

*Greenearth
Energy Ltd.*

*Quarterly Activities
Report
31 March 2013*

*Energy Security in a
Carbon Constrained World*

Corporate Directory

Corporate Directory

Directors

Mark Miller (Non-Executive Director)
Robert J. Annells (Non-Executive Chairman)
John T. Kopcheff (Non-Executive Director)
Samuel Marks (Managing Director)

Company Secretary

Leslie Smith BBS, MBA, CPA, CA (NZ)

Registered Office

Level 14
500 Collins Street
Melbourne Victoria 3000

Telephone: (03) 9620 7299

Facsimile: (03) 9629 1624

Securities Exchange

Australian Securities Exchange Limited
Level 45, South Tower, Rialto
525 Collins Street
Melbourne Victoria 3000
ASX code: GER

Auditors

Pitcher Partners

Legal Advisors

Baker & McKenzie

Bankers

Westpac Banking Corporation

Address for Correspondence

P.O. Box 24
Collins Street West
Victoria 8007

Email: greenearth@greenearthenergy.com.au

Web site: www.greenearthenergy.com.au

Share Registry

Computershare Investor Services Pty. Ltd.
Yarra Falls 452 Johnston Street
Abbotsford Victoria 3067
(03) 9415 5000

Highlights

Highlights

- Extension of \$25m ETIS grant for the Geelong Geothermal Power Project
- Submission of proposal for ARENA funding grant for the Geelong Geothermal Power Plant
- Energy Efficiency business establishes Hella Lighting company as an OEM customer
- Further development of the NewCO2 Fuels (NCF) project



Greenearth Energy Ltd.

Energy Security in a
Carbon Constrained World

Introduction

The third quarter of 2012/13 saw continued improvement across the Greenearth Energy ('Greenearth') consolidated group. As could be seen from the half year financial reports, the first half of 2012/13 saw concerted effort to reduce costs and re-focus the operating units in-line with the long-term strategy and the third quarter was no different. The group continues to focus on ensuring GER is developing a sustainable cash-flow via the Energy Efficiency business and also saw some very positive steps forwards on the Geelong Geothermal Power Project ('GGPP'), along with the hiring of a new Chief Financial Officer, Robert Smith.

As announced to the market on the 8th March 2013, Greenearth successfully negotiated an extension of the \$25m ETIS grant, whilst finalising and submitting a proposal to source federal government funding via the Australian Renewable Energy Agency (ARENA) for the geothermal project in Geelong. This is an essential step towards establishing a financially viable, sustainable, base load clean power resource in Australia.

On the Energy Efficiency front, we saw the exciting launch of a new OEM ('Original Equipment Manufacturer') product, "MaxiLUME" from Hella Mining, a business unit of Hella KGaA Hueck & Co, managed out of Hella Australia Pty Ltd. This product combines Metrolight SmartHID technology with the leading lighting technology and global distribution of Hella which delivers what we believe is probably the most energy efficient floodlight system in the market.. This has been a great opportunity for both Hella and Greenearth Energy Efficiency ("GEE") to leverage off each other, accelerating product development and whilst reducing development costs. Further synergies are being exploited with GEE also distributing Hella products, substantially enhancing the scope of Greenearth Energy's offering of energy efficient lighting systems.

The group has made great inroads over the past three months, consolidating a great first 6 months to 2012/13. We are looking forward to continuing to execute our strategy as planned in the last quarter leading up to 30 June 2013 and beyond.

The following pages outline the progress achieved during the quarter.

SIGNED ON BEHALF OF GREENEARTH ENERGY LTD.



Samuel Marks
Managing Director
Greenearth Energy Limited
30 April 2013

Greenearth Energy Ltd.

Energy Security in a Carbon Constrained World

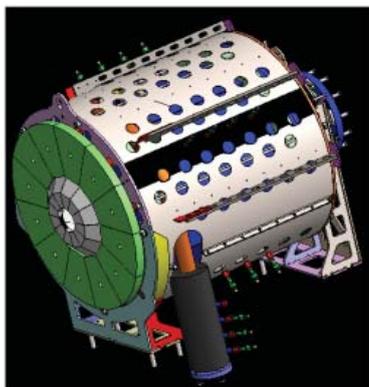
NewCO₂ Fuels

The past quarter saw continued progress from the team in Israel on product development and establishment of the Solar Tower testing facilities located within the Weizmann Institute, whilst the team at Greenearth worked to establish a detailed schedule for a two week visit by Professor Jacob Karni and David Banitt (CEO) to Australia in early April.

Ongoing research and development focused on the following key aspects:

1. Initial instillation of the test rig, power control & system piping within the Solar Tower testing facility
2. Final stages of the fabrication of the solar receiver;
3. The reaction cells were a keen focus, specifically around improving the reliability and endurance;
4. Ongoing development of the hardware designs & software implementation of the control systems;
5. Continued patent protection across the globe.

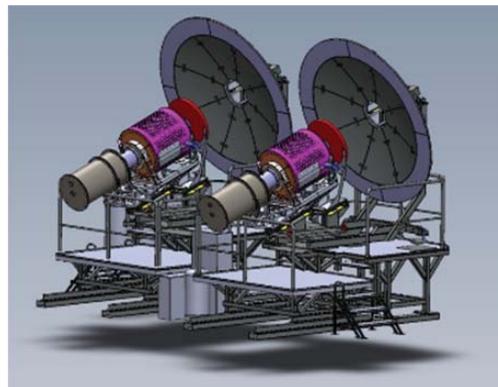
Pictured below are some of the developments within the past three months which can be disclosed:



The external view of the Solar Receiver



The reflector structure in assembly



A digital image of the design of the test rigs under assembly in the Solar Tower Testing Facility

The trip planned for April was held the first two weeks post the Easter holidays and was well received. Further details will be provided in future reports.



Greenearth Energy Ltd.

Energy Security in a Carbon Constrained World

NewCO₂ Fuels Joint Venture

In 2011 Greenearth Energy secured an exclusive worldwide Research and License Agreement for a revolutionary technology that has the ability to convert CO₂ emissions to fuel. The group's investment is represented by a 50% ownership in NewCO₂Fuels Ltd (Israel). As described in the June 2012 annual report, an option deed has been entered into which grants Erdi Fuels Pty Ltd the right to acquire the group's 50% ownership of NewCO₂Fuels Ltd. The group will retain an ongoing royalty stream (of 42.5%).

The CO₂ to fuel conversion technology concept, successfully developed in Israel by Professor Jacob Karni and his group at the Weizmann Institute of Science, and proven in subsequent extensive laboratory trials, involves a new method of using concentrated solar energy for the dissociation of carbon dioxide (CO₂) to carbon monoxide (CO) and oxygen.

The same system can also dissociate water (H₂O) to hydrogen (H₂) and oxygen, at the same time it dissociates the CO₂. The CO, or the mixture of CO and H₂ (called Syngas) can then be used as gaseous fuel (e.g. in power plants), or converted to liquid fuel (e.g. methanol or other transportation fuels), which has the potential to be stored, transported and used in motor vehicles. The oxygen produced can be used in the combustion of the clean fuel, or elsewhere



Greenearth Energy Ltd.

Energy Security in a Carbon Constrained World

Greenearth Energy Efficiency

Greenearth Energy Efficiency ("GEE") is a business unit focused on the integration of energy efficiency technologies into the Industrial, Warehouse and Manufacturing sector across Asia. The core current product focus is on energy efficient lighting.

As detailed in the introduction, Q3 saw continued progress across this business unit, with a focus on turn-key operations and the Original Equipment Manufacture (OEM) market. The launch of the new MaxiLUME product with Hella Australia Pty Ltd within the OEM sector was great progress which we are hoping will lead to continue success of this model.

A turn-key example of another successful project was the installation of a lighting system in a large well known food processing facility in NSW where the Metrolight product was coupled with twin arc tube pulse start Metal Halide lamps and integrated into the production control system of the facility, minimising the required lighting operating hours.

The independently verified results were as follows:

- Annual electrical energy savings of 900MWh and \$150,000 saved;
- Double the light levels previously maintained;
- Reduced electrical consumption by 60%; and
- Pay back of under 3yrs achieved, excluding any government funding under the CTIP initiative

As mentioned in prior quarters, GEE has now received feedback from the Victorian Government on the Victorian Energy Efficiency Certificates progress and are in the process of updating our application to become an accredited certificate creator in Victoria. This is in line with our current Energy Saving Certificate accreditation in NSW. We hope to successfully re-submit the updated application in the coming quarter.

The operational initiatives that are now well under way within this business unit continue to show compelling energy efficiency results for our customers. Based on the feedback to-date, GEE continues to focus on growth of supplier and customer relationships with partners both inside and outside the core energy efficiency lighting industry. We are currently working on exciting opportunities which will assist our customer base achieve improved energy efficiency results, yet also provide additional routes to market for our products.



Greenearth Energy Ltd.

Energy Security in a Carbon Constrained World

Geothermal Energy

As noted in the half year accounts for the period to 31 December 2013, Greenearth Energy continued to drive both the Geelong Geothermal Power Project (GGPP) and our Latrobe Valley Consortium (LVC), with a focus on sourcing the large level of investment required to develop the projects.

A key win in the past quarter which has assisted us in this ongoing drive was the successful negotiation to extend the \$25m ETIS grant until 30 September 2013. This negotiation included favourable terms which assist in Greenearth Energy being able to apply for federal funding via the Federal Government's Emerging Renewables Program ('ERP'). The ERP is overseen by the \$3.2 billion Australian Renewable Energy Agency (ARENA), a funding arm of the Clean Energy Future package.

The team submitted the initial Expression of Interest (EOI) in March 2013 and are awaiting feedback from ARENA in relation to whether this EOI has been successful, and if so, will progress to the detailed submission to request funding to assist on the furthering of the GGPP.

The LVC consortium, now led by Monash University continued to firm up their own EOI for an additional funding proposal via ARENA and the University, to develop an innovative geoscience program in the Latrobe Valley. This program integrates advanced and emerging geological, geophysical and petrophysical technologies to understand the potential native productivity of the region and the potential to enhance this through stimulation.

The process to bring these two opportunities to fruition is one which takes time and a dedicated group of supporters at all levels. This company was formed on the back of proving that geothermal energy has the capabilities in Australia to develop clean, base-load power to the Australian people, at a financially viable price. We still believe this is the case.

Under legislated requirements of the Geothermal Energy Resources Act 2005, Greenearth Energy submitted three renewal proposals of our current exploration permits as follows:

- Geothermal Exploration Permit 10 - for a period of 5 years located in the greater Geelong / Anglesea region
- Geothermal Exploration Permit 12 - for a period of 5 years located in the Latrobe Valley region
- Geothermal Exploration Permit 13 - for a period of 5 years located in the Latrobe Valley region

The applications were received by the Victorian Government in March and we await a response, expected this quarter, to confirm the renewal of these permits.



Greenearth Energy Ltd.

Energy Security in a
Carbon Constrained World

Geelong Geothermal Power Project (GEP 10)

Background on the project:

Upon submission of the Expression of Interest (EOI) for funding in March 2013 via the Australian Renewable Energy Agency (ARENA), GER received formal notification from the Victorian Government that we had successfully been given an extension of time to raise the additional funding required to match the \$25million grant under the ETIS grant. This is a key step towards bringing the GGPP to fruition and has subsequently provided the opportunity to prepare a second Expression of Interest to the federal government under its \$3.2 billion ARENA, as a part of its Clean Energy Future package.

Greenearth had previously applied for funding towards the testing and development of a geothermal well in within the GEP 10 permit zone under the Australian Government's \$126 million Emerging Renewables program, however this was unsuccessful due to various factors, which were rectified in the updated application to ARENA during the 3rd quarter of this year.

In November 2011 Greenearth Energy successfully concluded negotiations with the Victorian State Government and executed the \$25 million funding agreement for the GGPP. The \$25 million Victorian Government grant funding was awarded in December 2009 under the government's Energy Technology Innovation Strategy (ETIS). The funding was awarded to assist two stages of the GGPP development, the first being \$5 million towards establishing Proof-of-Resource, with a further \$20 million awarded for Stage 2 being a grid connected 12MWe hot sedimentary aquifer (HSA) geothermal energy demonstration plant.

Subsequent project partners have been developed including Alcoa of Australia, Leighton Contractors, Holcim Australia and Lakes Oil N.L.



Greenearth Energy Ltd.

Energy Security in a Carbon Constrained World

Latrobe Valley Region (GEP 12 / GEP13)

As previously detailed, the consortium formed in November 2012 continued to develop the funding application for submission to the \$3.2 billion Australian Renewable Energy Agency (ARENA) to utilise Victoria's / Australia's best geoscience bodies to assess the potential productivity of geothermal reservoirs prior to drilling expensive deep wells. It has the potential to, if successful, reduce exploration drilling risk and address one of the biggest challenges facing the geothermal industry. The submission is expected to be completed in the last quarter of the 2012/13 financial year.

The consortium is led by Monash University, along with a team including leading experts from University of Melbourne, Intrepid Geophysics, and supporting roles from the University of Adelaide, ANU and the Institute of Earth Science and Engineering (IESE) University of Auckland New Zealand. Greenearth Energy (exploration permit holder), has taken a more minor role in this project however will continue to work with the consortium through-out the life of the project.

This updated consortium has the opportunity to combine some of the top academics and newest technologies across the geothermal industry with the intent being to develop long term benefits not only for Greenearth Energy, yet also the geothermal industry across Australia.

The Project will focus on Victoria's Latrobe Valley where work by Greenearth Energy and the University of Melbourne has previously suggested a significant new geothermal province close to transmission infrastructure.

The Latrobe Valley is an exciting geothermal prospect as thick insulating coals overly the hot sediments. An innovative geoscience program will integrate advanced and emerging geological, geophysical and petrophysical technologies to understand the potential native productivity and the potential to enhance this through stimulation. Matrix, fracture and fault permeability will be differentiated. An advanced uncertainty analysis, will be developed to quantify uncertainties.

Success will lead to greater exploration success for the Australian geothermal industry and a decision regarding a deep well in the Latrobe Valley.

Greenearth Energy Ltd.

Energy Security in a
Carbon Constrained World

Other

Greenearth Energy continues to receive monthly installments from Erdi Fuels Pty Ltd, as detailed in the 30 June 2012 Annual Report. These cash inflows, together with receipts collected by Greenearth Energy Efficiency, will enable the business to continue to execute our strategy.

Significant changes in the State of Affairs

There were no significant changes during the relevant period that have not been previously disclosed.



At the date of this report, Greenearth Energy has approximately 1,166 shareholders, with a issued capital structure of:

Total Listed Ordinary Shares	117,274,188
Total Unlisted Options	13,000,000

SIGNED ON BEHALF OF GREENEARTH ENERGY LTD.

Samuel Marks
Managing Director
Greenearth Energy Limited
30 April 2013

The images contained in this document are of a generic nature and are not intended to be representative of specific locations.