

 <p>Glass Earth Gold LIMITED</p>	<p>NEWS RELEASE</p>
<p>TSX-V: GEL NZAX: GEL</p>	<p>Level 4, Munro Bengé House 104 The Terrace Wellington, New Zealand +64 4 903 4980 www.glassearthlimited.com</p>

Wellington, New Zealand, August 27, 2009.

**EXPLORATION UPDATE
and
FINANCIAL STATEMENTS and MANAGEMENT'S DISCUSSION & ANALYSIS
for the 6 Months Ended 30 June 2009**

Glass Earth Gold Limited (**TSX-V: GEL; NZAX: GEL**) ("**Glass Earth**") announces the release of its second quarter financial statements and Management's Discussion and Analysis ("**MD&A**") report pertaining to that period.

EXPLORATION UPDATE

Glass Earth is one of the largest New Zealand-based gold exploration companies exploring a land position of over 17,000 square kilometres in the North and South Islands.

In the **North Island**, current exploration efforts are focused on the Hauraki and Mamaku Regions.

- **Hauraki Region** – Glass Earth occupies a significant ground position in this region around the Waihi/Martha Mine owned by Newmont Mining Corp. Newmont continues to earn into the Glass Earth permits via two Joint Ventures, with drilling continuing on the Goldwyn prospect.

- **Mamaku Region** – a new resistivity survey is about to commence at the Muirs Reef prospect which has encouraging signs of a major epithermal gold deposit.

In the **South Island**, exploration efforts are focused on the Otago Region for mesothermal "Macraes-style" gold targets and placer gold.

- **Otago Region** – As recently announced, Glass Earth is undertaking exploration work to farm-in to the Bendigo/Rise & Shine gold prospect and is also evaluating the potential for near term hard rock gold production at Ophir.

Placer Progress

Exploration expenditures for the quarter in the Otago Region of the South Island of New Zealand were focused on test work to improve confidence in placer gold mineralisation in the Ida Valley.

The purchase (in conjunction with a mining partner) of a 40 tonne floating Gold Recovery Unit and associated refurbishment work has been undertaken in anticipation of the granting of resource consents and other approvals to allow bulk testing to take place. Decisions on mining would follow. The Company considers that small scale mining could provide a sustainable cash flow to provide additional working capital and exploration funds.

Glass Earth's exploration portfolio is being progressed as Glass Earth maintains its objective to discover new large gold deposits in New Zealand.

Funds

Given the tighter operating conditions, the Company's working capital of \$1.2 million as at 30 June 2009, together with cash from work undertaken by contributing joint venturers, is now budgeted to carry the Company through into early 2010. Cash generated from placer mining (Ida Valley) or boutique hard rock mining (Ophir) would be additional to this.

FINANCIAL RESULTS

Glass Earth is an exploration company and therefore classified as being at the 'development stage', as it has no mining or other significant income. With all general and administration expenses being expensed, Glass Earth records losses each year/period arising from the expensing of these cash operating costs as well as other non-cash expense items.

The Company recorded a loss for the quarter of \$1.79m of which \$1.7m related to exploration expenditure write downs (see further comment below). The Company also recorded a smaller foreign exchange gain in the second quarter. Corporate and administrative expenses continue to be significantly reduced compared to previous quarters.

Amounts in C\$000's	Three months ended 30 June 2009	Three months ended 30 June 2008	Six months ended 30 June 2009	Six months ended 30 June 2008
Revenue				
Exchange translation gains	57	7	226	15
Other	35	-	35	-
	<hr/>	<hr/>	<hr/>	<hr/>
	92	7	261	15
Expenses	(174)	(367)	(340)	(627)
Loss for the period before the undernoted	<hr/>	<hr/>	<hr/>	<hr/>
	(82)	(360)	(79)	(612)
Write down of Mineral Properties	(1,717)	-	(1,717)	-
Interest Income	4	30	17	55
Loss before Income Taxes	<hr/>	<hr/>	<hr/>	<hr/>
	(1,790)	(330)	(1,779)	(557)

Exploration Expenditures

As signaled prior, the Company lodged applications to amend or defer certain exploration work programmes and to also reduce areas covered by existing permits. This deliberate policy of managing work programmes relative to available funding and prioritization of targets was preceded by a rigorous analysis of exploration efforts to date and re-ranking of remaining targets. Lower ranked targets were compared relative to tenure costs (rentals and work programs) and resulted in a decision to relinquish certain targets and ground.

A review of accumulated exploration expenditure associated with those targets resulted in a write down totaling \$1,717,000. The targets relinquished were located in the North Island and are in the Regions as shown below:

Amounts in C\$000's

Project	December 31, 2008	Expenditure to June 30, 2009	Write Down to June 30, 2009	June 30 2009
Hauraki Region	1,695	-	(716)	979
Waihi West Joint Venture	103	-	-	103
Mamaku Region	1,579	155	(33)	1,701
Central Volcanic Region	5,366	43	(968)	4,441
Otago Region	4,697	301	-	4,998
	13,440	499	(1,717)	12,222

Qualified Persons

Glass Earth's exploration programmes are carried out under the supervision of Glass Earth's President and CEO, Simon Henderson, M.Sc, M.AUSIMM, F.SEG. Mr. Henderson meets the qualified person requirements (as defined by National Instrument 43-101) with more than 30 years of experience in the gold mining and exploration industry.

For additional information on the company, please contact:

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- **Lindsay Carpenter, Account Manager, CHF Investor Relations**, at +1 416 868 1079 x239 or lindsay@chfir.com;
- **Visit the Company's website at www.glassearthgold.com.**

To receive Company news via email, contact lindsay@chfir.com and mention "Glass Earth news" in the subject line.

Neither the TSX Venture Exchange nor New Zealand Exchange Limited has reviewed this release and neither accepts responsibility for the adequacy or accuracy of this release.

New Zealand Permit Areas

