

ASX AND MEDIA RELEASE, 27 JUNE 2008

**Greenearth Energy Limited is pleased to provide
the following update of its activities to the market.**

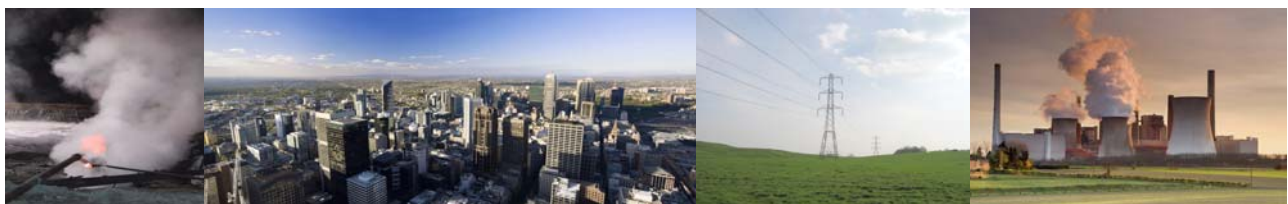
Summary of activities:

- Continuing to conduct geothermal surveying in the Geelong/Bellarine area. Outcomes have been encouraging so far.
- Progressing discussions with major utilities and industries in Latrobe Valley for partnerships in exploring geothermal opportunities.
- Progressing discussions with State and Federal Government Departments for funding partnerships in exploring Latrobe Valley. Relevant Government bodies have been positive towards receiving funding requests.
- Developing plans for future surveying in Latrobe Valley with relevant partners to proceed in the new financial year.
- Search for Managing Director progressing well with an announcement likely early in the new financial year.

Continuing surveys

The Company is engaged in an active exploration program focused on the zone from 3-4km to locate wet systems suitable for direct heat and low temperature power generation. At greater depths of around 5 km, the Company's permits, in both the Latrobe Valley and the Geelong area, offer the potential for hot fractured rock systems.

The Company is currently carrying out heat flow mapping in its Gippsland and Geelong permits which involves temperature measurements in various monitoring bores as well as re-entering a previously drilled petroleum wells at Loy Yang, owned by Lakes Oil NL. The Company has an agreement with Lakes Oil NL in relation to sharing data, assets and the cost of exploration activities. Lakes Oil has Petroleum exploration permits concurrent with the Geothermal exploration permits held by Greenearth.



A magneto telluric survey is planned in September 2008 in the Geelong area. The survey will tie in with existing seismic survey lines and deep wells southwest of Geelong and seismic lines in the Queenscliff area to the east. The intervening area has no modern geophysical data and this survey will provide our first subsurface view of an area that has potential for both the shallow wet and deeper hot fractured rock geothermal systems.

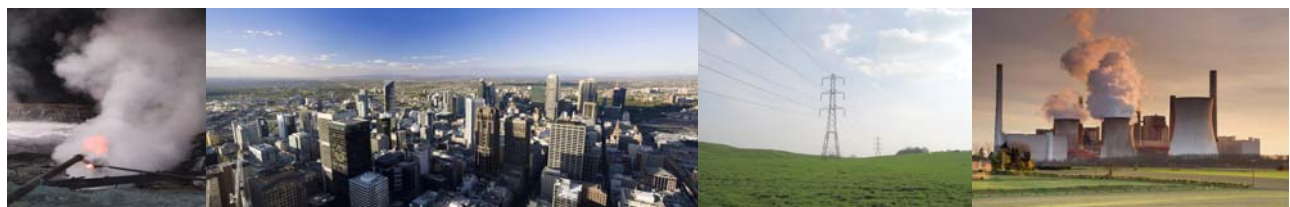
While this is the focus of a number of established geothermal companies exploring elsewhere in Australia, Greenerth's prospects offer the clear advantage of location under the industrial hub and transmission lines of South-eastern Australia. Being located adjacent to markets, development options can be modest with small power plants, and do not need the massive large scale proposal and associated development costs that appear necessary for geothermal resource development in remote areas of Australia

Discussions with Industry and Government partners

Discussions are proceeding with a number of major utilities and industries in the Latrobe Valley that have significant greenhouse gas footprints, are high energy users or are involved in technical innovation in relation to the efficient utilization of brown coal for power generation.

The Company is actively working with government and industry partners in developing proposals to advance the potential of geothermal in Victoria. The Company is seeking significant funding for exploration in calendar years 2008 and 2009. The proposals centre around the Latrobe Valley, Seaspray and the Geelong areas

Both the Commonwealth and Victorian Government are very supportive of renewable energy. With the setting of renewable energy targets, renewable energy certificates and the planned introduction of a carbon tax, there is considerable government funding to assist geothermal companies such as Greenerth. The Latrobe Valley has the most concentrated greenhouse gas footprint in Australia. Government is focused to see meaningful progress in mitigating carbon emissions utilizing energy sources that are renewable and have no carbon footprint and has a funding framework supporting that objective.



Managing director

Greenearth advertised for a managing director in the Middle of June. Chandler and Macleod are assisting Greenearth in the search. A number of high quality applications have been received to date.

Additional Technical Information

The Latrobe Valley, with early indications of heat flows around 100mw/m^2 has significantly higher heat flows than the Australian average which is around 65mw/m^2 . Temperature modeling indicates a temperature of around 150°C is likely to occur at a depth of 3 km. If sufficient water can be located at this depth then such temperatures offer the potential to be utilized for a range of direct heat uses, such as drying brown coal, heating in a range of industrial processes, or for the generation of electricity using binary power plant units.

The Loy Yang 2 well will also be the location for the commencement of an innovative micro-earthquake study over the Latrobe Valley. The Gippsland area experiences numerous small scale earthquakes that are only detected by sensitive equipment. A geophone or sonde will be placed down the Loy Yang 2 well in the third quarter 2008 to a depth of 1500m. The sonde will be well below the brown coals of the area and hence receive signals that would not normally be received at the surface, due to severe signal absorption by the surface thick brown coals. The aim of the project is to map key horizons and faults beneath the Loy Yang 2 Well. If results are favourable, a network of sondes is planned down monitoring wells in the area to better map zones of geothermal potential.

Simon R Molesworth AM QC
Chairman

