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**GREENEARTH ENERGY BRINGS FORWARD  
CO<sub>2</sub> TO FUEL TECHNOLOGY OPTION PAYMENT**

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Greenearth Energy Limited (ASX:GER) on 30 June 2011 advised the market that it had successfully concluded negotiations with Yeda Research and Development Co. Ltd., the commercial arm of Israel's Weizmann Institute of Science, for an exclusive, worldwide Research and Licence Agreement for a revolutionary technology that has the ability to convert CO<sub>2</sub> emissions into fuel. This interest is held in a Israeli joint venture company, New CO<sub>2</sub>Fuels Ltd for which Greenearth Energy has an indirect interest of 42.5% with the balance held by several key project stakeholders. Today the Board of Directors of Greenearth Energy wish to announce they have negotiated a change to the existing arrangements with Erdi Fuels Pty Ltd (Erdi Fuels) to realise an early cash flow from the CO<sub>2</sub> to Fuel conversion technology project.

In 2011 to secure funding for the project, Greenearth Energy entered into an option agreement with Erdi Fuels who agreed to a placement of US\$1.0 million in Greenearth Energy as well as providing the US\$4.5 million funding required by the Israel based technology joint venture NEWCO<sub>2</sub>Fuels Ltd. In return for the joint venture funding, all parties to the joint venture, including Greenearth Energy subsidiary NewCO<sub>2</sub>Fuels Pty Ltd, granted Erdi Fuels an option to acquire all of the shares in the joint venture. The option was originally exercisable in two years' time on the basis the research progressed sufficiently to Alpha Proof (the commercialisation stage of the project) which would have resulted in Greenearth Energy receiving its final option payment in July 2014.

Greenearth Energy and Erdi Fuels have agreed to a discounted figure of \$2.0 million from Erdi Fuels (over the next 21 months) instead of the previous arrangement as described above and in the ASX announcement of 30 June 2011. The Board sees this amendment to our existing agreement with Erdi Fuels as a strategically important change which (1) exchanges a possible future payment for a fixed, advanced, funding stream for use by the company while (2) at the same time maintaining the significant upside opportunity from the project by retaining Greenearth Energy's royalty income share on futures product sales as a result of a successful commercialisation of the technology.

The technology concept successfully developed in Israel by Professor Jacob Karni and his group at the Weizmann Institute of Science and proven in laboratory trials involves a new method of using concentrated solar energy for the dissociation of carbon dioxide (CO<sub>2</sub>) to carbon monoxide (CO) and oxygen (O<sub>2</sub>). The same system can also dissociate water (H<sub>2</sub>O) to hydrogen (H<sub>2</sub>) and oxygen (O<sub>2</sub>), at the same time it dissociates the CO<sub>2</sub>. The CO, or the mixture of CO and H<sub>2</sub> (called Syngas) can then be used as gaseous fuel (e.g. in power plants), or converted to liquid fuel (e.g. methanol), which has the potential to be stored, transported and used in motor vehicles.

Greenearth Energy Managing Director Mark Miller said; "We thank Erdi Fuels and look forward to working with our project partners to bring this international project collaboration to a successful conclusion and in doing so deliver a breakthrough CO<sub>2</sub> to Fuel conversion technology".

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