

GLASS EARTH LIMITED

Suite 500, 357 Bay Street.
Toronto, Ontario, Canada
M5H 2T7

Shares Outstanding: 89,902,633

Trading Symbol: TSX-Venture: GEL

NEWS RELEASE

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- **GLASS EARTH DISCOVERS GOLD MINERALIZED EPITHERMAL SYSTEM AT TAHUNAATARA, NORTH ISLAND, NEW ZEALAND**
- **DISCOVERY VALIDATES GEOPHYSICAL EXPLORATION PROCESS FOR UNDERCOVER GOLD MINERALIZATION**

Toronto, Canada, Wednesday July 5, 2006. Glass Earth Limited (**TSXV-GEL**) ("**Glass Earth**") announces that drilling on the first drill target located on one of its Exploration Permits in the Coromandel / Central Volcanic Region in North Island New Zealand, has intersected a new gold mineralised epithermal system.

Coromandel /Central Volcanic Region Drill Targets

In October 2005 Glass Earth Limited announced the completion of ultra-detailed airborne magnetics and airborne gravity surveys and the definition of 106 ranked target areas in the Coromandel/Central Volcanic Region, in North Island, New Zealand.

Based on the new higher resolution datasets, 21 of the 106 targets were prioritised for pre-drilling resistivity and gold geochemical surveys. These were the subject of 6 Exploration Permit applications granted in December 2005.

Ground resistivity and soil gold geochemical sampling has highlighted that 6 of 14 targets surveyed to date have coincident magnetic low (indicative of hydrothermal alteration), gravity high (indicative of densification from silicification), resistivity highs (indicative of resistive geology caused by silicification) and traces of gold in soils (up to 30 ppb).

Tahunaatara Drill Target

The Tahunaatara Drill Target was initially defined as a result of the interpretation of Glass Earth's ultra-detailed airborne magnetics and airborne gravity surveys in the Coromandel/Central Volcanic Region. A distinguishing feature of this drill target was the coincidence of a magnetic low, gravity high, resistivity highs and traces of gold in soils.

Follow up ground resistivity and soil gold geochemistry surveys completed by Glass Earth over the Tahunaatara Target outlined a coincident geophysical and geochemical anomaly with approximate dimensions of 2.2km x 0.7kms. The Company commenced a drilling program over the Tahunaatara Target in May 2006, with the objective of determining the cause of the observed geophysical and geochemical anomalies in advance of more detailed ground geophysics and reconnaissance drilling. The first drill hole testing the Tahunaatara anomaly intersected a broad zone of significant

hydrothermal alteration indicative of a large epithermal gold system. The drill hole intersected over 70 metres true width, a zone of intense hydrothermal alteration consisting of adularia-illite-smectite-quartz-chalcedony that hosts pyrite, arsenopyrite and minor gold-silver mineralisation. The hole ended in intense adularia-illite-smectite clay alteration at 357.2metres.

The geology intersected by the drill hole at Tahunaatara provides confirmation of the geophysical model used by Glass Earth in its search for buried gold deposits in the Coromandel / Central Volcanic Region.

Whilst no economic gold was intersected in this drill hole, the discovery of a broad zone of anomalous gold in a major new epithermal system offers significant scope and encouragement for further exploration of this target. Planning of further drilling and resistivity work will be undertaken while a second target is drilled (see below).

Humphrey's Road Drill Target

The second drill target is a separate target approximately 2km away from the Tahunaatara target. The Humphrey's Road drill target has also been defined by a combination of ground resistivity and soil gold geochemical surveys over a target area that resulted from the interpretation of Glass Earth's ultra-detailed airborne magnetics and airborne gravity surveys over the Central Coromandel Central Volcanic Zone. Drilling of this drill target is planned to commence in July 2006.

Company profile

Glass Earth is one of the largest New Zealand based gold exploration companies exploring a land position of over 33,175 square kilometres in the North and South Islands

North Island

In the North Island exploration efforts are focussed on the Coromandel/Central Volcanic Region. The Coromandel / Central Volcanic Region is host to the 10 million ounce Waihi / Martha Hill Mine, owned by Newmont Mining, which is considered the "type" epithermal gold deposit and the kind of large epithermal gold deposit targeted by Glass Earth

- Glass Earth has defined and delineated a total of 21 priority individual target areas that could potentially host large deposits of Martha Mine "look-a-like" epithermal gold mineralisation. These target areas have been covered by Exploration Permits. Drill ready targets have been generated in these areas
- Glass Earth has entered into a Joint Venture Agreement with Newmont Waihi Mining for Newmont to fund the exploration of one of these targets in the Waihi West area adjacent to Newmont's Waihi / Martha Mine Operation
- Glass Earth is planning additional exploration over the Hauraki region exploration and prospecting permits that were recently acquired as part of the HPD New Zealand transaction.

South Island

In the South Island exploration efforts are focussed on the Otago Region for mesothermal "Macraes-style" gold targets.

Qualified Persons

Glass Earth's exploration programs are carried out under the supervision of Glass Earth's VP Exploration and Chief Operating Officer, Mr. Simon Henderson, M.Sc, M.AUSIMM. 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 further information about Glass Earth Limited, please visit Glass Earth's website at: www.glassearthlimited.com or contact: investor@glassearthlimited.com

Glenn Laing
President and CEO
Email: glaing@glassearthlimited.com
Tel: (416) 368-7220

Fax: (416) 368-3259

Simon Henderson
VP Exploration and Chief Operating Officer
simon.henderson@glassearth.co.nz
Tel: +64-4-903-4980

Fax: +64-4-903-4985

The TSX Venture has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.