

ASX ANNOUNCEMENT AND MEDIA RELEASE, 1 September 2009

Greenearth Energy applies for \$20m for Geelong Geothermal Power Project

Greenearth Energy Limited (Greenearth Energy)(ASX:GER) is pleased to announce that it has submitted an application for funding under the Victorian State Government's Energy Technology Innovation Strategy (ETIS) managed by the Department of Primary Industries.

Greenearth Energy Limited's ETIS application for \$20 million is for a 12MW geothermal demonstration power plant which will utilise a highly prospective Hot Sedimentary Aquifer (HSA) geothermal reservoir located just 9km's north west of the Anglesea brown coal fired power station.

Subject to successful Federal Government grant application for Proof-of-Concept (POC) drilling and project capital raising, the company plans to commence their Geelong Geothermal Power Project (GGPP) mid 2010 by drilling a POC well couplet comprising two deep geothermal wells into a hot sedimentary aquifer for the drilling and geothermal fluid flow testing program of its flagship geothermal power project at Geelong, Victoria. If the POC stage proves successful the well couplet will be used as the platform for drilling a second well couplet to deliver the 12MW demonstration stage of the GGPP.

The Brumby Government allocated an extra \$72 million towards large scale sustainable energy demonstration projects that will position Victoria as a world leader in the fight against climate change. The additional funding was announced in April 2008 as part of the next round of Energy Technology Innovation Strategy (ETIS) grants.

An announcement regarding the awarding of ETIS grants is anticipated early 2010.

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