

COAL ACQUISITION

Key Points

- Green Machine to acquire interest in Australian coal and gas leases
- Potentially large coal reserve
- Size of reserves to be determined by further exploration
- Possibility of Oil
- Estimated water reserves approximately 11 gigalitres (11 billion litres)
- The Australian Government will spend A\$2 billion (US\$1.6 billion) to acquire water over the next three years to return to the Murray-Darling river system.
- Target leases are bounded by the Murray River
- Coal Bed Methane gas is present in the coal
- Gas pipeline in close proximity
- Australian capital city of Canberra close to the fields
- Area of leases approximately 11,000 sq kilometres, half the area of Wales
- Listing of the Company's equities proceeding on course

Coal Acquisition

In response to market speculation, the board of Green Machine Development Corporation confirms that it is in negotiations to acquire a strategic interest in New World Petroleum (NSW) Limited (hereafter referred to as NWP). NWP is an Australian registered company with interests in two leases situated in the Murray Basin of New South Wales.

The Murray Basin is located in the Australia state of New South Wales near the New South Wales/Victoria boarder. The subject area covers approximately 11,000 square kilometres and is bounded by the Murray River in the south stretching north to the towns of Wagga Wagga and Deniliquin.

As a comparison 11,000 square kilometres is a little over half the size of Wales which has an area of 20,779 square kilometres.

The prospect is for petroleum, coal, coal bed methane gas, and water.

Coal

The leases are principally coal prospects. Coal is expected to play an important part in the generation of electricity well into the future. A solution to coal's CO₂ emissions problems is in sight. With the best alternative fuel for motor vehicles being electricity the demand for electricity generation is expected to increase. Coal seems to be the only viable medium term alternative. Australia is the leading exporter of coal with its major customers being India and China.

Coal Bed Methane (CBM)

The prospects contain CBM. The Australian capital city, Canberra, is in close proximity to one of the leases which could prove a ready market for gas discoveries. An established gas pipeline is located in the vicinity thus avoiding substantial infrastructure costs.

Water

The prospects lay on the border of NSW and Victoria. These two states are separated by the Murray River. The Australian Government has embarked on a water acquisition path in its efforts to reinvigorate the Murray River. The Australian Government has recently announced that it will spend A\$2 billion (US\$1.8b) purchasing water over the next 3 years. Given the location of the leases this places the company in an ideal position to participate in the government initiative.

Existing Data and Geology

New World Petroleum has built up a considerable database from, historical records, we have been able to obtain and we have identified a number of prospects of considerable interest.

Petroleum Potential

The infrabasins underlying the Murray Basin contain up to 10,000 metres of sedimentary section. The deeper parts of these infrabasins have not been tested; however they are expected to contain stratigraphic equivalents to the Darling Basin directly to the north in New South Wales. By analogy with the Evadale Basin in Queensland, which hosts the productive Gilmore gas field, this is now thought to have good petroleum potential.

Geology

The primary targets are considered to be reservoirs in the coal-bearing Permian sequences and secondary targets in the Devonian and possibly Mesozoic sequences, if present. Potential source rocks with sufficient maturity are considered to be present in Permian coal measure sequence known to occur in the general region.

The area of interest lies about 50 Kilometres south west of Wagga Wagga in Southern New South Wales in a gravity minimum and is surrounded by granites of Devonian age. The Murray Basin proper is located in the southwest of NSW extending west and South into South Australia and Victoria respectively. The Murray basin refers to a widespread thin sequence of Cainozoic consolidated and unconsolidated sediments. However, geographically, the basin overlies a number of basement depressions that

contain Palaeozoic and Mesozoic sediments. It is these sequences that are likely to contain any petroleum potential and are the primary targets.

To date some 20 exploration wells have been drilled in the NSW portion of the Murray basin, although many of the earlier wells were drilled as stratigraphic tests or drilled without seismic control. Of these, the later wells were restricted to the Tarrara and Menindee Troughs, in the western part of the basin. Recent reviews confirm that they invariably did not test valid structures. Despite this, there have been gas shows in 8 of the wells drilled.

Exploration for Petroleum has been limited, but the wells drilled within the Ovens Graben such as Norong-1, have established the presence of a Permian sequence of sands, shales and coal measures. To the northeast of the application area near Howlong in NSW, a well has been located that was apparently drilled in the early 1940's to a depth of 315m. A sedimentary sequence of unknown age was intersected in this well bore with a gas flare reported at the surface. It is not possible to determine the age of the section penetrated due to absence of any lithological samples

Listing

Formal proceedings are on course for the listing of the Company's stock on the Alternext. We are not at liberty to announce a date at this time however we can say that we are experiencing no substantial holdups or problems in the process.

London Contact Number

You are reminded of the Company's answering service in London. The office is available to take messages and where time zones permit patch calls through to Company executives. The preferred method of communication is email however should that medium not be available then you are welcome to telephone on **+44 (0) 207 903 5108**

By order of the Board
Green Machine Developments Corporation

Dated: 21st July 2009

CONTACT US.

General Enquiries:

info@greenmachinecorp.com

Mail Correspondence to:

P.O. Box J53
Coffs Harbour, NSW 2450, Australia

Administration Office:

361 Harbour Drive, Suite 12,
Coffs Harbour, NSW Australia

Tel: + 61 2 6651 2233

Fax: + 61 2 6651 1427

Website

<http://www.greenmachinecorp.com>

London Answering Service

+44 (0) 207 903 5108

Board of Directors Contact

Shane M Healy

President and CEO

shealy@greenmachinecorp.com

Dr Malcolm Mudge

Director of Geology

mmudge@greenmachinecorp.com

Donald Nelson

Non-Executive Director

dnelson@greenmachinecorp.com