

GREENPOWER SIGNS MOU WITH THERMAQUATICA TO DEVELOP COAL TO LIQUIDS TECHNOLOGY

5 March 2013: Greenpower Energy Limited (ASX:GPP) has signed a Memorandum of Understanding (MOU) with US-Thermaquatica Inc to jointly test and develop the Oxidative Hydrothermal Dissolution (OHD) process for the conversion of coals to liquids.

The deal sees Greenpower receive an exclusive license to develop and apply the OHD process on a commercial scale within Australia and New Zealand.

The OHD process has been developed by Thermaquatica and its CEO Dr Ken Anderson in conjunction with the University Of Southern Illinois (SIU). SIU holds the patent for the process and has previously granted Thermaquatica a universal license over the process to enable the continued push toward its commercialisation.

“Thermaquatica’s OHD process has the potential to be scaled up to a point where substantial amounts of oil can be produced using coal,” said Greenpower Energy CEO John Watts.

“A substantial amount of work is required before a commercial realisation is achieved but we feel this mutually beneficial agreement will hasten development.”

OHD is a novel and environmentally friendly technology for the conversion of coal and other solid organic material into low molecular weight, water soluble products. Many of the initial products are potentially useful for producing polymers as well as other hydrocarbon based products. The process works by taking the initial macromolecular solid material such as coal and causing a reaction with small amounts of oxygen in high temperature, high pressure water.

In return for the exclusive license on OHD in Australia and New Zealand Greenpower will directly finance Thermaquatica research and development work by Thermaquatica on OHD. The license will last for two years and should Greenpower complete the R&D investments over this time the option will convert to a full license.

Greenpower continues to test the technology it has previously contracted from GE using Latrobe Valley lignite. Greenpower views this and the OHD process as having different functions with the ability of producing different finished products.

Greenpower now has now outlined a total of 573 million tonnes of JORC compliant Inferred Resource within its Victorian exploration areas.

The company has been seeking an appropriate process to convert lignite into liquid hydrocarbons for transport fuels in an environmentally acceptable manner.



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About Greenpower Energy Limited

Greenpower Energy's (ASX:GPP) focus is to license the technology and establish a commercial operation to convert part of the Latrobe Valley's massive reserves of brown coal into liquid hydrocarbons. Greenpower's exploration areas in the Latrobe Valley of Victoria contain substantial brown coal resources. In parallel with its coal and gas exploration the company is investigating technologies and processes whereby brown coal can be used in a cost effective and environmentally responsible way. Some processes, particularly a direct coal to liquids (DCTL) process, have been identified which may allow the company to achieve these objectives.

The company has farmed-out an interest in its EP447 conventional and tight gas area in the Perth Basin of Western Australia. The partner has commenced pre-survey field operations for a 2D seismic survey which will be completed in 2012-2013. It is noted that operators in adjacent areas are enjoying technical success in this tight gas environment. In South Australia desktop studies are progressing on PEL 145. Desktop studies for the company's geothermal project near Esperance in Western Australia have been concluded and shallow investigatory drilling will take place in 2012. The Company has signed a government co-funded drilling grant of \$120,000 for the geothermal project. The grant has been provided on a dollar for dollar basis under the Western Australian Royalties for Regions funded, Exploration Incentive Scheme.

Competent Person Statement

The information presented in this announcement which relates to the OHD technology has been compiled by Alan Flavelle who is a member of the Australasian Institute of Mining and Metallurgy. Alan Flavelle has sufficient experience which is relevant to this announcement to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves and the processing thereof". Alan Flavelle consents to the inclusion in this announcement and in the form and context in which it appears.

The information in this report that relates to Exploration Results and Inferred Resources based on information compiled by John Watts who is a Fellow of The Australasian Institute of Mining and Metallurgy and CEO of Greenpower Energy Limited. John Watts has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". John Watts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.