ASX Announcement

SUBSTANTIAL COAL SEAM METHANE POTENTIAL IDENTIFIED IN EP 447, NORTH PERTH BASIN, WA

1 July 2008: Greenpower Energy Limited (ASX: GPP) has identified total “Contingent Resources” of 1.63 TCF of gas hosted by coal seams of the Cattamarra Coal Measures within EP 447 in the North Perth Basin in the Mid West Region of Western Australia.

These Contingent Resources reside in ten prospects identified by the company and are based on seismic mapping of the Cattamarra Coal Measures by Saitta Petroleum Consultants, a Perth-based geophysical consulting firm. The ten prospects are displayed in Figure 1 attached. All ten prospects are close to the Parmelia Gas Pipeline.

Details of the ten prospects:

<table>
<thead>
<tr>
<th>Prospect Name</th>
<th>Area (sq km)</th>
<th>Depth (m)</th>
<th>Contingent Resource (BCF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charbon</td>
<td>80</td>
<td>1500</td>
<td>540</td>
</tr>
<tr>
<td>Charbon Shallow</td>
<td>24</td>
<td>500</td>
<td>160</td>
</tr>
<tr>
<td>Charbon North</td>
<td>30</td>
<td>2800</td>
<td>200</td>
</tr>
<tr>
<td>Charbon Deep</td>
<td>60</td>
<td>2500</td>
<td>400</td>
</tr>
<tr>
<td>Walyering West</td>
<td>24</td>
<td>2100</td>
<td>160</td>
</tr>
<tr>
<td>Walyering North West</td>
<td>5</td>
<td>2000</td>
<td>30</td>
</tr>
<tr>
<td>Walyering North 1</td>
<td>8</td>
<td>3400</td>
<td>50</td>
</tr>
<tr>
<td>Walyering North 2</td>
<td>2</td>
<td>3300</td>
<td>10</td>
</tr>
<tr>
<td>Walyering North 3</td>
<td>4</td>
<td>3000</td>
<td>30</td>
</tr>
<tr>
<td>Walyering South</td>
<td>7</td>
<td>2900</td>
<td>50</td>
</tr>
</tbody>
</table>

The contingent resource calculations are based on the following parameters:
  1. Net pay of gassy coal = 50 feet
  2. Average gas content =300 cubic feet/ton
  3. 247 acres per square kilometre
  4. 1800 tons of coal per acre-foot.

The net pay of gassy coal figure is based on the Walyering No 4 well drilled in 2001, which intersected a total of 50 feet of gassy coal in the 2,850-2,950 metre interval. These coals yielded pronounced mud gas peaks while drilling, indicating substantial amounts of gas contained within the coal seams. A wireline log evaluation of these coal seams by Crocker Data Processing Pty Ltd, an oil industry consulting firm, indicates that these coals carry an average of 300 cubic feet/ton of.
gas. Stratigraphic correlations based on regional well data indicate that similar coal thicknesses should extend throughout EP 447.

Most of the prospects listed in the above table are fault-bounded structures. The validity of this type of structure as a coal seam methane target within EP 447 is also indicated by the Walyering No 4 well in that the gassy coals occur within a small fault bounded structure. The prospects listed in the above table appear to be less compartmentalised by faults than around Walyering No 4, and thus appear to represent structures where widespread communication between well bores appears likely.

Field fracture permeabilities within the prospect areas are likely to be sufficient for the development of economic gas flow rates, notwithstanding that many of the listed prospects have depths of over 2,000 metres. Continuity of seismic reflectors over the prospects is broken indicating substantial fracturing. Structural interpretation suggests that the prospects are in tensional settings, rather than compression, so fracture permeabilities should be sufficient to enable economic flow rates.

The strengths of the mud gas peaks encountered in Walyering No 4 suggest the occurrence of “free gas” ie gas-filled fractures rather than water-filled. If this is the case, preliminary dewatering of the coal seams may not be required prior to gas production. Up-dip migration out of the Dandaragan Trough and into the producing coal seams may lead to extensive production “tails” well beyond the drainage of contained gas around well bores.

The prospects are ideally placed in infrastructure terms in that they are situated adjacent or close to the Parmelia gas pipeline which is currently operating at half of its capacity or less.

J Karajas
Consultant Geologist

“Even though these findings are based on seismic data this is a very positive indication for commercial coal seam gas production from this area,” said Mr Ron McCullough, director of Greenpower Energy.

“With gas shortages in Western Australia we are seeing increasing interest in operations in the state. The company is devoting close attention to next steps with these assets. We will take action aimed to result in the best possible return for shareholders.”

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About Greenpower Energy Ltd

Greenpower Energy Limited is an Australian publicly listed explorer and supplier of ‘coal seam natural gas’ (‘CSG’). With a mature CSG industry that provides some 12 percent of the United States’ natural gas production, modern exploration and completion techniques have led to the exponential growth of CSG in both the US and Australia. Greenpower Energy has approximately two million hectares of commercially-attractive CSG tenements in three Australian states – Gippsland and Otway Basins in Victoria, the Eromanga and Willochra Basins in South Australia, the Perth Basin in Western Australia, and the Gunnedah Basin in New South Wales.