

Market Announcements Platform
Australian Securities Exchange
Level 4, North Tower
525 Collins Street
Melbourne VIC 3000

8 August 2016

Greenearth Energy Ltd (GER)

Issue of Placement Shares – Notice under section 708A(5)(e) and Listing Rule 3.10.5A

Greenearth Energy Ltd (GER) (**Company**) gives this notice under section 708A(5)(e) of the Corporations Act (Cth) (**Act**), further to its share placement to raise approximately \$3.8 million before costs as announced on 29 July 2016 (**Placement**).

Under the Placement, the Company issued 50,870,937 fully paid ordinary shares at an issue price of 7.5 cents per ordinary share (**New Shares**) on 8 August 2016.

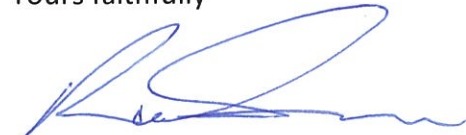
The Company provides the following information in respect of the Placement:

1. The Company issued the New Shares without disclosure to investors under Part 6D.2 of the Act.
2. As at the date of this notice, the Company has complied with:
 - a. the provisions of Chapter 2M of the Act as they apply to the Company; and
 - b. section 674 of the Act.
3. There is no excluded information as described in section 708A(7) of the Act and qualified by section 708A(8) of the Act.
4. The Company provides the following information under ASX Listing Rule 3.10.5A:
 - a. The dilution to existing shareholders as a result of the Placement is approximately 14.52%.
 - b. A total of 50,870,937 shares were issued under the Placement. A total of 28,402,125 shares were issued pursuant to Listing Rule 7.1A (representing 6.41% of the post-placement capital) and 22,468,812 shares were issued pursuant to Listing Rule 7.1 (representing 8.11% of the post-placement capital).
The percentage of the post-placement capital held (in aggregate) is as follows:
 - pre-placement security holders who did not participate in the Placement: 72.01%
 - pre-placement security holders who did participate in the Placement: 20.83%
 - participants in the Placement who were not previously security holders: 7.16%

- c. The Company considered the Placement as the most efficient and expedient method to secure the desired quantum of funds required to achieve its stated objectives, given the funding certainty.
- d. The Placement was not underwritten.
- e. Fees and costs totalling approximately \$0.2m were incurred in connection with the Placement.

An Appendix 3B for the issue of new shares is attached.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Robert Smith', with a stylized flourish at the end.

Robert Smith
Company Secretary

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Greenearth Energy Ltd

ABN

60 120 710 625

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|----------------------------|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 50,870,937 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully Paid Ordinary Shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	Yes
5 Issue price or consideration	7.5 cents per share
6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Funds will be used to expand and accelerate growth and for general working capital purposes.
6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i	Yes
6b The date the security holder resolution under rule 7.1A was passed	25 November 2015
6c Number of +securities issued without security holder approval under rule 7.1	22,468,812

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	28,402,125	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil	
6f	Number of +securities issued under an exception in rule 7.2	Nil	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes. - Issue date 8 August 2016 - Issue price 7.5 cents per share - 15 day VWAP 7.8 cents per share - Calculation source: ASX data	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Nil (under rule 7.1) <u>Nil</u> (under rule 7.1A) Nil (total)	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	8 August 2016	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		350,426,565	Ordinary Shares

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	
	1,125,000	Options exercisable at 15 cents each expiring on 2 February 2017
	625,000	Options exercisable at 20 cents each expiring on 2 February 2017
	3,000,000	Options exercisable at 10 cents each expiring on 30 September 2017
	13,000,000	Options exercisable at 15 cents each expiring on 30 September 2017
	4,000,000	Options exercisable at 20 cents each expiring on 30 September 2017
	4,350,000	Options exercisable at 12.5 cents each expiring on 7 August 2018
	2,000,000	Options exercisable at 7.5 cents each expiring on 30 September 2018
	3,000,000	Options exercisable at 10 cents each expiring on 30 September 2018
	100,000	Options exercisable at 12.5 cents each expiring on 30 September 2018
	13,600,000	Options exercisable at 12.5 cents each expiring on 23 December 2018
	350,000	Options exercisable at 12.5 cents each expiring on 31 March 2019
	500,000	Options exercisable at 15 cents each expiring on 30 June 2019
	500,000	Options exercisable at 20 cents each expiring on 30 June 2019
	1,500,000	Options exercisable at 12.5 cents each expiring on 1 July 2019

+ See chapter 19 for defined terms.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The company does not presently have a dividend policy
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Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the ⁺ securities will be offered	N/A
14	⁺ Class of ⁺ securities to which the offer relates	N/A
15	⁺ Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

- | | | |
|----|--|-----|
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | +Issue date | N/A |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of +securities
(tick one)

(a) ☒ +Securities described in Part 1

(b) ☐ All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
- 1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of ⁺ securities for which ⁺ quotation is sought	N/A				
39	⁺ Class of ⁺ securities for which quotation is sought	N/A				
40	Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities? If the additional ⁺securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	N/A				
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another ⁺security, clearly identify that other ⁺security)	N/A				
42	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">⁺Class</th> </tr> </thead> <tbody> <tr> <td style="height: 100px;"></td> <td></td> </tr> </tbody> </table>	Number	⁺ Class		
Number	⁺ Class					

⁺ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

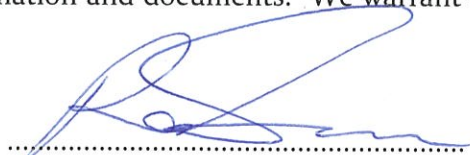
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


.....
(Company secretary)

Date: 8 August 2016

Print name: Robert Smith

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	246,975,003
Add the following: - Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 - Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval - Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: - Include only ordinary securities here – other classes of equity securities cannot be added - Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed - It may be useful to set out issues of securities on different dates as separate line items	Nil 37,046,250 issued on 23 October 2015 Nil
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	284,021,253

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	42,603,187
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <i>Note:</i> • This applies to equity securities, unless specifically excluded – not just ordinary securities • Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed • It may be useful to set out issues of securities on different dates as separate line items	4,600,000 unlisted options over fully paid ordinary shares, issued on 15 April 2016 15,534,375 fully paid ordinary shares, issued on 18 April 2016 22,468,812 (issue of ordinary shares the subject of the Appendix 3B to which this form is attached)
“C”	42,603,187
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	42,603,187
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	42,603,187
Total [“A” x 0.15] – “C”	Nil <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	284,021,253
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	28,402,125
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	28,402,125 (issue of ordinary shares the subject of the Appendix 3B to which this form is attached)
“E”	28,402,125

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	28,402,125
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	28,402,125
Total ["A" x 0.10] – "E" 	Nil <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.