



ASX ANNOUNCEMENT AND MEDIA RELEASE, 9 December 2009

\$25M GRANT AWARDED TO GEELONG GEOTHERMAL POWER PROJECT

Greenearth Energy Limited (ASX:GER) (Greenearth Energy) are pleased to advise that its Geelong Geothermal Power Project (GGPP) has been awarded a \$25 million grant under the Victorian Government's Energy Technology Innovation Strategy (ETIS) for large scale, pre-commercial, sustainable energy demonstration projects.

Energy and Resources Minister Peter Batchelor and Environment Minister Gavin Jennings today announced that Greenearth Energy was a successful applicant under the Victorian Government's Energy Technology Innovation Strategy (ETIS). The funding was awarded following a competitive process forming part of an overall \$72 million funding allocation.

The \$25 million grant has been awarded to Greenearth Energy which assists the first two stages of the Geelong Geothermal Power Project (GGPP). The Stage 1, Proof-of-Concept stage, has been awarded \$5 million to drill a deep geothermal production well, an injection well plus flow testing. The Weatherford Drilling International Rig 828 has been secured for this initial stage and drilling is planned to commence in the second half of 2010. (A separate Australian Government Geothermal Drilling Program (GDP) application for the maximum \$7 million has been submitted and Greenearth Energy are awaiting a decision).

Upon successful completion of Stage 1, an additional \$20 million has been granted by the Victorian Government towards the development of the Stage 2, 12MW_e Geothermal Demonstration Plant.

Greenearth Energy are delighted with the vision, leadership and support shown by the Victorian Government through the awarding of this substantial grant. This decision demonstrates the commitment of the State Government to the environment, renewable energy alternatives and Victorian-based companies who have demonstrated innovative projects that will assist in advancing Victoria in achieving its objectives of being a world leader in the fight against climate change.

Mark Miller, Managing Director commented: "The Victorian Government's support is tremendous, not only in financial terms but also in terms of a clear endorsement of our flagship Victorian geothermal power generation project.

"The community of Geelong and the Surf Coast Shire have provided fantastic support to our flagship project, we thank them and look forward to working with them to deliver communities and industries alike a greener, cleaner, renewable energy alternative.

"Our highest priority is now to secure the remaining funding to commence Stage 1, Proof-of-Concept as soon as possible".

Greenearth Energy will work with the Department of Primary Industries in the coming weeks to formalise the required paperwork and execute the funding agreement.

The media release from the Minister for Energy and Resources is attached.

For more information, please contact Mark Miller on (03) 9620 7299 or 0407 035 800.

A handwritten signature in blue ink, appearing to read 'Mark Miller', with a horizontal line underneath.

Mark Miller
Managing Director
Greenearth Energy Limited

Wednesday, 9 December, 2009

GEELONG REGION HEATS UP AS A HUB FOR GEOTHERMAL

The Brumby Labor Government will provide up to \$25 million for a major clean energy project that could create Victoria's largest demonstration geothermal power plant.

If successful, the Geelong Geothermal Power Project could eventually power more than 120,000 homes with clean, renewable energy.

Energy and Resources Minister Peter Batchelor and Environment Minister Gavin Jennings today announced that Greenerth Energy's proposal was the first to share in \$72 million for large-scale, pre-commercial, sustainable energy demonstration projects.

"Our Government is continuing to move towards a low-emissions energy future by driving investment in cleaner energy projects throughout Victoria," Mr Batchelor said.

"The Greenerth Energy project, located about 11 kilometres north-west of Anglesea, will be planned in two stages.

"We will provide \$5 million immediately for stage one, which involves work to confirm the extent and quality of hot sedimentary aquifers at the project site. The company will drill to depths of up to 4000 metres to test temperatures.

"If the geothermal resource meets expectations, the Brumby Labor Government will provide a further \$20 million towards the construction and demonstration of a \$64 million 12MW geothermal power plant that can feed renewable power into the local grid.

"This would be Victoria's largest demonstration geothermal power plant connected to the grid.

"Importantly, the location is close to crucial electricity grid infrastructure and heavy industry, which is important to the expansion and commercialisation of the project."

Geothermal energy is a clean and green renewable energy source generated from naturally occurring heat from hot rocks and water reservoirs deep beneath the earth's surface.

Preliminary work by Greenerth shows that the geothermal resource at the site is capable of supporting greater than 140MW of renewable base-load power generation.

Mr Jennings said providing funding for sustainable energy projects was just one of the ways the Government was driving investment in cleaner energy sources.

"Geothermal energy is a renewable energy source that has the potential to provide a constant flow of base-load power to the state's electricity grid," Mr Jennings said.

"Government investment in this exciting project underscores the Brumby Government's commitment to ensuring Victoria is a leader in renewable and clean energy development.

Member for South Barwon Michael Crutchfield said the announcement was great news for the Geelong region.

“Victoria’s south-west is rapidly emerging as a cleaner-energy hub and projects like Greenerth’s are creating a climate of opportunity for regional Victoria,” Mr Crutchfield said.

“The development of projects like this is great news for all Victorians who will see not only the environmental benefits from developing cleaner electricity generation, but the economic benefits from new renewable energy jobs.”

Mr Batchelor said the Government awarded three geothermal exploration permits, covering almost 19,000 square kilometres, to Greenerth Energy in May 2007.

These permits enable the company to explore and develop geothermal resources in the Latrobe Valley and Gippsland, Bellarine Peninsula and Surf Coast and the Geelong/Daylesford area.