30 September 2012
<i>Staff</i>	1,500,000	-	45 cents	30 September 2012
<i>Third parties</i>	33,333,333	-	45 cents	30 September 2010
	2,000,000	-	45 cents	30 September 2012
TOTAL	41,333,333	-		
7.8 Issued during the quarter	1,500,000	-	45 cents	30 September 2012
7.9 Exercised during the quarter	-	-	-	-
7.10 Expired during the quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-		
7.12 Unsecured notes <i>(totals only)</i>	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 30 April 2008

Company Secretary

Print name: **Vicki Kahanoff**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

Appendix 5B – Greenerth Energy Limited (GER)
Mining exploration entity quarterly report – 31 March 2008

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 1022; *Accounting for Extractive Industries* and AASB 1026: *Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complies with.

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