



Greenpower Energy Limited (ABN 000 002 111)

Quarterly Report – to 31 March 2010
Mining Production Report – Listing Rule 5.1

GREENPOWER ENERGY LIMITED (ASX:GPP) Following the listing of the company' s shares in March 2008 all of the mining tenements to be acquired (as per the prospectus of 3 September 2007 (with amendments)) have been acquired by Greenpower Energy.

Since listing we' ve examined the possibilities of clean energy production from Australia' s abundant natural gas and coal deposits – through known technologies for natural gas and coal seam gas recovery, for in situ coal gasification, and for conversion of coal to liquid fuels.

We are continuing by considering geothermal energy development, through obtaining two licenses in Western Australia to explore and develop naturally occurring thermal energy [awarded on 24 February 2010]. Applications have been submitted for additional areas in WA which are prospective for geothermal energy.

The company has focused on the acquisition of hydrocarbon exploration permits in Western Australia, the exploration licenses for coal and related products in Victoria, (seven in the Gippsland Basin and one in the Otway Basin), the direct purchase of two tenements in the Otway Basin as well as the 20 per cent interest in an exploration license located in the Gunnedah Basin in New South Wales and two Petroleum Exploration License

Applications one each in the Eromanga and Willochra Basins in South Australia. Other opportunities are being pursued.

The company' s principal goal is the production of greenhouse friendly products coupled with the continued sustainable growth of the company' s assets.

Victorian Areas

After completing an extensive review of historical information available on the exploration areas held in Victoria the company is now considering the best method for further delineation and development of the resources. Apart from the exploration for coal bed methane (CBM) the company is reviewing the possibility of In-seam gasification of coal seams that have been identified within the company' s areas and for coal to liquids opportunities.

Gippsland Areas

As announced previously Greenpower Energy sold its Mirboo tenement (EL4877) in Gippsland Victoria for \$2.8 million. The tenement covers approximately 700 km² and was one of the tenements 100% owned by Greenpower in Victoria. The vendor was Sawells Pty Ltd, a wholly owned subsidiary of Greenpower Energy. The purchaser is Latrobe Fuels Pty Ltd based in Western Australia, an unlisted public company.

Payment is staged with an immediate non refundable \$200,000 deposit. A further \$1.6 million is to be paid 12 months after the Victorian Department of Primary Industries approves a work plan for the site. A further \$1 million will be contingent on a mining lease being granted for the site. Greenpower will also receive a royalty of

2.5 per cent on profits of production of all minerals and oil and gas produced from the tenement.

Also as previously announced [when] the Company has entered into a Heads of Agreement (**HOA**) with Clean Global Energy Pty Ltd (**CGE**), a company acquired by public company Clean Global Energy. This allows CGE to explore and evaluate Greenpower' s Victorian tenements (except EL 4877 and EL4860 and the recently awarded EL 5227 and EL 5228) for underground coal gasification (UCG) opportunities

CGE is to select a priority area or areas suitable for underground coal gasification (UCG) development. Then if appropriate, in joint venture with Greenpower, to select a site or sites within selected joint venture area/s to build a UCG pilot plant/s and in due course a UCG commercial plant/s.

CGE has advised that it intends to select EL4500. CGE and Greenpower will now enter into a joint venture agreement whereby CGE will commit to spend a minimum of \$1,250,000 proving coal reserves suitable for UCG within a 5 year period to earn a 75 per cent interest in the ultimate mining license. CGE will then construct and commission a 1Pj per annum UCG Syngas pilot plant. Upon successful commissioning of the pilot plant CGE will construct a commercial UCG Syngas Plant to produce 50Pj per annum of Syngas.

The relationship with CGE is a positive step to evaluate UCG opportunities on Greenpower' s vast Victorian holdings.

The company is conducting an ongoing review of existing information over all of the areas held for potential for CBM, UCG, and coal to liquid opportunities. In particular it is carrying out a review of the efficiency of various coal to liquid processes under development. We

aim to build on work previously carried out by Exxon on coals within our new EL 5227 and EL 5228 permits.

Otway Areas

Review of the company' s Consulting Geologist' s reports from interpretation of existing geological and geophysical data relevant to the potential for coal and other mineral resource opportunities is ongoing

Western Australian Areas

Greenpower commissioned a detailed study of the geological structure of EP 447 with results expected in the near future. Various options for development of the Western Australian area are being considered, one of which is drilling a core hole on the Charbon Prospect. Charbon is a structural development in the northern part of the permit and is prospective for Coal Seam Gas (CSG) and conventional oil and gas.

The company has commissioned a study of satellite derived multi spectral data over the EP 425 area. It is expected that results from this analysis will enable definition of areas of thicker coal development.

As previously reported EP447 represents an identified "Contingent Resource" of 1.63 TCF of gas hosted by coal seams. Greenpower is considering options for joint venturing development of this resource. The company is also aware of development work being carried out on an adjacent permit (not held by Greenpower) and awaits release of those results. These may modify plans for EP447.

A report on the Perth Basin structural study undertaken for Greenpower Energy by Prodemas International Limited has identified a new coal seam

methane (CSM) prospect as well as a conventional gas and oil prospect in the northern part of its EP447 tenement.

Prodemas was commissioned to identify areas of enhanced permeability from structural analysis. It has highlighted the Charbon area as such a zone, previously identified by Kjirt Exploration Services as having a contingent CSM resource of 15.1mm cu metres (540 bcf) of methane.

Charbon has been judged to be 800-2000m deep while covering over 50km². The proximity and up-dip nature of the structure to the Dandaragan Trough could provide further advantages as the latter comprises deep coal seams which could supply a further hydrocarbon charge into the coals and sandstones.

This most recent study was designed to outline closed structural features along the Coomallo-Walyering fault in positions where structural developments have suggested enhanced permeability for drilling operations.

The results of this study have provided us with information that suggests high potential for the northern part of the Walyering tenement as well as the very high potential for re-development at the Walyering Gas Field . Based on our in-house studies directors believe that this part of the basin holds substantial resources for CSM, tight gas extraction and conventional hydrocarbons.

Greenpower Energy will continue to analyse the dataset of the Charbon structure for the best way of unlocking its potential. Seismic will be carried out at Charbon to determine siting for a test of the conventional hydrocarbon potential.

As a conventional structural play Charbon could be, subject to results of additional seismic, at least three times the size of Walyering.

Hydrocarbons were first discovered in 1971 by the Walyering #1 exploration well. This well flowed gas at commercial rates (up to 382 km³/day: 13.5 mm cu ft/day) and was transported via the Parmelia gas pipeline for a short period.

Additional wells were drilled in 1972 (2 wells) and 2001 (1 well – Walyering #4). Commercial production could not be achieved from any of these three additional wells and the overall structure is heavily compartmentised by structural events related to the Coomallo-Walyering fault.

All the production and shows at Walyering are in the Cattamarra Coal Measures which comprise lenticular sandstones with interbeds of siltstone, claystone and coal, in all measuring over 1000m thick. Production is from the 10700 and 11050 sands. At the 10,700 level, seismic mapping indicates a closure of 10.1km². Prior to drilling in 2001 the then operator carried out a detailed review and estimated the structure to contain in place gas at 8.1 million m³ (289 bcf) with condensate at 5.5 bbls per mmcf of gas.

Two areas in the south east part of the state were granted to Greenpower on the 24 February 2010 for geothermal development

New South Wales Joint Venture

A final report by the operator on the Kurrabooma well was presented on 11 February 2010. The well intersected a net 4.6m of coal with an average gas content of 3.44 cu metres per tonne. Gas composition is in excess of 99 per cent methane. The company is currently assessing the detailed information supplied by the operator.

South Australian Areas

As previously reported discussions are continuing with the SA Minerals Department on progressing our applications (PEL(A) 145 and PEL(A) 146).

General Activities

Greenpower is actively investigating the acquisition of new tenements in Victoria, Western Australia and NSW as prospective areas of coal suitable for CSG and UCG developments.

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About Greenpower Energy Ltd

Greenpower Energy Limited is an Australian publicly listed explorer and potential supplier of 'coal seam natural gas' ('CSG') and energy derived from Underground Coal Gasification (UCG), Coal to Liquids (CTL) and accessing Geothermal Energy.

Compliance Statement

The technical information quoted in this announcement has been compiled by Mr Alan Flavelle and geoscientists under his supervision. Mr Flavelle is a Fellow of the Australasian Institute of Mining and Metallurgy and is a member of the Society of Petroleum Engineers. Mr Flavelle has consented to the inclusion in this report of the matters based on the information in the form and context in which it appears.