

**INITIATION OF COVERAGE
ANALYST CERTIFYING THIS REPORT
AIRAN FRIEDMAN, MBA, CFA**

GREEN EARTH TECHNOLOGIES (GETG.OB)

Aug 03, 2011

Stock Ticker: GETG.OB

Recent Price: \$0.26

Target Price: \$.75

Expected Return: 188%

Recommendation: Under Valued

Units Outstanding: 148,855,096

Focus:

- **With a diversified green lubricant, fuel and cleaning product line-up, distribution out of top tier retailers (Walmart, Home Depot, Canadian Tire, etc.) and a strategic 23.5% shareholder through TTI, Green Earth Technologies is poised to capitalize on future growth.**

Highlights:

- **Offerings in alternative eco-friendly motor/marine oil and cleaning products diversified across auto, boat, and power equipment lines.**
- **Green Earth Technologies Inc. is one of only a handful of companies that are EPA-approved for their surface washing agent which helps clean up oil spills.**
- **Green Earth Technologies Inc. is one of the first companies that are approved to use USDA's new product label 'Certified Bio-based Product'. The program was enacted by the Congress to help reduce America's dependence on foreign oil. Under this program Federal Agencies are required to give preference to bio based products when they make procurements.**
- **Growing "Green" consciousness of consumers will have an impact on purchasing decisions. Green Earth is positioning itself to capitalize on this trend. Their products are competitively priced with traditional alternatives, making the decision to buy green easier than ever.**
- **Distribution through top-tier retailers like Home Depot, Walmart, Strauss Auto, and Canadian Tire to name a few.**
- **TTI, a premier manufacturer with brands like Hoover, and Dirt Devil owns 23.5% of Green Earth Technologies.**
- **Strong, seasoned management team with technology, consumer brand building, and mergers/acquisitions experience.**
- **Little to no debt.**
- **With projected sales of close to \$200 million in 5-years time and applying a comparable industry multiple, we believe the shares are fairly valued at \$.75 even using a conservative discount factor of 30%.**

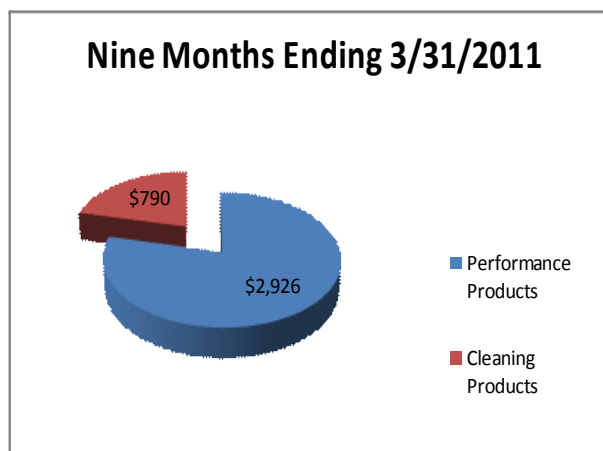
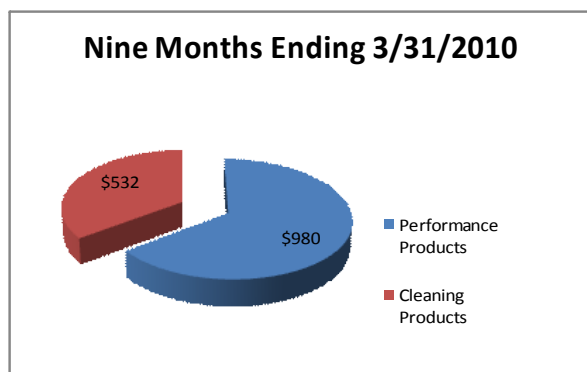
Company Profile

Green Earth Technologies markets an array of branded, environmentally-friendly, bio-based performance and cleaning products to the automotive, outdoor power equipment and marine markets. They also sell an innovative, EPA approved surface washing agent, which can be used to clean-up oil rigs and spills.

All of Green Earth Tech's products are produced for them under well defined contracts with domestic manufacturers. The "green" base of the performance products is comprised of animal fats, plant oils and vegetable oils. These biodegradable bases replace traditional petroleum and chemical derived bases typically used to make motor oils, cleaning solutions and other consumer products without compromising performance or value. The products are positioned to deliver comparable or superior performance at competitive prices.

Their family of G-branded products are grouped under the following categories: G-OIL, G-FUEL, G-CLEAN, G-GLASS, and G-MARINE. These products are offered in a wide range of automotive, marine and outdoor power equipment categories.

Revenue by Line of Business (2011 vs. 2010)



Source: SEC 10-Q

The majority of GETG products are sold through master distribution agreements with wholesalers and contractual arrangements with independent sales professionals. The products are available at a number of national retail outlets and chain stores.

A significant portion of sales are derived from a concentrated number of customers. For the nine months ended March 31, 2011, approximately 58% and 25%, respectively of sales were from two customers, TTI and Walmart. To complement these achievements, the company is actively developing other distribution outlets to diversify their client base.

TTI beneficially owned approximately 23.5% of GETG's outstanding shares as of May 15, 2011. TTI is a world-class leader in quality consumer, professional, and industrial products marketed to the home improvement, repair, and construction industries.

TTI's powerful brand portfolio includes:

- Milwaukee;
- AEG;
- Ryobi;
- Hoover; and
- Dirt Devil

GETG targets customers primarily in the automotive aftermarket (including Fast Lube/Auto Oil Change Services), outdoor power equipment markets and marine markets. They are also pursuing customers in the industrial, municipality and military markets. A sample of leading national and regional retailers carrying the products follow in the accompanying table. Green Earth Tech started to distribute through Walmart as of February 17, 2011. As such the benefits of this distribution relationship will be fully felt in the second half of 2011 and into 2012 and forward.

Distribution through Top Tier Retailers:

Home Depot	Walmart
Canadian Tire	Pep Boys
ACE - True Value	National Auto

The Home Depot® Eco Options™ Program

Green Earth Technologies has been supplying G-Branded products to Home Depot since 2008. The Home Depot recently awarded its prestigious **Eco Options** Certification to Green Earth Technologies' **G-Clean™ Super Concentrated Products**. The **Eco Option** label helps consumers distinguish these high quality, environment friendly products and make an informed purchasing decision.

The Eco Options label products are produced under the sustainable agriculture/forestry practices, these products are safe, environment friendly and meet the EPA's clean air and water guidelines.

Regulatory and Industry Standards - Evolving

On April 4th, 2011, U.S. agriculture Deputy Secretary Kathleen Merrigan announced Green Earth Technologies has been named one of eleven companies that are approved to use the USDA's new product label on certified bio-based products.

Through implementation of the pre-existing USDA BioPreferred program, the Secretary of Agriculture has designated 5,100 bio-based products for preferred purchasing by Federal agencies. The new label makes identification of these products easier for Federal buyers and will increase awareness of these high-value products in the commercial and consumer markets. USDA estimates that there are 20,000 bio-based products currently being manufactured in the United States

This puts Green Earth in the top 25% preferred products and can easily be found on the USDA's BioPreferred Online Catalog.

The Green Earth Technologies' products recognized in the USDA bio-based label program include:

- G-OIL 2-Cycle Bio-Synthetic Engine Oil;
- G-OIL 4-cycle SAE 30 Bio-Synthetic Engine Oil;
- G-OIL 10W-30 Bio-Synthetic Engine Oil; and
- GET's hero product, G-OIL 5W-30 Bio-Based Full Synthetic Motor Oil (G-OIL is the world's first and only American Petroleum Certified bio-based full synthetic motor oil).

New Engine Oil Performance Standards

In the Fall of 2010, the American Petroleum Institute (API) adopted two new engine oil performance standards for vehicles with gasoline engines: ILSAC GF-5 and API SN. These standards are set by the International Lubricant Standardization and Approval Committee (ILSAC), a joint effort of U.S. and Japanese automobile manufacturers.



Most automobile manufacturers are expected to recommend oils that meet ILSAC GF-5, as GF-4 becomes obsolete by September 2011. Improvements relative to ILSAC GF-4 in center around 3 areas: 1) improved fuel economy and retention; 2) Engine oil robustness; and 3) Protection of emission control systems.

API SN is the most recent service category issued by API's Lubricants Group. Oils meeting API SN and the new "Resource Conserving" designation must meet all ILSAC GF-5 performance requirements. API Service Category SN was adopted for use in service typical of gasoline engines in current and earlier passenger cars, sport utility vehicles, vans, and light-duty trucks operating under vehicle manufacturers' recommended maintenance procedures.

G-OIL 5W-30 Bio-Based Synthetic Motor Oil

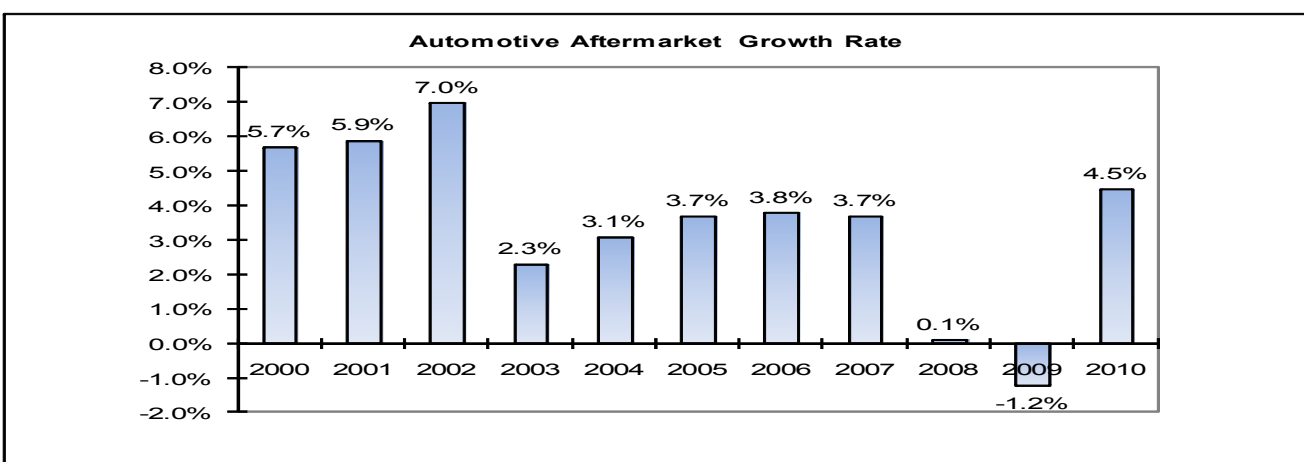
Green Earth's G-OIL Motor Oil was the world's first API SM certified bio-based motor oil (one notch below SN). They are currently in the process of completing testing for the SN certification, the most innovative standard.



macroeconomic environment:

On March 31st 2011, with gas prices soaring across the country (\$106USD/barrel), President Barack Obama set a new national goal of reducing oil imports by one-third by the year 2025, while increasing production of hybrid, electric and other clean transport alternatives that would make more efficient use of biofuels. This is a firm statement which bodes well for the entire industry, including Green Earth Technologies.

The automotive aftermarket refers to the maintenance, repair, parts, accessories, chemicals and fluids for vehicles after their original sale. The addressable market for automotive products in the United States is comprised of more than 200 million licensed drivers, as reported in the Automotive Aftermarket Industry Association. These licensed drivers purchase approximately 586 million gallons in 2009 of motor oil, as reported in the Kline and Company study. **According to the AAIA Fact Book, the size of the U.S. automotive aftermarket products market was roughly \$300 billion in 2010 and was forecast to grow at a 4.5% rate in the most recent year.** The channels experiencing the largest growth since 2007 are warehouse clubs and superstores and automotive specialty transmission repair shops, and this is precisely the market that GETG has begun to penetrate.



Source: Automotive Aftermarket Industry Association

The U.S. market for outdoor power equipment products was roughly \$15 billion in 2008 according to the Outdoor Power Equipment Institute. In 2008, annual U.S. shipments of power lawn mowers were just below 7,000,000 units, 78% of which were walk behind mowers and 22% of which were riding mowers. Power mowers require 4-cycle engine oil (one of the key products in GETG's line-up). The total "hand-held" gas powered units shipped in 2008 neared 11,000,000 units with trimmers representing over 51% of the volume, followed by chain saws (25%), hand held blowers (18%) and back pack blowers (6%). These units require 2-cycle engine oil and chain saws also require bar and chain oil.

We believe Home Depot provides as a solid bellwether for the outdoor power equipment industry. As per their 2010 Annual Report, the compound growth rate of sales over the past decade has been 5.6%. This is significantly higher than the average annual growth rate of 1.9% in overall U.S. GDP.

OxBridgeResearch®

Helping tomorrow's FORTUNE 500 companies TODAY!®

G-OIL 4-Cycle GREEN Engine Oil & 2-Cycle Bio-Based Synthetic GREEN Engine Oil



Marine cleaning products are used for washing the boat and maintaining and cleaning the hull and bottoms, bilge, galleys, windows and engine rooms. Marine performance products maintain and protect a boat's engine. The size of the recreational marine market was roughly \$33 billion in 2008, according to the National Marine Manufacturers Association ("NMMA"). The recreational marine market includes retail expenditures on new and used boats, motors and engines, trailers, accessories and other associated costs. The NMMA recently indicated that 70 million adults in the United States participated in recreational boating in 2008, an increase of 5.6 percent compared to the prior year. There are currently approximately 17 million boats owned in the United States, including outboard, inboard, sailboats, personal watercraft, and miscellaneous (canoes, kayaks, rowboats, etc.). Most boats require NMMA certified marine engine oil.

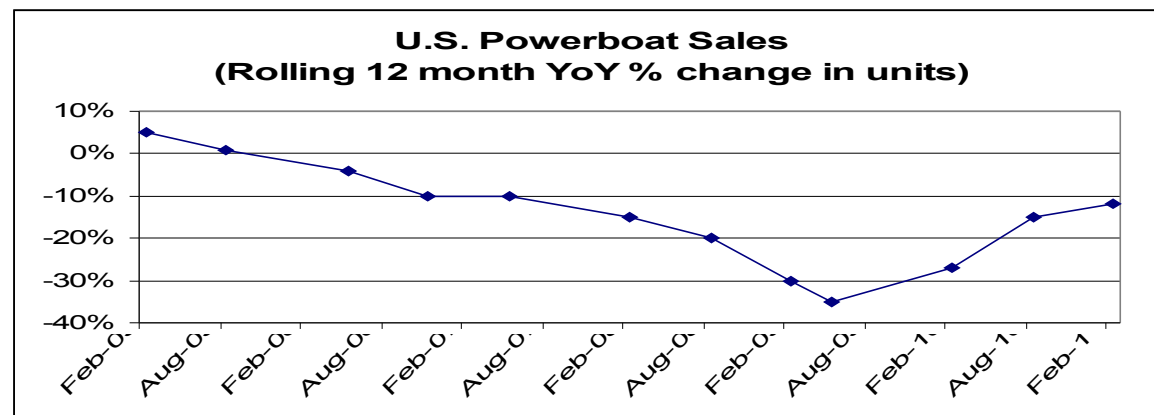
G-Marine Keeps your Boat Clean!



Several factors influence sales trends in the recreational boating industry, including general economic growth, consumer confidence, household incomes, the availability and cost of financing, weather, fuel prices, tax laws, demographics and consumers' leisure time. In addition, inflation, the cost of certain components and the impact of environmental regulation have increased the cost of owning a boat in recent years.

The boating industry is seasonal, with 75 percent of revenues from new boat sales coming during the first two quarters of the year. May, June, and July are the peak of the boating season. Florida led all states in boating revenues; other top-producing states included Texas, California, New York, and North Carolina. These are the states that Green Earth should focus their marketing efforts specifically for the marine products. MarineMax, a publicly held company founded in 1998, is the nation's largest dealer, with 75 stores in 20 states and \$885 million in revenue in 2008. MarineMax may decide to vertically or horizontally integrate

and that may mean they could potentially eye Green Earth Technologies as a takeover target. **We see in the below graph that the powerboat industry is starting to turnaround post the 2008-2009 recession and this bodes well for the boating industry as a whole, and Green Earth stands to benefit from this rebound.**



Source: Infolink

We are also encouraged by the fact that California (one of the largest boating states) promotes eco-awareness when boating through its [Boating Clean and Green](#) campaign designed to encourage recreational boaters to be environmentally responsible, which includes using "green" products like G-Marine.

Surface-washing agents (SWAs) are oil spill treating agents designed to enhance oil removal from substrates. Prior to 1990, there were few such products promoted for use during oil spills. Since that time, the number of products listed on the National Contingency Plan (NCP) Product Schedule has ranged up to the current list of fourteen.

Green Earth Technology markets a G-MARINE OSC-1809 surface washing agent (see product below). G-MARINE OSC-1809 Surface Washing Agent is a unique blend of derived water based and ultimate biodegradable ingredients specifically formulated to quickly emulsify and encapsulate fuel and oil spills. These plant derived ingredients are processed to form a colloidal micelle whose small particle size (1-4 nanometers) enables it to penetrate and breakdown long chain hydrocarbons bonds in oils and holds them in a colloidal suspension when mixed with water. Once oil has been suspended in a nano-colloidal suspension, there is no reverse emulsion as the oil becomes water soluble.

As of March 1st 2011, the EPA has listed only 46 approved Surface Washing Agents in their National Contingency Plan Product Schedule. Green Earth Tech is proud to be one of these select few.

We believe this approved product may have a material impact in the future as more and more protective measures are taken to reduce the costs and natural damage that these man-made disasters inflict on the environment. Green Earth, as an early entrant approved by the EPA stands well positioned to capture a lucrative share of this market.

EPA Approved! G-Marine Surface Washing Agent



Major Market Participants

Green Earth Technologies' principal competitors are traditional providers of performance and cleaning products. There are no major providers of biodegradable lubricants, which is the niche Green Earth is targeting. As GETG is a small company with a limited operating history, they are at a competitive disadvantage against the larger companies in the automotive aftermarket, outdoor power equipment, marine and disaster response industries. The competitors have deep pockets for effective marketing campaigns. Although consumers are very interested in environmentally friendly products, they are seldom willing to pay a significant premium. Therefore, Green Earth's bio-based products are positioned to compete with traditional, non-biodegradable products at the retail price point.

Management Biographies

Founder, President, Chief Marketing Officer, Director- Jeffrey Loch -

- Over 20 years of progressive marketing and sales responsibilities within the highly competitive consumer packaged goods industry;
- Authored the "Marketiquette" philosophy (proper marketing) as a result of prior companies' "best practices" and has been successfully applying it for the past 7 years when developing branding and go-to-market strategies for clients of the consulting firm he co-founded.
- Exposure to just about every major retailer within a variety of trade classes and has achieved enormous success while working for some of the greatest branding companies in the world, including Clorox, Armor All Products Corporation, ConAgra Foods, Wyeth Consumer Healthcare and Dixon Ticonderoga. A native of Michigan and graduate of Albion College, Mr. Loch began his career with Pepsi Cola.

Chief Financial Officer, Chief Operating Officer- Greg Adams -

- Served as Chief Financial Officer of EDGAR Online Inc. from 1999-2007;
- Also served as Chief Operating Officer and in 2004 was appointed as a member of the Company's Board of Directors;
- Mr. Adams brings extensive SEC and compliance experience to the company, having served for 11 years at KPMG in the audit and advisory services group.
- CFO of PRT Group Inc., a technology and solutions company;
- Certified Public Accountant, a member of the New York State Society of Certified Public Accountants and the American Institute of Certified Public Accountants, and serves as Vice Chairman of Financial Executives International committee on finance and information technology. He received a B.B.A. degree in Accounting from the College of William & Mary.

Management – Vice President – Louis Ball -

- Mr. Ball has 25 years of experience in the U.S. automotive aftermarket. Among his accomplishments helped pioneer the Armor All product line from inception as a new category and grew it to upwards of \$300 million in sales.
- During his tenure at Armor All, Mr. Ball was the recipient of the Reggie Award for achievement in promotion development, execution and results, and was the recipient of a Lifetime achievement award.
- His experience also includes work with the First Brands STP line and Clorox, two of the most highly recognizable brands in the industry. Additionally, he has senior brand management and sales experience with Purex in several grocery categories.
- Mr. Ball received his Bachelor of Arts, Business/Economics from Rutgers University. He served in the United States Army in the Quartermaster Corps. He also served on the board of directors for the International Car Wash Association and was on the board of Armatics, Inc.

Director, Former CEO and Chairman - William J. Jeff Marshall– Mr. Marshall has worked with high growth technology companies for over 30 years. His experience has come from working with leading technology companies in marketing, brand development, financings, and technology development. Some of the most notable companies he has invested in as a top Venture Capitalist in the past have been:

1) Foundry Networks, Inc. (FDRY), 2) DynamicSoft Inc. now (CSCO), and 3) Internet Devices Inc. now (Alcatel). Other notable milestone in the career include:

- Initiated and advised the Nortel acquisition of Bay Networks for \$7 Billion.
- Recently served as Managing Partner of CRT Private Equity, and as Senior Managing Partner at VantagePoint Venture Partners with over \$3.5 Billion under management and 4 technology investment funds.
- 11 years at Bear Stearns Co., part of which he worked with the Corporate Finance and Technology Group while at Bear Stearns on IPO's, M&A, and Strategic Advisory business with clients in the technology arena.
- We view the investment banking expertise as a huge plus in this industry because given the infancy of the industry, there are likely to be numerous opportunities for negotiations on company valuation and strategic partnering.
- He is a graduate of New York University in Finance and Computer Applications and Information Systems (B.S.), and the Harvard Management Program in Strategic Technology and Business Development.

GREEN EARTH IN NEWS

- Green Earth Technologies, Inc. signed an agreement with Lincoln Park Capital Fund, a Chicago-based institutional investor, under which Lincoln has committed to invest up to \$15 million in Green Earth Technologies over a 30-month period, subject to certain conditions.
- Green Earth Technologies, Inc. announces the distribution of their outdoor power equipment oils, lubricants and stabilizers in lawn & garden departments at Walmart.

RECENT FINANCIAL PERFORMANCE

Net sales for the three months ended March 31, 2011 totaled \$2,577, primarily attributed to sales of 4-cycle oil, 5W-30 motor oil, 2-cycle oil and pressure washer cleaners. The increase in net sales from 2010 to 2011 is a result of higher shipments of our 4-cycle and 5W-30 oil.

Cost of sales (exclusive of depreciation and amortization) primarily consists of the cost of obtaining bio solvents, plant oils, additives, packaging components and fees paid to our strategic partners. Cost of sales (exclusive of depreciation and amortization) for the three months March 31, 2010 and 2011 were approximately \$541, and \$2,099, respectively. The increase in cost of sales (exclusive of depreciation and amortization) from 2010 to 2011 is primarily due to the increase in net sales.

Selling, general and administrative expenses consist primarily of salaries and benefits, product development and testing fees, advertising and marketing expenses, public relations, insurance, fees for professional services and non-cash charges for stock compensation.

For the quarter ended 6/30/2011, revenues increased 313% and full year revenues tripled. Leading the way to increased revenue were the company's flagship brands, G-OIL® and G-CLEAN®, which found expanded distribution and a line extension throughout the U.S. as well as Canada and Europe.

The company's CFO and COO, Greg Adams, stated that Green Earth Technologies is expected to produce predictable quarter-over-quarter revenue growth with steady progression toward profitability.

Comparison of Selling, General and Administrative (all number in thousands)

	Three Months Ending March 31	
	2010	2011
Salaries	\$ 407	\$ 177
Stock-based compensation	\$ 923	\$ 1,001
Selling, marketing, public relations and related	\$ 682	\$ 684
Development, product release and testing	\$ 118	\$ 151
Management and operating fees	\$ 234	\$ 92
Legal and professional	\$ 354	\$ 89
Occupancy, communications and all other, net	\$ 166	\$ 150
Total selling, general and administrative	\$ 2,884	\$ 2,344

Year over year Income Statement Analysis (all numbers in thousands except shares outstanding)

	Three Months Ended March 31 2010	Three Months Ended March 31 2011	Nine Months Ended March 31 2010	Nine Months Ended March 31 2011
Net Sales	\$ 646	\$ 2,577	\$ 1,512	\$ 3,716
Operating Expenses				
Cost of Sales (exclusive of depreciation and amortization)	\$ 541	\$ 2,099	\$ 1,269	\$ 3,061
Selling, general and administrative inclusive of stock based compensation of \$923 \$1,001, \$2,743 and \$3,141	\$ 2,884	\$ 2,344	\$ 7,430	\$ 7,116
Impairment of supplier assets	\$ 243	\$ -	\$ 1,546	\$ -
Depreciation and amortization	\$ 96	\$ 96	\$ 338	\$ 293
	\$ 3,764	\$ 4,539	\$ 10,583	\$ 10,470
Loss from Operations	\$ (3,118)	\$ (1,962)	\$ (9,071)	\$ (6,754)
Settlement and legal charges	\$ (143)	\$ (2,067)	\$ (251)	\$ (2,525)
Interest expense, net	\$ (23)	\$ (2)	\$ (35)	\$ (6)
Net loss	\$ (3,284)	\$ (4,031)	\$ (9,357)	\$ (9,285)
Basic and diluted loss per share	\$ (0.03)	\$ (0.03)	\$ (0.09)	\$ (0.07)
Basic and diluted weighted average shares outstanding	127,246,674	137,954,221	107,965,523	137,571,219

399% YOY
growth in
Sales

3/31/2010 SG&A
is 446% of Sales

3/31/2011 SG&A
is 90.95% of
Sales

VALUATION

Green Earth Technologies share price traded from a low of \$0.16 to a high of \$4.59 over the past few years and currently trades at \$0.26 per share.

There are a number of approaches analysts can take in valuing companies, however it is always key to recognize what type of company you are valuing (technology companies for instance are valued more on future potential versus utilities which are valued on historical results) and which stage that company happens to be in at the time of valuation (infancy, expansion, decline, etc.). The later can have a material impact on valuation through the DCF model for example.

Like most emerging growth companies, we do not believe a discounted cash flow approach is the appropriate method to value Green Earth Technologies. DCFs are not typically used in early stage valuations. Market comps, arm's length transactions of the company's stock, or some estimate of intangible value created through R&D can be used to come up with an equity value for early stage companies, among other methods.

If the terminal value accounts for a large proportion of the overall value of a typical firm, it is an even bigger component of the value of a young company. In fact, it is not unusual for the terminal value to account for 90%, 100% or even more than 100% of the current value of a young company. Consequently, assumptions about when a firm will reach stable growth, a pre-requisite for estimating terminal value, and its characteristics in stable growth can have a substantial impact on the value that we attach to a young company.

Stage of development	Typical target rates of return
Start up	50-70%
First stage	40-60%
Second stage	35-50%
Bridge / IPO	25-35%

We believe that Green Earth is in the Bridge / IPO stage of the life cycle, as it would prepare itself for a public offering on NASDAQ.

That said, the valuation would be:

$$\text{Equity Value Today} = \text{Equity Value at end of Time Horizon} / (1 + \text{Target Return})^n$$

We believe using forecast assumptions, that Green Earth could have sales close to \$200 million in a few years time, especially should they gain more traction in the surface washing agent side of the business which is just starting to contribute financially to the firm. By applying a 2x Sales Multiple (the below table highlights a few comparable companies in the industry and their relevant valuation metrics) and discounting by 5 years at a rate of 30%, results in a valuation of \$1.60/share.

Valuation Comparables

26-Mar-11	Ticker	Stock Price	Market Cap (\$000's)	Price/Earnings		EV/EBITDA	Price/Sales	P/BV	Debt/Equity	ROA	ROE
				Trailing	Forward						
WD-40	WDFC	\$41.64	710,630	19.6x	16.5x	10.9x	2.2x	3.38x	5.09x	12.3%	18.3%
Church & Dwight	CHD	\$79.10	5,640,000	21.1x	16.3x	11.1x	2.2x	3.01x	18.16x	9.2%	15.6%
Clorox	CLX	\$69.48	9,560,000	17.1x	15.7x	9.5x	1.8x	77.30x	n.m.f.	15.0%	459.6%
Proctor & Gamble	PG	\$60.88	170,510,000	16.6x	14.0x	10.8x	2.2x	2.71x	n.m.f.	7.3%	16.7%
Ocean BioChem	OBCI	\$2.15	16,880	9.7x		5.6x	0.6x	1.45x	47.78x	10.2%	17.1%
Darling International	DAR	\$14.64	1,710,000	27.6x	12.3x	19.0x	2.3x	2.90x	152.93x	6.5%	11.8%
Zep	ZEP	\$16.61	362,780	28.4x	12.0x	9.9x	0.6x	2.81x	118.70x	7.1%	10.6%
Green Earth Technologies	GETG	\$0.40	54,060	n.a.	n.a.	n.a.	20.0x	n.a.	n.a.	n.a.	n.a.
Average			23,570,544	20.0x	14.5x	11.0x	4.0x	13.4x	68.53x	9.6%	78.5%

Source: Bloomberg; Analyst Estimates

We believe the \$200 million sales target in a few years is very achievable. One area for example, where Green Earth can still make significant inroads is simply the retail gas station market. There are approximately 125,000 stations in the U.S. and if we assume a 5% market share and that the only product Green Earth would sell is their Motor Oil in 18 oz bottles (these retail for \$5, wholesale for about \$4), the revenue contribution from this product/distribution combination alone would be over \$20 million assuming 15/week/station are sold. That works out to just 2 18oz bottles sold per day which we think is more than achievable. Another avenue to pursue growth which Green Earth is engaging is the military market.

Approximate # Gas Stations in U.S.	125,000
5% share	6,250
18 oz. Green Earth 4-Cycle Motor Oil	\$5.00
Annual Revenue Contribution (Sell 15/week)	\$ 24,375,000

Sir Richard Branson founder of The Virgin Group initiated a \$400 million investment to build one of the world's largest bio-ethanol refineries on the East Coast of the U.S a few years back. The Virgin Group, as one potential suitor for Green Earth Technologies would consider this for a number of reasons:

- Strong movement (politically and mainstream) towards "greener" products
- Easy entry for traditional motor/marine oil
- Green Earth Technologies is diversified (motor/marine/surface agents)
- Experience management team (including M&A expertise)
- Top-tier retail distribution names (Home Depot, Walmart, Pep Boys, etc.)
- TTI may decide to increase their stake in GETG

As further evidence of strong institutional interest in the sector and Green Earth specifically, we point to the fact that on March 11, 2011 Green Earth signed an agreement with Lincoln Park Capital Fund, a Chicago-based institutional investor, under which Lincoln has committed to invest up to \$15 million in Green Earth Technologies over a 30-month period.

Global lubricant demand is forecast to reach 40.5 million metric tons in 2012, according to a recent study by the Freedonia Group. This translates into a US\$48.8 billion market. \$20 billion of this market or nearly 40% is U.S.-based. Warren Buffett's Berkshire Hathaway recently decided to acquire a piece of this growing pie through their acquisition of lubricant maker Lubrizol Corp for \$9 billion in a bet on industrial growth in emerging economies.

Lubrizol makes lubricants for engines, especially large trucks, buses and boats. Demand for the company's products should continue to rise as shipping of goods increases around the world. About 72 percent of Lubrizol's revenue emanate from its petroleum additives business last year. The purchase price represented a 30% premium over the price before the deal was announced. Lubrizol generated an ROE of 34% last year, the highest for a company taken over in the specialty chemicals industry in a deal worth more than \$1 billion since Inspec Group Plc in 1998. One can expect market multiples in this sector to increase on the back of this deal.

Skin in the Game

Generally Stock options have received bad publicity in the press over the past several years, however there are many positives which need to be highlighted. At the end of the day stock options align management's interests with shareholders. Both parties have a vested interest to see the share price appreciate in value. When we observe the below table which outlines the options outstanding for Green Earth Tech, we see that the exercise price for the majority of the options are trading in line with the current share price. This means management has a significant incentive for share price appreciation over current levels.

	Number of Options	Weighted Average Share Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding at June 30, 2010	8,436,250	\$ 0.43	9.0 Years	
Granted	11,035,000	\$ 0.36		
Share Exchange	6,000,000	\$ 0.39		
Exercised	-			
Forfeited and Cancelled	(812,500)	\$ 0.49		
Outstanding at March 31, 2011	<u>24,658,750</u>		9.2 Years	\$ 353
Exercisable at March 31, 2011	12,541,250		9.3 Years	\$ 384

As at March 31, 2011, GETG executive officers and directors, in the aggregate, beneficially owned 10.6% of the common stock and TTI beneficially owned 23.1% of the common stock.

Valuation Conclusion

We have assigned GETG a one-year target price of \$.75 per share. Given the current market price of \$.26, we believe the company is Under Valued. Our target price is based on 2x our forward estimate of sales and discounting by a conservative 30%. A few key valuation considerations in our thesis include:

- **Key Product Offerings to Combat \$100+/barrel World Oil Dilemma.**
 - **Diversified product line** (motor oil/marine/outdoor power/surface washing agent);
 - **Geographic Diversification** (a strong retail presence in both U.S. and Canada)
 - **Experienced management team**, including a President with a strong investment and consumer branding background.
 - **Top-tier retailers market Green Earth products** including the likes of The Home Depot, Walmart, Strauss Auto, Canadian Tire just to name a few;
 - **Management compensation skewed towards options** which have a strike price at the current share price, leading to aligned interests with shareholders;
 - **Little to no debt;**
 - **Key Shareholder.** TTI, a world-class manufacturer of products under the brands Ryobi, Hoover, Dirt Devil, and Milwaukee is a 23.5% shareholder in Green Earth;
 - **Potential Takeovers in Sector.** Warren Buffet's recent acquisition of Lubrizol may provide catalyst (pun intended) for other deals in the lubricant sector.
 - **Consumer-centric driven organization:** GET guarantees satisfaction with the performance of their products for 6 months from the date of purchase if applied to properly prepared surfaces in accordance with the label instructions. If not completely satisfied with the performance of GET products, GET will provide a replacement product or refund the purchase price. Very few companies are willing to offer their customers this assurance. We feel this philosophy permeates the organization and reflects the strong belief in their products.
-

Analyst Certification

I, Airan Friedman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. Further, the views expressed in this report are not endorsed by GETG.

Forward-Looking Statement and Disclaimer/Disclosure: The statements in the press release that relate to the Company's expectations with regard to the future impact on the Company's results from acquisitions or actions in development are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The statements in this document may also contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from those contained in such statements.

OxBridge Research is expecting to be compensated by the company and/or a third party for Investor Awareness, Advertisement and Social Media services including publication/distribution of this report. The compensation constitutes a direct conflict of interest. The Views and Opinions expressed are of Analyst's own. **Our Analysts are directly compensated by us on a per report basis, never on the basis of their recommendations. Analysts are not permitted to accept any monetary compensation or other consideration from the companies they cover.** OxBridge bears no responsibility for the accuracy or completeness of the Report and is under no obligation to update in the future. OxBridge did not and has no resources to make an independent investigation or inquiry to determine the accuracy of any information contained in this report. **OxBridge is NOT a Broker-Dealer or a Financial Adviser.**

Consult your Financial Adviser before investing, OxBridge Research always strive to follows all applicable State and Federal Laws, including the CANNSPAM Act and other SEC Regulations, which include truthful information and forward looking statements, made by the company which are deemed to be accurate and are publicly disclosed by the company, as required by the FD regulations. We are a 100% SEC, Reg FD, Sec Act of 1933, section 17(b) compliant firm.