

30 January 2008

Dear Shareholder

OPTIONS ISSUE

Greenearth Energy Limited (**GER**) announces its intention to make a bonus issue of options to GER shareholders (**Bonus Options**).

Each holder of GER shares as at the close of trading on 4 April 2008, will be entitled to receive one Bonus Option for each holding of 2 GER shares for no payment on issue.

Each Bonus Option:

- will have an exercise price of 30 cents and an expiry date of 15 April 2009;
- will entitle the holder to subscribe for one GER share on exercise (subject to adjustments of for any capital reorganisations); and
- will be transferable, and GER intends to apply to ASX for quotation of the Bonus Options.

The offer of Bonus Options will be made pursuant to a disclosure document to be issued by GER shortly after 4 April 2008. The offer will be made to GER shareholders with registered addresses in Australia and New Zealand.

Further details will be provided in due course.

Yours sincerely

Greenearth Energy Ltd.



Vicki Kahanoff
Company Secretary