



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Greenearth Energy Limited will be held on 27 November 2013 at 11.00 am at the offices of Baker & McKenzie, Level 19, 181 William Street, Melbourne.

### BUSINESS

#### ACCOUNTS & REPORTS

To receive and consider the Annual Financial Report of the Company and the related reports of the Directors and Auditors for the year ended 30 June 2013.

#### 1. RE-ELECTION OF MR ROBERT ANNELLS AS A DIRECTOR OF THE COMPANY

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That Mr Robert Annells, a Director who retires by rotation in accordance with Article 20.3 of the Company's Constitution, being eligible and having offered himself for re-election, be re-elected as a Director of the Company."

#### 2. ADOPT THE REMUNERATION REPORT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That the Remuneration Report section of the Directors' Report for the Company for the year ended 30<sup>th</sup> June 2013 be adopted."

#### 3. APPROVAL OF PREVIOUS ISSUE OF SHARES

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, the previous issue by the Company of 1,527,410 ordinary shares in the capital of the Company to Advance Publicity Pty Ltd on the basis set out in the Explanatory Memorandum accompanying this Notice of Meeting be approved and ratified."

#### 4. APPROVAL OF PREVIOUS ISSUE OF SHARES - PLACEMENT

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, the previous issue by the Company of 27,739,910 ordinary shares in the capital of the Company on the basis set out in the Explanatory Memorandum accompanying this Notice of Meeting be approved and ratified."

#### 5. APPROVAL OF EMPLOYEE OPTION PLAN

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

"That, on the basis set out in the Explanatory Memorandum and for all purposes including Listing Rule 7.2 Exception 9(b), the issue of options under the Greenearth Energy Limited Employee Option Plan be approved."

**6. PROPOSED GRANT OF OPTIONS TO MANAGING DIRECTOR**

To consider, and if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, the Company issue to Mr Samuel Marks 5,000,000 Unlisted Options to subscribe for shares in the capital of the Company on the terms set out in the Explanatory Memorandum.”

**7. APPROVAL OF 10% PLACEMENT CAPACITY UNDER LISTING RULE 7.1A**

To consider, and if thought fit, pass the following resolution as a special resolution:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, the issue of up to 10% of the issued capital of the Company calculated in accordance with the formula prescribed in Listing Rule 7.1A, and on the terms and conditions set out in the Explanatory Memorandum, be approved.”

**By order of the Board of Greenerth Energy Limited.**



Robert Smith  
Company Secretary  
Dated 23 October 2013

## Voting Exclusion Statement

Except to the extent otherwise permitted by law, the following persons may not vote, and the Company will disregard any votes cast by the following persons with regards to the below resolutions:

### Resolution 2: Adoption of Remuneration Report for the year ended 30<sup>th</sup> June 2013

Any vote cast on the resolution (in any capacity) by a member of the Key Management Personnel or a closely related party of such a member, unless the vote is cast:

- as proxy for a person entitled to vote in accordance with a direction on the proxy form; or
- by the Chairman of the meeting as proxy for a person entitled to vote in accordance with an express authority to vote undirected proxies as the Chairman sees fit.

### Resolution 3: Approval of Previous Issue of Shares

Any vote cast on the resolution by Advance Publicity Pty Ltd and its associates as set out in the Explanatory Memorandum.

### Resolution 4: Approval of Previous Issue of Shares - Placement

Any vote cast on the resolution by each of the persons and their associates who participated in the issues of shares as set out in the Explanatory Memorandum.

### Resolution 5: Approval of Employee Option Plan

The Company will disregard any votes cast on this resolution by a director of the Company (except one who is ineligible to participate in any employee incentive plan in relation to the Company) and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### Resolution 6: Proposed Grant of Options to Managing Director

Any vote cast on the resolution by Mr Marks and his associates.

### Resolution 7: Approval of 10% Placement Capacity under Listing Rule 7.1A

Any votes cast on this resolution by any person who may participate in the proposed issue or any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, and any associate of such person.

These voting exclusions do not apply if:

- the vote is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or
- it is cast by the Chairman as a proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.

### Definitions:

**ASX** means ASX Limited.

**closely related parties** are defined in the Corporations Act to include the spouses, dependants, certain other close family members of the members of Key Management Personnel as well as any companies controlled by such a member.

**Company** means Greearth Energy Limited (ACN 120 710 625).

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Key Management Personnel** means those persons described as such in the Remuneration Report.

**Shares** means fully paid ordinary shares in the capital of the Company.

## Proxies and Other Information

A shareholder who is entitled to attend and vote at the meeting has a right to appoint a proxy. The proxy need not be a member of the Company. If a shareholder is entitled to cast two or more votes at the meeting, that shareholder may appoint two proxies and may specify the proportion of the votes that each proxy is appointed to exercise. Where two proxies are appointed, but the appointments do not specify the proportion of votes which each proxy may exercise, each proxy may exercise half of the votes (fractions being disregarded).

If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit. If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority. Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.

Proxy appointments in favour of the Chairman of the meeting, the secretary or any Director that do not contain a direction on how to vote will be used where possible to support each of the resolutions proposed in this Notice of Meeting.

The Key Management Personnel of the Company (being those persons described as such in the Remuneration Report) and their closely related parties will not be able to vote proxies on Resolutions 2, 5 and 6 unless shareholders direct them how to vote. If shareholders intend to appoint a member of the Key Management Personnel as their proxy, please ensure that they direct them explicitly how to vote on Resolutions 2, 5 and 6. If a shareholder intends to appoint the Chairman of the meeting as your proxy, you can direct and expressly authorize him or her to vote by either marking the relevant box for Resolutions 2, 5 and 6 or by marking the Chairman's box on the proxy form (in which case the Chairman of the meeting will vote in favour of these items of business).

Documents appointing a proxy may be lodged the Company's share registry by using one of the following methods:

**Fascimile:** (within Australia) 1800 783 447  
(Outside Australia) +61 3 9473 2555

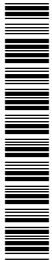
**Mail:** Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne Victoria, 3001

**By Hand:** Computershare Investor Services Pty Limited  
Yarra Falls, 452 Johnston Street  
Abbotsford Vic 3067

**Online:** For Intermediary Online Users (custodians) only at: [www.intermediaryonline.com](http://www.intermediaryonline.com)

An appointment of a proxy will not be valid unless the proxy's appointment, and (if relevant) the Power of Attorney or other authority under which it is signed (or a certified copy of that power or authority), are received by the Company at its registered office, or at one of the addresses or the fax number set out above, at least 48 hours before the meeting.

In accordance with the Corporations Act, the Directors have determined that, for the purposes of the meeting all shares in the Company are to be taken as being held by the persons who held them at 7.00 pm (AEDT) 25 November 2013. For the purposes of the meeting transfers registered after that time will be disregarded. This determination applies to all shares which are quoted shares at the specified time.



=====

## EXPLANATORY MEMORANDUM

This Explanatory Memorandum should be read in conjunction with the Notice of Meeting. Each Director recommends that shareholders vote in favour of each resolution (except if the Director has an interest in the resolution and is excluded from voting on the resolution pursuant to the voting exclusion statement in the Notice of Meeting).

## ACCOUNTS & REPORTS

The Corporations Act requires the financial report and the reports of the Directors and the auditor to be received and considered before the Annual General Meeting. Accordingly, the reports for the year ended 30 June 2013 will be presented for consideration by shareholders. No resolution is required on these reports.

In accordance with the Corporations Act, you may choose not to receive a hard copy of the Annual Report by contacting the Company's Share Registry, Computershare Investor Services Pty Limited, by phone on 1300 859 505 (within Australia) or +61 3 9415 5000, and you may request that this occurs on a standing basis for future years. If you choose not to receive a hard copy of the Annual Report, you may access it at the Company's website: [www.greenearthenergy.com.au](http://www.greenearthenergy.com.au).

### Resolution 1: RE-ELECTION OF MR ROBERT ANNELLS AS A DIRECTOR OF THE COMPANY

In accordance with Article 20.3 of the Company's Constitution, Mr Annells retires by rotation and, being eligible, offers himself for re-election as a Director. This resolution seeks the reappointment of Mr Annells as a Director.

Mr Annells is a former member of the ASX with over forty years experience in the securities industry and is a qualified accountant. His experience includes provision of corporate and investment advice to the business and resources industries. During the past seven years Mr Annells has also served as Executive Chairman of ASX listed oil and gas exploration company Lakes Oil NL, Chairman of ASX listed company Rum Jungle Resources Limited, Chairman of ASX listed company Central Australian Phosphate Limited, Chairman of ASX listed mining company Minotaur Exploration Limited, Non Executive Director of Gippsland Offshore Petroleum Limited, and Chairman of London based company Xtract Energy PLC.

### Resolution 2: ADOPT THE REMUNERATION REPORT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2013

Under the Corporations Act, a listed entity is required to include in the Directors' Report a detailed Remuneration Report setting out certain prescribed information relating to Directors' and Executives' remuneration. This Remuneration Report can be found at pages 10 to 16 of the 2013 Annual Report. It sets out a range of matters relating to the remuneration of directors and other Key Management Personnel of the Company.

Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Under the Corporations Act, a listed entity is required to put to the vote a resolution that the Remuneration Report be adopted. Whilst the resolution must be put to a vote, the resolution is advisory only and does not bind the Directors or the Company. However if at least 25% of votes are cast against the resolution at two consecutive annual general meetings (this did not occur last year), a 'board spill resolution' needs to be put to shareholders. If the board spill resolution is passed, the Company is required to hold a further meeting of shareholders within 90 days to consider replacing those directors (other than the managing director) in office at the time the Remuneration Report was approved by the board.

This resolution seeks shareholder approval for the adoption of the Remuneration Report.

### **Resolution 3: APPROVAL OF PREVIOUS ISSUE OF SHARES**

ASX Listing Rule 7.1 restricts the number of securities which a listed company may issue in any twelve month period without the approval of shareholders to 15% of the number of shares on issue at the start of the period, subject to certain adjustments and permitted exceptions. This resolution seeks shareholder approval of the following previous issue of shares in the Company for the purposes of Listing Rule 7.4:

- On 6 June 2013, the Company announced that it acquired a further 15% interest in Greenearth Energy Efficiency Pty Ltd (GEE) from Advance Publicity Pty Ltd (Advance Publicity). The total consideration payable for the acquisition was \$99,056, of which \$48,877 was satisfied by the issue of 1,527,410 new fully paid ordinary shares to Advance Publicity at an issue price of 3.2 cents per share. No cash consideration was received from the issue of these shares.

### **Resolution 4: APPROVAL OF PREVIOUS ISSUE OF SHARES - PLACEMENT**

Like Resolution 3, this resolution seeks shareholder approval of the previous issue of certain other shares in the Company for the purposes of Listing Rule 7.4. The approval of this resolution and Resolution 3 will enable the Company at any time in the next twelve months to issue up to the maximum extent permitted without further reference to shareholders, thereby providing the Company with flexibility in meeting any short-term requirements for raising additional capital should it be necessary. Approval for the purposes of Listing Rule 7.4 is sought for the following issue:

- On 14 October 2013 the Company issued 27,739,910 fully paid ordinary shares in the capital of the Company at an issue price of 2.5 cents per share to raise \$693,000. The shares were issued to: Giwah Pty Ltd, LJ Thomson Pty Ltd, Paul Jacobson, Advance Publicity Pty Ltd, Gary Zamel & Associates Pty Ltd, Marlion Nominees Pty Ltd, James Cotton, Elsing Pty Ltd, Gerald and Lillian Pearce, Douglas Webb, Outpass Pty Ltd and Joshua Ehrlich.

The issue was designed to support the continued growth of the company's industrial energy efficiency business via its wholly-owned subsidiary, Greenearth Energy Efficiency Pty Ltd, and for general working capital. Of the 27,739,910 shares issued on 14 October 2013, 16,014,910 shares were issued without security holder approval under Listing Rule 7.1, with the balance issued under Listing Rule 7.1A.

### **Resolution 5: APPROVAL OF EMPLOYEE OPTION PLAN**

The Company has established the "Greenearth Energy Limited Employee Option Plan" (Plan) for the purposes of recognising the ability and efforts of employees (including officers) who have contributed to its success, provide an incentive for employees to achieve the long term objectives of the Company and improve its performance, and attract and retain persons of experience and ability.

The Company seeks shareholder approval in accordance with Listing Rule 7.2 Exception 9(b) and for all other purposes to issue options in accordance with the terms of the Employee Option Plan Rules summarised below. Under the ASX Listing Rules, if shareholders approve the issue then any options issued under the Plan over the next three years do not reduce the Company's 15 % placement capacity under Listing Rule 7.1.

Under the terms of the Employee Option Plan Rules, the Company is to have the ability to issue options to any employee in such quantum, on such terms and subject to such conditions as the Board in its discretion determines in accordance with the Plan. The terms of the Plan are consistent with the limits prescribed by the ASX Listing Rules, the Corporations Act and ASIC. A summary of key terms of the Plan is set out in Annexure A. A full copy Plan is available on the Company's website. As the Plan is a new one, no options have been issued under the Plan to date.

Directors will only be able to participate in the Plan if a separate and specific shareholder approval in relation to that director is obtained from shareholders.

As documented within the rules for the Plan, the total number of options issued under this plan will not exceed 5% of the total number of shares on issue. The options will have an exercise price which is either at or higher than the share price at the time of issue. It is also anticipated that the expiry period of the options will be five years or less.

#### **Resolution 6: PROPOSED GRANT OF OPTIONS TO MANAGING DIRECTOR**

Approval is sought under Listing Rule 10.11 and for all other purposes, for the proposed grant of options to Managing Director, Mr Samuel Marks as part of his ongoing remuneration arrangements. The granting of unlisted options is to appropriately incentivise and provide cost effective remuneration to the Managing Director for his ongoing commitment and contribution to the Company and to continue to vigorously pursue and fulfil the Company's stated objectives. The board of Directors is seeking approval to issue and allot to Mr Marks or his nominee 5,000,000 unlisted options, for nil consideration. Each option entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company at the exercise prices and expiry periods listed below:

<b>Number of Options</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
2,000,000	7.5 cents per option	30 September 2018
3,000,000	10 cents per option	30 September 2018

The above options will vest on 1 July 2014, subject to the continued employment of Mr Marks with the Company. The options will not be quoted on ASX and accordingly have no readily identifiable market value. The options will be valued for accounting purposes by the Directors using the principles set out in AASB 2 "Share based Payment" and the Black Scholes method once the options have been approved and granted.

Mr Marks and his associates currently hold a relevant interest in 926,375 ordinary shares in the capital of the Company. Until exercised, the grant of options will not impact on the number of ordinary shares on issue in the Company. If all the proposed options were exercised, an additional 5,000,000 fully paid shares would be issued. No funds will be raised from the grant of the options. Any funds raised from the exercise of the options will be applied towards working capital and cash requirements of the Company at the time of exercise of options.

If shareholders approve Resolution 6, the options issued to Mr Marks will not use up any of the Company's share placement capacity. If approved by shareholders, the options will be issued no later than 1 month after the date of the meeting.

#### **Resolution 7: APPROVAL OF 10% PLACEMENT CAPACITY UNDER LISTING RULE 7.1A**

##### Background

Under Resolution 7, the Company is seeking shareholder approval to create an ability to issue up to an additional 10% of the issued share capital of the Company under ASX Listing Rule 7.1A. Approval for the purposes of ASX Listing Rule 7.1A was given by shareholders at last year's AGM.

Listing Rule 7.1A enables eligible entities, subject to shareholder approval by way of a special resolution, to issue up to 10% of its issued share capital through placements over a 12 month period after the Annual General Meeting (**10% Placement Facility**). The 10% Placement facility is in addition to the company's 15% placement capacity under Listing Rule 7.1

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

Under Resolution 7 the Company is now seeking shareholder approval by way of a special resolution, which requires approval of 75% of the votes cast by shareholders present and eligible to vote, to have the ability to issue securities under the 10% Placement Facility. The only securities that the 10% Placement Facility can cover are existing quoted securities, namely ordinary fully paid shares.

### Formula for calculating the 10% Placement Capacity

The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the following formula prescribed in the Listing Rule 7.1A.2:

#### **(A x D) - E**

**A** has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity;

**D** is 10%; and

**E** is the number of equity securities issued or agreed to be issued under Listing Rule 7.1A in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

The Company continues actively seeking to acquire more capital and may use the 10% Placement Facility to acquire this capital.

The actual number of shares that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the shares in accordance with the formula in Listing Rule 7.1A.2.

### Minimum issue price

In accordance with Listing Rule 7.1A, shares issued by the Company under a 10% Placement Facility can only be issued at a price that is not less than 75% of the VWAP (volume weighted average price) of the shares calculated over the 15 trading days on which trades in its shares were recorded immediately before:

- the date on which the issue price of the shares is agreed; or
- the issue date (if the shares are not issued within five trading days of the date on which the issue price is agreed).

### Placement period

Shareholder approval under Listing Rule 7.1A is valid from the date of this Annual General Meeting until the earlier to occur of:

- 12 months after the date of the Annual General Meeting; and
- the date of approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking),

or such longer period if allowed by ASX.

Shareholder approval under Listing Rule 7.1A does not lapse if the Company's market capitalisation subsequently exceeds \$300 million or if it is included in the S&P/ASX 300 Index at some time during that period provided that the Company meets those criteria on the date of the Annual General Meeting.

### Dilution to existing shareholdings

If Resolution 7 is approved by Shareholders and the Company issues Shares under the 10% Placement Facility there is a risk of economic and voting dilution to existing Shareholders as a result. Further, as the market price of the Company's shares may be significantly lower on the issue date than on the date of Annual General Meeting approval, and because the Shares may be issued at a price that is at a discount to the market price on the issue date, there is a risk that the 10% Placement Facility may raise less funding than it would based on current market prices.

As required by Listing Rule 7.3A.2, the table below shows a number of hypothetical scenarios for a 10% Placement Facility where variable "A" in the formula in Listing Rule 7.1A.2 (representing the Company's share capital) has increased by either 50% or 100%, and the share price has decreased by 50% or increased by 100% from the approximate share price as at the date of this Notice of Meeting.



## Dilution Table

Share Capital (Variable 'A' in Listing Rule 7.1A.2)		Dilution		
		\$0.016 50% decrease in Issue Price	\$0.032 Issue Price	\$0.064 100% increase in Issue Price
Current 146,541,508 Shares	Number of Shares	14,654,150	14,654,150	14,654,150
	Funds raised	\$234,466	\$468,933	\$937,866
50% increase 219,812,262 Shares	Number of Shares	21,981,226	21,981,226	21,981,226
	Funds raised	\$351,700	\$703,399	\$1,406,798
100% increase 293,083,016 Shares	Number of Shares	29,308,301	29,308,301	29,308,301
	Funds raised	\$468,933	\$937,866	\$1,875,731

The dilution table has been prepared on the following hypothetical assumptions. The Company does not represent that they will necessarily occur:

- the Company issues the maximum number of shares available under the 10% Placement Facility;
- any increase in Variable A (being the issued share capital at the time of issue) is due to an issue of shares which is an exception in Listing Rule 7.2, for example a pro-rata rights issue. However, a 15% placement under Listing Rule 7.1 does not increase variable "A" for the purposes of calculating the placement capacity under Listing Rule 7.1A;
- the table shows only the effect of issues of shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1;
- the table does not show the dilution that may be caused to any particular shareholder by reason of placements under Listing Rule 7.1A, based on that shareholder's holding at the date of the Annual General Meeting. For instance, shareholders will have different outcomes depending on whether or not they participate in a pro-rata issue which has the effect of increasing variable "A"; and
- the current share price is assumed to be \$0.032, being the share price on 21 October 2013 immediately prior to finalising this Notice of Meeting.

### Purpose of the 10% Placement Facility

The Company may seek to issue shares under the 10% Placement Facility for either:

- a cash issue price. In this case, the Company may use the funds for working capital or for other corporate purposes; or
- non-cash consideration, such as for the acquisition of new assets or investments, subject to any applicable ASX requirements.

In either case, the cash issue price or the value of the non-cash consideration must comply with the minimum issue price noted above.

### Allocation policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue under the 10% Placement Facility. The identity of the allottees under the 10% Placement Facility will be determined on a case by case basis having regard to the factors including the following:

- the methods of raising funds that are available to the Company, including a rights issue or other issue in which existing shareholders can participate;
- the effect of the issue of the Shares on the control of the Company;

- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisors (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice of Meeting and may include existing substantial shareholders and/or new shareholders, but the allottees cannot include any directors, related parties or associates of a related party of the Company without a further specific shareholder approval.

#### Voting exclusion

A voting exclusion statement is included in the Notice of Meeting. At the date of the notice, the Company has not approached any particular existing shareholder or an identifiable class of existing shareholders to participate in the issue of any shares.

#### Previous approval

The Company obtained Shareholder approval under Listing Rule 7.1A at last year's AGM. The total number of shares or other equity securities issued since then was 43,471,606 (comprising 33,471,606 ordinary fully paid shares and 10,000,000 options over ordinary fully paid shares) which together comprised 37.45% of the total number of equity securities on issue at that time. These securities were issued on:

**Date of issue:** 14 October 2013

**Number issued:** 27,739,910

**Type of equity security:** Fully paid ordinary shares

**Recipient of securities:** Participants in a share placement (details of which are set out in the Explanatory Memorandum to Resolution 4)

**Price:** 2.5 cents per share (representing a discount of 16.67%)

**Consideration received:** \$693,000. None of these proceeds have been spent to date.

**Use of proceeds:** To support the continued growth of the company's industrial energy efficiency business via its wholly-owned subsidiary, Greenerth Energy Efficiency Pty Ltd, and for general working capital.

**Date of issue:** 5 June 2013

**Number issued:** 1,527,410

**Type of equity security:** Fully paid ordinary shares

**Recipient of securities:** Advance Publicity Pty Ltd

**Price:** 3.2 cents per share (representing a discount of 3.03%)

**Consideration received:** Issue was for non-cash consideration (refer to the Explanatory Memorandum to Resolution 3 for further details)

**Value of Consideration:** \$48,877 (based on share price of 3.2 cents)

**Date of issue:** 20 December 2012

**Number issued:** 4,204,286

**Type of equity security:** Fully paid ordinary shares

**Recipient of securities:** Mr Robert Annells - 2,647,143 shares; Mr John Kopcheff - 1,557,143 shares

**Price:** 3.5 cents per share

**Consideration received:** Issue was for non-cash consideration in lieu of Directors' fees and associated superannuation as approved by shareholders at the Company's 2012 AGM

**Value of Consideration:** \$147,150 (based on share price of 3.5 cents)

**Date of issue:** 20 December 2012


**Number issued:** 5,000,000

**Type of equity security:** Unlisted options to acquire fully paid ordinary shares. The options expire on 30 September 2017, and have an exercise price of 15 cents

**Recipient of securities:** Mr Mark Miller

**Price:** Nil

**Consideration received:** Issue was for nil consideration in recognition of the contribution made by Mr Miller during his period of employment as Managing Director as approved by shareholders at the Company's 2012 AGM



**Date of issue:** 20 December 2012

**Number issued:** 5,000,000

**Type of equity security:** Unlisted options to acquire fully paid ordinary shares. The options expire on 30 September 2017. 2,000,000 options have an exercise price of 10 cents, and 3,000,000 options have an exercise price of 15 cents

**Recipient of securities:** Mr Samuel Marks

**Price:** Nil

**Consideration received:** Issue was for nil consideration in relation to Mr Marks' employment as Managing Director as approved by shareholders at the Company's 2012 AGM

Recommendation

The Directors believe that Resolution 7 will provide the Company with additional flexibility to raise capital quickly if advantageous terms are available, and is in the best interests of the Company. The Directors recommend that Shareholders vote in favour of this Resolution.

## Annexure A - Summary of the Greenerth Energy Limited Employee Option Plan

- (a) The Company, at its discretion, may make any Offer of Options to Employees, as defined in the Employee Option Plan, at any time.
- (b) Each Offer will be in writing and will specify the following:
  - a. the name and address of the Employee to whom the Offer is made;
  - b. the total number of Options (and the number of Shares to which the Options relate) for which the Employee may apply;
  - c. the Option Period for the Options;
  - d. the Exercise Price of the Options;
  - e. any Exercise Conditions for the Options;
  - f. any other matters required to be specified in the Offer by either the Corporations Act or the Listing Rules.
- (c) Unless the Board otherwise determines, no consideration will be payable for the issue of the Options.
- (d) An Offer of Options must not be made if the total number of Shares which would be issued if those Options were exercised, plus:
  - a. the total number of Shares which would be issued under all outstanding Options which have been granted but not exercised, terminated or expired; and
  - b. the number of Shares issued during the previous five years pursuant to this Plan or any employee share plan of the Company; but
  - c. disregarding any Offer made to persons situated at the time of receipt of the Offer outside Australia, an offer made under a disclosure document or an offer that did not need disclosure because of section 708 of the Corporations Act,would exceed 5% of the total number of Shares on issue at the time the Offer is made.
- (e) An Employee may only accept an Offer in writing, and such acceptance must occur within 10 Business Days after receipt of the Offer or such longer period as the Board may determine. The Company will, after receiving an acceptance of an Offer, issue an Option Certificate to the Participant.
- (f) The Options held by a Participant will vest and become exercisable by that Participant in accordance with the terms of any applicable Exercise Conditions.
- (g) The Shares to be issued on exercise of the Options will be issued on the same terms as the fully paid, ordinary shares of the Company and will rank equally with the existing issued fully paid ordinary Shares of the Company at the time of allotment.
- (h) As soon as practicable after allotment of Shares under the Plan, the Company will apply for official quotation of such Shares on the ASX.
- (i) Unless exercised, the Options of a Participant will lapse at 5.00pm (AEST) on the date which is the earlier of the expiry of the Option Period and the date which is 60 days, or such longer period as determined by the Board, after the Participant ceases to be employed by the Company, except in certain other circumstances.
- (j) Options are not transferable or assignable, except with the prior written approval of the Board.

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

 **For your vote to be effective it must be received by 11.00 am (AEDT) Monday, 25 November 2013.**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View your securityholder information, 24 hours a day, 7 days a week:

**[www.investorcentre.com](http://www.investorcentre.com)**

- Review your securityholding
- Update your securityholding

**Your secure access information is:**

**SRN/HIN:**



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Greenearth Energy Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Greenearth Energy Limited to be held at the offices of Baker & McKenzie, Level 19, 181 William Street, Melbourne on Wednesday, 27 November 2013 at 11.00 am (AEDT) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 2, 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 2, 5 and 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 2, 5 and 6 by marking the appropriate box in step 2 below. For Resolution 5, this express authority is also subject to you marking the box in the section below.

**Important for Resolution 5:** If the Chairman of the Meeting is your proxy and you have not directed the Chairman how to vote on Resolution 5 below, please mark the box in this section. If you do not mark this box and you have not otherwise directed your proxy how to vote on Resolution 5, the Chairman of the Meeting will not cast your votes on Resolution 5 and your votes will not be counted in computing the required majority if a poll is called on this resolution. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolution 5 of business.

I/We acknowledge that the Chairman of the Meeting may exercise my/our proxy even if the Chairman has an interest in the outcome of Resolution 5 and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Re-election of Mr Robert Annells as a Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Adopt the Remuneration Report for the year ended 30th June 2013	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of previous Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of previous Issue of Shares - Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Employee Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Proposed Grant of Options to Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Approval of 10% Placement Capacity under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /