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Greenearth Energy applies for \$7M for Geelong Geothermal Power Project

Greenearth Energy Limited ("GER") is pleased to announce that it has submitted an application for funding under the Federal Government's Geothermal Drilling Program (GDP) managed by the Department of Resources, Energy and Tourism.

Greenearth Energy Limited's GDP application for \$7M is for a proof-of-concept couplet comprising two deep geothermal wells into a hot sedimentary aquifer (HSA) for the drilling and geothermal fluid flow testing program of its flagship geothermal power project at Geelong, Victoria.

The company was the first Victorian geothermal exploration and development company to publish an inferred geothermal resource estimate under the Australian Geothermal Reporting Code for its geothermal exploration permit area 10 (GEP10) which it did on 4 December 2008 for a significant HSA geothermal resource. Further and substantial geothermal resource estimation work undertaken by Greenearth Energy Limited's geothermal consultants Sinclair Knight Merz (SKM) has targeted a highly prospective HSA geothermal reservoir located 11 km's north west of the Anglesea's brown coal fired power station. It is this specific geothermal HSA resource that the company plans to test and develop as the Geelong Geothermal Power Project.

Greenearth Energy Limited expects to spud its Geelong Geothermal Well No.1 mid 2010 and plans to spud its Geelong Geothermal Well No.2 immediately upon successful completion of the first production well. This back-to-back program will afford Greenearth Energy Limited a cost effective means to rapidly advance its proof-of-concept geothermal power scheme to commercial demonstration stage.

The \$50M GDP will assist companies seeking to develop geothermal energy by supporting the cost of proof-of-concept projects. The GDP is a competitive merit based grants program provided as a dollar for dollar subsidy, capped at \$7M per proof-of-concept project. Proof-of-concept occurs at the stage of a project after a potential geothermal resource has been located, drilled and flow tested. An announcement regarding the awarding of GDP grants by the Minister is anticipated mid November.

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