

20 March 2008

Dear Shareholder

ASX RESTRICTIONS LIMITS BONUS OPTIONS TO 1 FOR 3

On 1 February 2008 Greenearth Energy Limited (**Greenearth**) announced its intention to make a bonus issue of options (**Bonus Options**) to holders of Greenearth shares resident in Australia and New Zealand (**Eligible Holders**) as at the close of trading on 4 April 2008 (**Record Date**)

Unfortunately due to limitations under the ASX Listing Rules as to the maximum quantum of options which listed entities may have on issue, Greenearth is unable to offer Bonus Options on the basis of 1 Bonus Option for every 2 Greenearth shares as previously contemplated. Accordingly, Greenearth is required to amend the offer to **1 Bonus Option for every 3 Greenearth shares** held on the Record Date.

All other details of the offer as announced on 1 February remain unchanged. Each Bonus Option will have an exercise price of 30 cents and an expiry date of 15 April 2009 and will entitle the holder to subscribe for one Greenearth share on exercise (subject to adjustments for any capital reorganisations). Greenearth intends to apply to ASX for quotation of the Bonus Options, subject to any existing escrow arrangements.

A prospectus setting out the details of the Bonus Option issue is expected to be released to ASX in late March with despatch of the Prospectus to Eligible Shareholders shortly after the Record Date. No moneys are payable by Eligible Shareholders to receive the Bonus Options and there will be no requirement for Eligible Shareholders to complete any paperwork in order to receive the Bonus Options.

Yours sincerely
Greenearth Energy Ltd.



Vicki Kahanoff
Company Secretary