GREENMAN TECHNOLOGIES INC
Form DEFM14A
October 20, 2008

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A
(RULE 14a-101)
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant x
Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement.
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).
x Definitive Proxy Statement.
o Definitive Additional Materials.
o Soliciting Material Pursuant to §240.14a-12.

GREENMAN TECHNOLOGIES, INC.

(Name of Registrant as Specified in its Charter)

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

o No fee required.
x Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1)	Title of each class of securities to which transaction applies: Common stock, par value $0.01
(2)	Aggregate number of securities to which transaction applies: 30,880,435
(3)	Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): The filing fee was determined based on the $28,000,000 total consideration proposed to be paid to GreenMan Technologies, Inc. in the transaction.
(4)	Proposed maximum aggregate value of transaction: $28,000,000

(5) Total fee paid: $1,101.00

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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GREENMAN TECHNOLOGIES, INC.
12498 Wyoming Avenue South
Savage, Minnesota 55378
(781) 224-2411

October 23, 2008

Dear Shareholders:

I am pleased to enclose the proxy statement for our Special Meeting of shareholders to be held on November 13, 2008. We are asking shareholders to approve the sale of our tire recycling business to Liberty Tire Services, LLC and its wholly-owned subsidiary, Liberty Tire Services of Ohio, LLC for an estimated $26 million (the "Transaction"). The final price will be determined based on a five times multiple of EBITDA (earnings before interest, tax, depreciation, and amortization) of our tire recycling business for the twelve months ended September 30, 2008 minus certain of our liabilities assumed by the purchaser and not paid at the closing of the Transaction, plus the assumption by the purchaser of certain of our liabilities and is subject to certain purchase price adjustments.

This sale will allow us to repay approximately $19 million of outstanding obligations including approximately $13 million due our primary secured lender and approximately $6 million of transaction related debt and payables and other obligations. We estimate our net cash will exceed $5 million after closing of the Transaction and intend to use such cash to grow our Welch Products' business model nationwide and pursue additional recycling, alternative fuel, alternative energy and other "Green" business opportunities.

The date, time, place, and agenda for the Special Meeting are set forth in the accompanying notice of Special Meeting. The accompanying proxy statement contains important information about the proposals to be submitted for a vote at the Special Meeting, including approval of the sale of our tire recycling business to Liberty Tire Services, LLC and Liberty Tire Services of Ohio, LLC.

Please review this information carefully in deciding how to vote. Our Board of Directors unanimously recommends that you vote "FOR" each proposal.

YOUR VOTE ON THESE MATTERS IS IMPORTANT. Please see the accompanying notice of meeting for instructions on how to vote.

I look forward to seeing you at the meeting.

Sincerely,

Lyle Jensen
President and Chief Executive Officer

GREENMAN TECHNOLOGIES, INC.
12498 Wyoming Avenue South
Savage, Minnesota 55378
(781) 224-2411

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON NOVEMBER 13, 2008

NOTICE IS HEREBY GIVEN that a Special Meeting of shareholders (the "Special Meeting") of GreenMan Technologies, Inc., a Delaware corporation ("GreenMan," "we" or "us"), will be held on November 13, 2008, at 10:00 a.m., local time, in the Youngstown Room at the Sleep Inn & Suites, 5850 Morning Star Court, Pleasant Hill, Iowa 50327. At our Special Meeting we will ask you to:

1. Approve the sale of substantially all of our assets that relate to our scrap tire recycling business (the "Tire Recycling Business") pursuant to the Asset Purchase Agreement dated September 12, 2008 by and among Liberty Tire Services, LLC, Liberty Tire Services of Ohio, LLC, a wholly owned subsidiary of Liberty Tire Services, LLC, GreenMan and two of our wholly owned subsidiaries, GreenMan Technologies of Iowa, Inc., and GreenMan Technologies of Minnesota, Inc.;

2. Approve one or more adjournments of the Special Meeting, if deemed necessary to facilitate the approval of Proposal No. 1, including to permit the solicitation of additional proxies if there are not sufficient votes at the time of the Special Meeting to establish a quorum or to approve Proposal No. 1; and

3. Transact any other business that may properly come before the Special Meeting and any adjournment or postponement thereof.

Our Board of Directors unanimously recommends that you vote "FOR" Proposals 1 and 2 and that you allow our representatives to vote the shares represented by your proxy as recommended by our Board of Directors.

Pursuant to our bylaws, our Board of Directors has fixed the close of business on October 3, 2008, as the record date (the "Record Date") for determining those shareholders entitled to notice of and to vote at the Special Meeting. The affirmative vote of holders of a majority of our outstanding shares of common stock is required in order to approve the sale of the Tire Recycling Business. The affirmative vote of holders of a majority of our shares of common stock issued and outstanding as of the Record Date that are represented in person or by proxy and entitled to vote at the Special Meeting is required in order to approve the proposal to authorize the adjournment of the Special Meeting to a later date or dates, if necessary. Each of these proposals is more fully described in the accompanying proxy statement.

BY ORDER OF THE BOARD OF DIRECTORS,

Lyle Jensen
President and Chief Executive Officer
October 23, 2008
Savage, Minnesota

A FORM OF PROXY IS ENCLOSED. YOUR VOTE IS VERY IMPORTANT. IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. THEREFORE, WHETHER OR NOT YOU PLAN TO BE PRESENT IN PERSON AT THE SPECIAL MEETING, PLEASE COMPLETE, SIGN, DATE AND RETURN THE ENCLOSED PROXY IN THE ENCLOSED ENVELOPE, WHICH DOES NOT REQUIRE POSTAGE IF MAILED IN THE UNITED STATES. YOUR PROXY MAY BE REVOKED AT ANY TIME BEFORE THE VOTE AT THE SPECIAL MEETING BY FOLLOWING THE PROCEDURES OUTLINED IN THE ACCOMPANYING PROXY

STATEMENT. THE SHARES REPRESENTED BY YOUR PROXY WILL BE VOTED ACCORDING TO YOUR SPECIFIED RESPONSE. PROPERLY EXECUTED PROXIES THAT DO NOT CONTAIN VOTING INSTRUCTIONS WILL BE VOTED "FOR" THE APPROVAL OF THE PROPOSALS AND THE TRANSACTIONS CONTEMPLATED THEREBY. IF YOU FAIL TO RETURN A PROPERLY EXECUTED PROXY CARD OR TO VOTE IN PERSON AT THE SPECIAL MEETING, THE EFFECT WILL BE A VOTE AGAINST THE PROPOSALS AND THE TRANSACTIONS CONTEMPLATED THEREBY.

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This proxy statement and the form of proxy were first mailed to stockholders on or about October 23, 2008.

GREENMAN TECHNOLOGIES, INC.
12498 Wyoming Avenue South
Savage, Minnesota 55378
(781) 224-2411

PROXY STATEMENT

Special Meeting of Stockholders
To Be Held November 13, 2008
10:00 A.M.

The enclosed Proxy is solicited by the Board of Directors (the "Board of Directors") of GreenMan Technologies, Inc., a Delaware corporation (the "Company") for use at our special meeting of stockholders ("Special Meeting") to be held in the Youngstown Room at the Sleep Inn & Suites, 5850 Morning Star Court, Pleasant Hill, Iowa 50327. It is anticipated that this Proxy Statement will be mailed to our stockholders on or about October 23, 2008. References to the "Company," "us," "we," or "our," refer to GreenMan Technologies, Inc.

The Special Meeting is for the purpose of considering and voting upon:

(1) A proposal to approve the sale of substantially all of our assets that relate to our scrap tire recycling business (the "Tire Recycling Business") pursuant to the Asset Purchase Agreement dated September 12, 2008 by and among Liberty Tire Services, LLC, Liberty Tire Services of Ohio, LLC, a wholly owned subsidiary of Liberty Tire Services, LLC, GreenMan and two of our wholly owned subsidiaries, GreenMan Technologies of Iowa, Inc., and GreenMan Technologies of Minnesota, Inc.;

(2) A proposal to approve one or more adjournments of the Special Meeting, if deemed necessary to facilitate the approval of Proposal No. 1, including to permit the solicitation of additional proxies if there are not sufficient votes at the time of the Special Meeting to establish a quorum or to approve Proposal No. 1; and

(3) Such other business as may properly come before the Special Meeting or any adjournment or postponement thereof will also be considered.

The Board of Directors is not aware of any other business to come before the Special Meeting, and unanimously recommends that you vote "FOR" these proposals.

SUMMARY TERM SHEET

The following summary, together with the question and answer section, provides an overview of the proposed sale of our Tire Recycling Business (as defined below) discussed in this Proxy Statement and the attached appendices. This summary also contains cross-references to the more detailed discussions elsewhere in this Proxy Statement. This summary may not contain all of the information that is important to you. To understand fully the proposed sale of our Tire Recycling Business and for a more complete description of the terms thereto, you should carefully read this entire Proxy Statement, including the information incorporated by reference, and the attached appendices in their entirety.

Proposal No. 1: Sale of our Tire Recycling Business:

General (see page 18)

We have entered into the Asset Purchase Agreement (the "Asset Purchase Agreement") with Liberty Tire Services, LLC ("LTS") and Liberty Tire Services of Ohio, LLC, a wholly owned subsidiary of LTS (the "Purchaser" and together with LTS, the "LTS Group") pursuant to which we will sell to the Purchaser the assets held by our two tire recycling subsidiaries, GreenMan Technologies of Iowa, Inc. and GreenMan Technologies of Minnesota, Inc. (collectively, the "Tire Recycling Subsidiaries") that constitute our business of collecting, processing and marketing scrap tires in whole, shredded or granular form (the "Tire Recycling Business"). For the fiscal year ended September 30, 2007, our Tire Recycling Business had revenue of $20.2 million or 100% of our total revenue and operating income of $3.2 million as compared to total net income of approximately $294,000 on a consolidated basis. At June 30, 2008, our Tire Recycling Business had total assets of $15.4 million or 86% of our total assets.

The Parties (see page 18)

GreenMan Technologies, Inc.

We operate two facilities that collect, process and market scrap tires in whole, shredded or granular form. We are headquartered in Savage, Minnesota and currently operate tire processing facilities in Iowa and Minnesota. We were originally founded in 1992 and have operated as a Delaware corporation since 1995. Our core business the Tire Recycling Business. On October 1, 2007 we acquired Welch Products, Inc., a company headquartered in Carlisle, Iowa that specializes in design, product development, and manufacturing of environmentally responsible products using recycled materials, primarily recycled rubber. Through a subsidiary, Playtribe, Inc., Welch Products also provides innovative playground design, equipment and installation.

GreenMan Technologies of Minnesota, Inc.

GreenMan Technologies of Minnesota, Inc. is a Minnesota corporation and wholly owned subsidiary of GreenMan. GreenMan Technologies of Minnesota, Inc. operates our tire processing facility located in Savage, Minnesota.

GreenMan Technologies of Iowa, Inc.

GreenMan Technologies of Iowa, Inc. is an Iowa corporation and wholly owned subsidiary of GreenMan. GreenMan Technologies of Iowa, Inc. operates our tire processing facility located in Des Moines, Iowa.

Liberty Tire Services, LLC

Liberty Tire Services, LLC, is a Delaware limited liability company based in Pittsburgh, Pennsylvania. LTS is the largest tire recycling company in the United States and currently operates fourteen scrap tire processing facilities. LTS' principal executive offices are located at 625 Liberty Avenue, Suite 3100, Pittsburgh, PA 15222, and its phone number is (412) 562-0148.

Liberty Tire Services of Ohio, LLC

Liberty Tire Services of Ohio, LLC is a Delaware limited liability company and wholly owned subsidiary of LTS. The Purchaser will be purchasing our Tire Recycling Business.

Reasons for the Sale of the Tire Recycling Business (see page 19)

We believe that the sale of the Tire Recycling Business and the terms of the Asset Purchase Agreement are in the best interests of our shareholders. The sale of the Tire Recycling Business will permit us to focus on our other business unit and provide the following anticipated benefits:

- Provide us with immediately available funds to pay off a majority of our outstanding indebtedness; and
- Allow us to focus on our other business units, and identify and develop new business opportunities.

Our Board of Directors also considered various risks when evaluating the sale of the Tire Recycling Business, which include:

- The viability of our remaining business after the sale of the Tire Recycling Business and our ability to identify and develop new business opportunities;
- The possibility that the proposed sale might not be completed and the effect on our business and financial position;
- The terms of the Asset Purchase Agreement provide that we will be prohibited from competing with the Tire Recycling Business anywhere within the states of Iowa, Minnesota, Illinois, Indiana, Kansas, Michigan, Missouri, Nebraska, North Dakota, South Dakota and Wisconsin for a period of five years from the date of the sale of the Tire Recycling Business; and
- The effect of the public announcement of the proposed sale of the Tire Recycling Business on key customer accounts and on our ability to attract and retain personnel.

Background of the Sale of the Tire Recycling Business (see page 20)

In response to the belief we would be unable to meet increased monthly principal payments due our primary secured lender, Laurus Master Fund, Ltd. (“Laurus”), which are scheduled to commence on October 1, 2008 and the fact that any material modification to the existing terms and maturity of the debt would be extremely costly, our Board of Directors began to actively explore strategic alternatives during the first quarter of fiscal 2007. Management and members of the Board of Directors met with over 20 entities to discuss various potential strategic alternatives.

In early 2008, senior management met on several occasions with representatives of LTS to discuss the potential acquisition of GreenMan’s Tire Recycling Business by LTS or an affiliate of LTS. Based on LTS’ managements’ extensive knowledge of the tire recycling industry and LTS’ recent history of significant acquisitions within the Midwest, our Board of Directors believed LTS would be a suitable buyer for our Tire Recycling Business. In April 2008, we received a non-binding proposal from LTS to purchase the Tire Recycling Businesses. In June 2008 senior management of LTS gave a presentation to our Board of Directors regarding a potential transaction.

On July 1, 2008, our Board of Directors met to discuss the status of the potential transaction with LTS and approved the execution of a non-binding letter of intent for the purchase of the Tire Recycling Business by LTS and/or its

affiliate.

During August 2008 we received a draft agreement that covered the basic terms of the proposed transaction. Throughout the following weeks, we and our advisors negotiated the terms of the Asset Purchase Agreement with LTS and its advisors. On September 9, 2008, we finalized the terms of the Asset Purchase Agreement.

On September 11, 2008, our Board of Directors convened a meeting to review the final Asset Purchase Agreement and the proposed sale of the Tire Recycling Business. During the meeting, BCC Advisers, an independent financial adviser hired to provide a fairness opinion, delivered an oral opinion. The opinion was subsequently confirmed in writing to our Board of Directors as to the fairness to the holders of shares of our common stock of the sale of the Tire Recycling Business, from a financial point of view, considering the cash consideration (before any adjustments) to be paid to us in connection with the sale of the Tire Recycling Business. Based on this information and after additional discussions, the Board of Directors determined that entry into the Asset Purchase Agreement and completion of the proposed sale of the Tire Recycling Business were in the best interests of the Company and our shareholders. Our Board of Directors then approved (i) the Asset Purchase Agreement, (ii) the related transaction agreements, and (iii) the proposed sale of our Tire Recycling Business to LTS on the terms set forth in those agreements, and authorized management to execute the Asset Purchase Agreement and the other transaction agreements on our behalf.

On September 12, 2008, we executed the Asset Purchase Agreement with LTS and the Purchaser and publicly announced the agreement on September 15, 2008.

Effect of the Sale of the Tire Recycling Business (see page 21)

If our shareholders approve the sale of the Tire Recycling Business, we will seek to complete the sale. We will use the proceeds of the sale of the Tire Recycling Business to repay approximately $19 million of outstanding obligations, including approximately $13 million due Laurus and approximately $6 million of transaction related debt and payables and other obligations (consisting of $4 million in capital lease obligations and notes payable of the Tire Recycling Subsidiaries, $1.5 million of taxes due as a result of the sale of the Tire Recycling Business and $.5 in notes payable by GreenMan). Approximately $1.3 million of the purchase price (as described below) will be subject to indemnification claims which may be brought by LTS or the Purchaser, as more fully described in the description of the Asset Purchase Agreement below. The purchase price will also be subject to adjustment based upon net working capital levels at closing. We estimate our net cash after the closing of the proposed sale of the Tire Recycling Business (the “Closing”) will exceed $5 million. We intend to use such cash to grow our Welch Products' business model nationwide and pursue additional recycling, alternative fuel, alternative energy and other “Green” business opportunities that are intended to increase shareholder value.

Opinion of Financial Advisor to the Board of Directors (see page 23)

Our financial advisor, BCC Advisers, delivered a written opinion to our Board of Directors as to the fairness to the holders of our common stock of the sale of the Tire Recycling Business, from a financial point of view, considering the cash consideration (before any adjustments) to be paid to us in connection with the sale of the Tire Recycling Business. The full text of the written opinion of BCC Advisers, dated September 10, 2008, is attached as Appendix B to this Proxy Statement and should be read in its entirety for a description of the procedures followed, assumptions made, matters concerned and limitations on the review undertaken. We paid BCC Advisers a fee for the delivery of this opinion.

THE OPINION OF BCC ADVISERS IS DIRECTED TO OUR BOARD OF DIRECTORS. THE OPINION WILL NOT BE UPDATED AND DOES NOT CONSTITUTE A RECOMMENDATION TO ANY SHAREHOLDER AS TO HOW SUCH SHAREHOLDER SHOULD VOTE ON THE PROPOSED SALE OF THE TIRE RECYCLING BUSINESS.

The Asset Purchase Agreement (see page 26)

Purchase Price

As consideration for the sale of all the assets relating to the Tire Recycling Subsidiaries, Purchaser will pay us approximately $26 million, based on a five times multiple of EBITDA (earnings before interest, tax, depreciation and amortization) subject to a post-closing adjustment based on the final net working capital of the Tire Recycling Subsidiaries as of the Closing. At the Closing, approximately $19 million of the purchase price will be used to pay down outstanding obligations, including approximately $13 million due our primary secured lender, Laurus and approximately $6 million of transaction related debt and payables and other obligations (consisting of $4 million in capital lease obligations and notes payable of the Tire Recycling Subsidiaries, $1.5 million of taxes due as a result of the sale of the Tire Recycling Business and $.5 in notes payable by GreenMan). In addition, the Purchaser will withhold $0.5 million and we will place approximately $1.3 million in a restricted cash account to cover possible indemnification claims by Purchaser and LTS. The Purchaser will also withhold $0.25 million until EBITDA of the Tire Recycling Subsidiaries is finally determined.

The Asset Purchase Agreement is attached to this Proxy Statement as Appendix A. We encourage you to read the Asset Purchase Agreement carefully. Our Board of Directors has unanimously approved the Asset Purchase Agreement, which is the binding legal agreement that governs the terms of the sale of our Tire Recycling Business.

Some of the key provisions of the Asset Purchase Agreement are as follows:

Representations and Warranties

The Asset Purchase Agreement contains customary representations and warranties of the parties relating to, among other things, their authority to enter into the Asset Purchase Agreement and, in the case of GreenMan, various aspects of the Tire Recycling Business. For a more detailed description of the representations and warranties of each of the parties, please see page 28.

Covenants

The Asset Purchase Agreement contains customary covenants of the parties, including agreements by us to conduct the Tire Recycling Business in accordance with ordinary past practices and to refrain from certain actions between the time of signing the Asset Purchase Agreement and the closing of the sale of the Tire Recycling Business, and to use commercially reasonable efforts to solicit shareholder proxies approving the sale of the Tire Recycling Business.

No Solicitation of Competitive Proposals; Superior Offer

Under the terms of the Asset Purchase Agreement, we have agreed to immediately cease any discussions with any third party other than LTS and the Purchaser with respect to any sale of our Tire Recycling Business. In addition, we have agreed not to directly or indirectly solicit, initiate or encourage any inquiries or proposals regarding any acquisition proposal or participate in any discussions or negotiations regarding, or furnish to any person any information with respect of, or take any other action to facilitate, any acquisition proposal. An acquisition proposal is any inquiry, offer or proposal by any person, other than the LTS Group, to acquire all or any material portion of our assets or the assets of the Tire Recycling Subsidiaries or any of our capital stock or the capital stock of the Tire Recycling Subsidiaries.

The Asset Purchase Agreement provides that our Board of Directors may, at any time prior to obtaining shareholder approval of the sale of the Tire Recycling Business, withdraw or modify its approval or recommendation of the Asset Purchase Agreement or the sale of the Tire Recycling Business or approve or recommend a superior offer to purchase the Tire Recycling Business if our Board of Directors determines, in good faith, that such offer constitutes a superior offer and determines that to do otherwise would violate the fiduciary duties of our Board of Directors. We will be required to pay a termination fee equal to 4% of the purchase price if we terminate the Asset Purchase Agreement due to a superior offer.

Indemnification

The Asset Purchase Agreement provides that each party will indemnify the other for any losses incurred as a result of, among other things, breaches of representations, warranties and covenants, subject in certain circumstances to specified dollar and time limitations.

Conditions to Closing

The obligations of the parties to complete the sale of the Tire Recycling Business are subject to certain customary closing conditions, including, among other things:

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- the accuracy in all material respects of all of our representations and warranties in the Asset Purchase Agreement;

- our performance in all material respects of all of our covenants and obligations under the Asset Purchase Agreement to be performed or complied with by us prior to the completion of the proposed sale of the Tire Recycling Business;

- the Purchaser shall have obtained on terms and conditions satisfactory to it funds sufficient to complete the transaction; and

- the shareholders of the Company shall have approved the proposed sale.

Termination

The Asset Purchase Agreement may be terminated:

- by mutual consent of the parties;

- by either party if the other party has failed to satisfy any of the closing conditions required to be satisfied by such party prior to Closing;

- by either party if the other party has committed a material breach of any provision of the Asset Purchase Agreement and such breach has not been cured by such party within five business days of receipt of notice of such breach;

- by us, if our Board of Directors, in compliance with the requirements of the Asset Purchase Agreement, concludes in good faith after consultation with legal counsel that a proposed transaction with a third party is superior to the terms of the proposed sale of the Tire Recycling Business and the failure to terminate the Asset Purchase Agreement in order to enter into a definitive agreement to complete such a superior proposal would be in violation of the fiduciary duties of our Board of Directors;

- by Purchaser, if our Board of Directors withdraws or modifies its approval of the proposed sale of the Tire Recycling Business, approves, adopts or recommends another acquisition proposal, or approves or recommends that the Company enter into any agreement with respect to another acquisition proposal, or proposes to do any of the foregoing, or if we breach any of the material exclusivity provisions of the Asset Purchase Agreement, subject to the right of our Board of Directors to terminate the Asset Purchase Agreement to accept a superior proposal, as described above;

- by either party, if our shareholders have not approved the sale of the Tire Recycling Business; or

- by either party, if the Purchaser fails to obtain on terms and conditions satisfactory to it funds sufficient to complete the transaction.

Termination Payment and Expenses

All parties to the Asset Purchase Agreement have agreed that each party will pay its own expenses.

Under the terms of the Asset Purchase Agreement, we have agreed to pay LTS a termination fee equal to 4% of the purchase price (approximately $1.04 million) if:

-

we terminate the Asset Purchase Agreement due to a determination by our Board of Directors, in compliance with the requirements of the Asset Purchase Agreement, in good faith after consultation with legal counsel that a proposed transaction with a third party is superior to the terms of the proposed sale of the Tire Recycling Business and the failure to terminate the Asset Purchase Agreement in order to enter into a definitive agreement to complete such a superior proposal would be in violation of the fiduciary duties of our Board of Directors; or

- Purchaser terminates the Asset Purchase Agreement due to a breach by us of our obligations not to withdraw or modify, or propose to withdraw or modify our approval of the transaction or our violation of the material exclusivity provisions of the Asset Purchase Agreement.

Under the terms of the Asset Purchase Agreement, we have agreed to pay LTS documented legal fees and other out-of-pocket costs incurred in connection with the proposed sale of the Tire Recycling Business, up to a maximum of $150,000, if we do not receive the approval of the holders of at least 50.1% of our outstanding common stock of the sale of the Tire Recycling Business and as a result terminate the Asset Purchase Agreement.

The Voting Agreement (see page 32)

Simultaneously with the execution and delivery of the Asset Purchase Agreement, the members of our Board of Directors and all of our executive officers entered into the Voting Agreement with LTS, Purchaser and us (the "Voting Agreement"). Pursuant to the Voting Agreement, our directors and executive officers have agreed to vote in favor of the Asset Purchase Agreement and the transactions contemplated thereby. As of September 12, 2008, the shares covered by the Voting Agreement represented in the aggregate approximately 25% of our outstanding common stock.

Related Party Transactions (see page 33)

Tire Recycling Business Related Party Transactions

We rent several pieces of equipment on a monthly basis from Valley View Farms, Inc. and Maust Asset Management, LLC, two companies co-owned by Mark Maust, who is President of GreenMan Technologies of Minnesota, Inc. and GreenMan Technologies of Iowa, Inc. In addition, we have entered into several capital lease agreements with Maust Asset Management, LLC which had an outstanding balance of approximately $640,000 at September 30, 2008. At the Closing of the sale of the Tire Recycling Business, the Purchaser will assume all remaining obligations under these capital lease agreements, and such amounts will be deducted from the proceeds of the sale received by us.

In April 2003, GreenMan Technologies of Iowa, Inc. entered into a ten-year lease with Maust Asset Management, LLC for a facility located on approximately 4 acres of land in Des Moines, Iowa. In April 2005, GreenMan Technologies of Iowa, Inc. entered into an eight-year lease with Maust Asset Management, LLC for approximately 3 acres adjacent to the existing Iowa facility. The aggregate current monthly rent payment under both leases is $11,750 plus real estate taxes. These lease arrangements will terminate at the close of the sale of the Tire Recycling Business, and we expect that the Purchaser will enter into a new lease arrangement with Maust Asset Management, LLC.

GreenMan Technologies of Minnesota, Inc. leases property located in Savage, Minnesota from Two Oaks, LLC, an entity co-owned by Mark Maust under a 12-year lease agreement. This lease will terminate at the close of the sale of the Tire Recycling Business, and we expect that the Purchaser will enter into a new lease arrangement with Two Oaks, LLC.

Other Related Party Transactions

Between June and August 2003, two immediate family members of Maurice Needham, our Chairman of the Board of Directors, loaned us a total of $400,000 under the terms of two-year, unsecured promissory notes which bear interest at the rate of 12% per annum. The two individuals agreed to extend the maturity date of these notes until the earlier of when all amounts due under the Laurus credit facility have been repaid or June 30, 2009. The current balance due under these notes is $400,000.

In September 2003, Bob Davis, a former officer of GreenMan, loaned us $400,000 under the terms of an unsecured promissory note which bears interest at the rate of 12% per annum. In July 2006, Mr. Davis assigned the remaining balance due under the note, $99,320, as follows: $79,060 to one of the noteholders described in the preceding paragraph and the remaining balance of $20,260 plus accrued interest of $13,500 to Mr. Needham. All parties agreed to extend the maturity of the remaining balance of this note until the earlier of when all amounts due under the Laurus

credit facility have been repaid or June 30, 2009. The current balance due under these notes is $99,320.

Between January and June 2006, Nicholas DeBenedictis, a director, loaned us $155,000 under three unsecured promissory notes which bear interest at the rate of 10% per annum with interest and principal due during the period from June 30, 2006 through September 30, 2006. During the year ended of September 30, 2007 Mr. DeBenedictis agreed to extend the remaining balance due under the notes of $35,000 until the earlier of when all amounts due under the restructured Laurus credit facility have been repaid or June 30, 2009.

All outstanding principal and accrued interest due these individuals (approximately $535,000 and $130,000, respectively, at September 30, 2008) will be paid at the closing of the sale of the Tire Recycling Business.

Certain Material Federal and State Income Tax Consequences (see page 34)

The sale of assets contemplated by the Asset Purchase Agreement will be a transaction taxable to us for United States federal and state income tax purposes. We will recognize taxable income equal to the amount realized on the sale in excess of our tax basis in the assets sold. However substantially all of the taxable gain on a federal tax basis will be offset against our current year losses from operations plus available net operating loss carry forwards, as currently reflected on our consolidated federal income tax returns. We do not have substantial state net operating loss carry forwards and anticipate that a majority of our tax obligations resulting from this contemplated transaction will be on a state tax level.

The sale of assets contemplated by the Asset Purchase Agreement will not be a taxable event for our stockholders under applicable United States federal income tax laws.

Accounting Treatment (see page 34)

We will record the sale of the Tire Recycling Business in accordance with generally accepted principles in the United States. Upon completion of the disposition, we will recognize a gain for financial statement purposes equal to the net proceeds (sum of purchase price less expenses of the sale) less the book value of the assets and liabilities sold.

Regulatory Approvals (see page 34)

We are not aware of any federal or state regulatory requirements that must be complied with or approvals that must be obtained to complete the sale of the Tire Recycling Business, other than the filing of this Proxy Statement with the Securities Exchange Commission (the “SEC”). If any additional approvals or filings are required, we will use our commercially reasonable efforts to obtain those approvals and make any required filings before completing the transactions contemplated by the Asset Purchase Agreement.

No Changes in the Rights of Shareholders (see page 34)

There will be no change in the rights of our shareholders as a result of the sale of the Tire Recycling Business.

No Appraisal Rights (see page 34)

Our shareholders do not have appraisal rights under the Delaware General Corporation Law in connection with the sale of the Tire Recycling Business.

Required Vote (see page 34)

The affirmative vote of holders of a majority of the outstanding shares of common stock is required in order to approve the sale of the Tire Recycling Business. Because the affirmative vote of a majority of the votes entitled to be cast at the Special Meeting is required to approve the sale of the Tire Recycling Business, abstentions, broker “non-votes” and shares not represented at the Special Meeting will have the same effect as a vote “AGAINST” the sale of the Tire Recycling Business. Properly executed proxies that do not contain voting instructions will be voted “FOR” the approval of the sale of the Tire Recycling Business.

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Recommendation of our Board of Directors Regarding the Sale of the Tire Recycling Business (see page 35)

For the reasons described above, our Board of Directors has determined that the proposed sale of the Tire Recycling Business is in the best interests of the Company and our shareholders. Accordingly, our Board of Directors has unanimously approved the proposed sale of the Tire Recycling Business and Asset Purchase Agreement and unanimously recommends to our shareholders that they vote "FOR" approval of Proposal No. 1: Approval of the Sale of the Tire Recycling Business.

Proposal No. 2: Adjournment of the Special Meeting:

Purpose (see page 36)

In the event there are not sufficient votes present, in person or by proxy, at the Special Meeting to approve the sale of the Tire Recycling Business, our chief executive officer, acting in his capacity as chairperson of the meeting, may propose an adjournment of the Special Meeting to a later date or dates to permit further solicitation of proxies.

Required Shareholder Vote to Approve the Adjournment Proposal (see page 36)

Approval of Proposal No. 2 will require that the number of votes cast in favor of the proposal exceed the number of votes cast against it. Assuming the presence of a quorum, abstentions, broker "non-votes" and shares not represented at the Special Meeting will have no effect on Proposal No. 2: Adjournment.

Recommendation of our Board of Directors (see page 36)

Our Board of Directors unanimously recommends that our shareholders vote "FOR" approval of Proposal No. 2 to adjourn the Special Meeting, if necessary to obtain the requisite number of proxies to approve Proposal No. 1.

QUESTIONS AND ANSWERS ABOUT THE SPECIAL MEETING AND RELATED PROPOSALS

Why am I receiving this Proxy Statement and proxy card?

You are receiving this Proxy Statement and proxy card because you own shares of our common stock. This Proxy Statement describes the proposals on which we would like you, as a shareholder, to vote at the Special Meeting. It also gives you information on the proposals so that you can make an informed decision.

Who can vote at the Special Meeting?

Only shareholders of record at the close of business on October 3, 2008 will be entitled to vote at the Special Meeting.

What is being voted on?

You are being asked to vote on the following matters:

1. To approve the sale of our Tire Recycling Business; and

2. To approve one or more adjournments of the Special Meeting, if deemed necessary to facilitate the approval of Proposal No. 1, including to permit the solicitation of additional proxies if there are not sufficient votes at the time of the Special Meeting to establish a quorum or to approve Proposal No. 1.

What will happen if the proposed sale of the Tire Recycling Business is approved?

If the proposed sale of the Tire Recycling Business is approved, we will complete the sale subject to the satisfaction of the closing conditions set forth in the Asset Purchase Agreement. We anticipate that the transaction will close shortly after the Special Meeting.

What will happen if the proposed sale of the Tire Recycling Business is not approved?

If we are unable to successfully complete the sale of our Tire Recycling Business and if we are unable to restructure the terms and maturity of our obligations under our credit facility with Laurus Master Fund, Ltd., our senior secured lender ("Laurus"), on acceptable terms we: (1) will be unable to meet the increased monthly principal payments due under such credit facility with Laurus scheduled to commence in October 2008 and therefore may be deemed to be in default under the terms of our agreement with Laurus, which has reserved all rights with respect to such default and who may exercise its right to foreclose on our assets; (2) anticipate receiving a "going concern" opinion from our auditors for the fiscal year ended September 30, 2008 which will have a negative impact on our ability to secure additional future financing; and (3) may, under certain circumstances, owe a termination fee to Purchaser.

Does the Board of Directors recommend that I vote on the proposals to be considered and voted upon at the Special Meeting?

Our Board of Directors unanimously recommends that you vote your shares:

- "FOR" the proposed sale of the Tire Recycling Business to the Purchaser; and
- "FOR" the adjournment of the Special Meeting, if necessary to obtain the requisite number of proxies to approve the proposed sale of the Tire Recycling Business to the Purchaser.

How do I vote?

After carefully reading and considering the information contained or referred to in this Proxy Statement, including the Appendices, you may either (i) complete, sign and date your proxy card and voting instructions and return them in the enclosed postage-paid envelope or (ii) vote in person at the Special Meeting. Please vote your shares as soon as possible so that your shares will be represented at the Special Meeting.

If my shares are held in “street name” by my broker, will my broker vote my shares for me?

Your broker will vote your shares only if you provide instructions to your broker on how to vote. Please tell your broker how you would like him or her to vote your shares. If you do not tell your broker how to vote, your shares will not be voted by your broker.

Can I change my vote after I have delivered my proxy?

Yes. You may revoke your proxy at any time before it is voted at the meeting by (i) delivering a written notice of revocation to Charles E. Coppa, our Chief Financial Officer and Corporate Secretary, at GreenMan Technologies, Inc. 12498 Wyoming Avenue South, Savage, Minnesota, 55378 (ii) delivering a later-dated proxy, or (iii) attending the Special Meeting and voting in person. Attendance at the Special Meeting, in and of itself, will not constitute a revocation of a proxy. If your shares are held in an account at a brokerage firm or a bank, you should contact your brokerage firm or bank for instructions on how to change your vote.

How many votes are required to approve the sale of the Tire Recycling Business?

The affirmative vote of holders of a majority of the shares of common stock is required in order to approve the sale of the Tire Recycling Business. Because the affirmative vote of a majority of the votes entitled to be cast at the Special Meeting is required to approve the sale of the Tire Recycling Business, abstentions, broker “non-votes” and shares not represented at the Special Meeting will have the same effect as a vote against the sale of the Tire Recycling Business.

Am I entitled to appraisal rights?

No, our shareholders do not have appraisal rights under the Delaware General Corporation Law in connection with the sale of the Tire Recycling Business.

When do you expect the sale of the Tire Recycling Business to be completed?

It is currently anticipated that the transactions and actions contemplated in the Asset Purchase Agreement will be completed as promptly as practicable following our Special Meeting to be held on November 13, 2008.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors and employees may also solicit proxies in person, by telephone or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners. We may also engage a professional proxy solicitation firm to assist in the proxy solicitation and, if so, will pay such solicitation firm customary fees plus expenses.

Who should I call if I have any questions about the Special Meeting?

If you have any questions about the Special Meeting, you should contact Charles E. Coppa, our Chief Financial Officer and Corporate Secretary, at (781) 224-2411.

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THE SPECIAL MEETING

Time, Date and Place; Matters to be Considered

The Special Meeting will be held on November 13, 2008, at 10:00 a.m. local time, in the Youngstown Room at the Sleep Inn & Suites, 5850 Morning Star Court, Pleasant Hill, Iowa 50327. At the Special Meeting, shareholders will be asked to consider and vote upon each of the proposals and conduct such other business as may properly come before the Special Meeting and any adjournment thereof.

Voting and Record Date

The Board of Directors has fixed October 3, 2008, as the record date ("Record Date") for determining holders of shares of our common stock that are entitled to receive notice of and to vote at the Special Meeting. Each holder of record of shares of our voting stock on the Record Date is entitled to cast one vote per share, exercisable in person or by a properly executed proxy, with respect to the approval of the proposals and any other matter to be submitted to a vote of our shareholders at the Special Meeting. At October 3, 2008, there were 30,880,435 shares of common stock outstanding.

Approval of Proposal No. 1 will require the affirmative vote of the holders of a majority of our outstanding shares entitled to vote thereon. Therefore, abstentions, broker "non-votes" and shares not represented at the Special Meeting will have the same effect as votes against Proposal No. 1. Approval of Proposal No. 2 requires that the number of votes cast in favor of the proposal exceed the number of votes cast against it. Assuming the presence of a quorum, abstentions, broker "non-votes" and shares not represented at the Special Meeting will have no effect on Proposal 2.

The Board of Directors has unanimously approved each of the proposals and recommends that shareholders vote "FOR" the approval of each of the proposals. We are seeking requisite shareholder approval of each of the proposals.

A complete list of shareholders entitled to vote at the Special Meeting shall be available for examination by any stockholder, for any purpose germane to the Special Meeting, during ordinary business hours at the principal executive offices of the Company. The list will also be available at the Special Meeting.

Quorum

The required quorum for the transaction of business at the Special Meeting is a majority of the shares entitled to vote at such meeting by holders of shares of our common stock outstanding on the Record Date. Broker non-votes and shares that are voted "FOR" or "AGAINST" a proposal or marked "ABSTAIN" are treated as being present at the Special Meeting for purposes of establishing a quorum and are also treated as shares entitled to vote at the Special Meeting with respect to each proposal.

Abstentions and Broker Non-Votes

Broker "non-votes" and the shares of voting stock as to which a shareholder abstains are included for purposes of determining whether a quorum of shares of voting stock is present at a meeting. A broker "non-vote" occurs when a nominee holding shares of voting stock for the beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. Proposals 1 and 2 are non-discretionary items, which means that a nominee may not vote on either proposal without instructions from the beneficial owner. Since Proposal 1 requires the affirmative vote of a majority of our outstanding voting stock entitled to vote at the Special Meeting, abstentions and broker "non-votes" have the effect of votes "AGAINST" Proposal 1. Since Proposal 2 requires that the number of votes cast in favor of the proposal

exceed the number of votes cast against it, assuming the presence of a quorum, abstentions and broker “non-votes” will have no effect on Proposal 2.

Brokerage Accounts

If any of your shares are held in the name of a brokerage firm, bank, bank nominee or other institution, only it can vote such shares and only upon receipt of your specific instructions. Accordingly, please contact the person responsible for your account and instruct that person to execute the proxy card representing your shares. In addition, if you hold your shares in a brokerage or bank account, your broker or bank may allow you to provide your voting instructions by telephone or Internet. Please consult the materials you receive from your broker or bank prior to authorizing a proxy by telephone or Internet.

Proxies

Our Board of Directors is asking for your proxy. Giving the Board of Directors your proxy means you authorize the named proxies to vote your shares at the Special Meeting in the manner you direct. You may vote for or against the proposals or abstain from voting. All valid proxies received prior to the Special Meeting will be voted. All shares of common stock that are represented at the Special Meeting by properly executed proxies received prior to or at the Special Meeting, and not duly and timely revoked, will be voted at the Special Meeting in accordance with the choices marked thereon by the shareholders. Unless a contrary choice is marked, the shares represented by each proxy will be voted FOR approval of each of the proposals. At the time this Proxy Statement was mailed to shareholders, we were not aware that any other matters not referred to herein would be presented for action at the Special Meeting. If any other matters properly come before the Special Meeting, the persons designated in the proxy intend to vote the shares represented thereby in accordance with their best judgment.

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before it is voted. Proxies may be revoked by (i) filing with our Corporate Secretary at or before the taking of the vote at the Special Meeting, a written notice of revocation bearing a later date than the proxy, (ii) duly executing a later-dated proxy relating to the same shares and delivering it to our Corporate Secretary before the taking of the vote at the Special Meeting or (iii) attending the Special Meeting and voting in person (although attendance at the Special Meeting will not in and of itself constitute a revocation of a proxy).

Attendance at the Special Meeting

Only holders of common stock may attend the Special Meeting. If you wish to attend the Special Meeting in person but you hold your shares through someone else, such as a stockbroker, you must bring proof of your ownership and photo identification at the Special Meeting. For example, you could bring an account statement showing that you beneficially owned shares of our common stock as of the record date as acceptable proof of ownership.

Costs of Solicitation

We will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors and employees may also solicit proxies in person, by telephone or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners. We may also engage a professional proxy solicitation firm to assist in the proxy solicitation and, if so, will pay such solicitation firm customary fees plus expenses.

FORWARD LOOKING STATEMENTS

Statements in this Proxy Statement that are "forward-looking statements" are based on current expectations and assumptions that are subject to risks and uncertainties. In some cases, forward-looking statements can be identified by terminology such as "may," "should," "potential," "continue," "expects," "anticipates," "intends," "plans," "believes," "es similar expressions. These forward looking statements are based on our current estimates and assumptions and, as such, involve uncertainty and risk. Actual results could differ materially from projected results because of factors such as:

- If our shareholders fail to approve the proposed sale of our Tire Recycling Business, or if we are unable to satisfy the other conditions to closing the proposed transaction, certain of which are not within our control, our liquidity, financial position and business may be harmed.

- We have substantial indebtedness to Laurus Master Fund secured by substantially all of our assets. If an event of default occurs under the secured notes issued to Laurus, Laurus may foreclose on our assets and we may be forced to curtail or cease our operations or sell some or all of our assets to repay the notes.

- Even if we complete the proposed transaction, we may be unable to successfully operate our remaining business.

- We may be unable to identify potential business opportunities or successfully operate such new businesses once identified.

- If we acquire other companies or businesses we will be subject to risks that could harm our business.

- We have been profitable in the most recent quarter and four of the last five consecutive quarters, but we lost money in the previous eighteen consecutive quarters. We may need additional working capital if we do not maintain profitability, which if not received, may force us to curtail operations.

- The delisting of our common stock by the American Stock Exchange has limited our stock's liquidity and could substantially impair our ability to raise capital.

Any of these factors could affect our ability to consummate the transaction described herein and cause our actual results to differ materially from the guidance given at this time. For further information about the risks of the proposed transaction and our Company, we refer you to the section entitled "Risk Factors" beginning on page 15 as well as the documents we file from time to time with the Securities and Exchange Commission, particularly our Form 10-QSB for the fiscal quarter ended June 30, 2008 and our Form 10-KSB for the fiscal year ended September 30, 2007.

There are representations and warranties contained in the Asset Purchase Agreement that is attached as an appendix and described herein which were made by the parties to each other as of specific dates. The assertions embodied in these representations and warranties were made solely for purposes of the Asset Purchase Agreement and may be subject to important qualifications and limitations agreed to by the parties in connection with negotiating its terms. Moreover, certain representations and warranties may not be accurate or complete as of any specified date because they are subject to a contractual standard of materiality that is different from certain standards generally applicable to shareholders or were used for the purpose of allocating risk between the parties rather than establishing matters as facts. Therefore, you should not rely on the representations and warranties contained in the Asset Purchase Agreement as statements of factual information.

We do not assume any obligation to update information contained in this document, except as required by federal securities laws. Although this Proxy Statement may remain available on our website or elsewhere, its continued

availability does not indicate that we are reaffirming or confirming any of the information contained herein. Neither our website nor its contents are a part of this Proxy Statement.

RISK FACTORS

You should carefully consider the special risk considerations described below as well as other information provided to you or referenced in this Proxy Statement in deciding how to vote on the proposed sale of the Tire Recycling Business. The special risk considerations described below are not the only ones we face. For a discussion of additional risk considerations, we refer to you the documents we file from time to time with the Securities and Exchange Commission, particularly our Form 10-KSB for the fiscal year ended September 30, 2007 and our Form 10-QSB for the fiscal quarter ended June 30, 2008, which are attached as Appendix C and Appendix D hereto. Additional considerations not presently known to us or that we currently believe are immaterial may also impair our business operations. If any of the following special risk considerations actually occur, our business, financial condition or results of operations could be materially adversely affected, the value of our common stock could decline, and you may lose all or part of your investment.

Special Risk Considerations Regarding the Proposed Sale of the Tire Recycling Business:

If we fail to complete the sale of the Tire Recycling Business, our business may be harmed.

We cannot assure you that the sale of the Tire Recycling Business will be completed. As a result of our announcement of the sale of the Tire Recycling Business, third parties may be unwilling to enter into material agreements with respect to our Tire Recycling Business. New or existing customers may prefer to enter into agreements with our competitors who have not expressed an intention to sell their business because customers may perceive that such relationships are likely to be more stable. If we fail to complete the proposed sale of the Tire Recycling Business, the failure to maintain existing business relationships or enter into new ones could adversely affect our business, results of operations and financial condition.

If we fail to complete the sale of the Tire Recycling Business, our liquidity and financial position may be harmed.

If we are unable to close the sale of our Tire Recycling Business, we may owe a termination fee (4% of the purchase price if we or the Purchaser terminates the Asset Purchase Agreement under certain circumstances related to the sale of our Tire Recycling Business to another party on superior terms (although, currently, the Board of Directors has not received a superior offer) or up to $150,000 if we terminate the Asset Purchase Agreement due to our inability to obtain shareholder approval of the transaction) that could exhaust our cash reserves and cause us to be unable to pay our scheduled obligations. In addition, if we are unable to restructure the terms and maturity of our Laurus obligations we (1) will be unable to meet the increased monthly principal payments due Laurus scheduled to commence in October 2008 and therefore may be deemed in default under the terms of our agreement with Laurus who has reserved all rights with respect to such default and who may exercise its right to foreclose on our assets and (2) anticipate receiving a “going concern” opinion from our auditors for the fiscal year ended September 30, 2008 which will have a negative impact on our ability to secure additional future financing.

You will not receive any of the proceeds from the sale of the Tire Recycling Business.

The purchase price for the assets of the Tire Recycling Business will be paid directly to us or our creditors. We intend to pay off our indebtedness with the proceeds of the sale of our Tire Recycling Business and to use the remaining proceeds to pursue new business opportunities. Therefore, no proceeds will be received by our shareholders as a result of the sale.

The Asset Purchase Agreement may expose us to contingent liabilities.

Under the Asset Purchase Agreement, we are required to indemnify the LTS Group for the breach or violation of any representation, warranty or covenant made by us in the Asset Purchase Agreement, subject to certain limitations and up to a maximum of 5% of the total purchase price. Significant indemnification claims by the LTS Group could have a material adverse effect on our financial condition.

We will be prohibited from competing with the Tire Recycling Business on a regional basis for five years from the date of the closing.

The Asset Purchase Agreement provides that for a period of five years after the closing of the transaction, we will not (i) own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be employed or otherwise connected as an agent, security holder, consultant, stockholder, subsidiary, partner or otherwise with any person, firm corporation or business that engages in any activity that is the same as, similar to, or competitive with the business of collection, disposal, shredding, processing, recycling or sale of used tires, including without limitation the production of fuel chips, tire derived mulch, tire shreds, crumb rubber and other tire derived feedstock, anywhere within the states of Iowa, Minnesota, Illinois, Indiana, Kansas, Michigan, Missouri, Nebraska, North Dakota, South Dakota and Wisconsin or (ii) sell crumb rubber to any person who is a customer of ours as of the date of the Asset Purchase Agreement.

Even if our stockholders approve the sale of the Tire Recycling Business, we cannot be sure when, or even if, the sale of the Tire Recycling Business will be completed.

The completion of the sale of the Tire Recycling Business is subject to the satisfaction of a number of conditions, including, among others, the requirement that we obtain shareholder approval of the sale and the requirement that the Purchaser obtain funds sufficient to complete the transaction on terms and conditions satisfactory to it. In addition, the Purchaser may terminate the agreement if we do not cure breaches, if any, of a material provision of the Asset Purchase Agreement within five business days of notice of such breach. We cannot guarantee that we will be able to meet the closing conditions of the Asset Purchase Agreement. If we are unable to meet the closing conditions, the Purchaser is not obligated to purchase the Tire Recycling Business. We also cannot be sure that other circumstances, for example, a material adverse event, will not arise that would allow the Purchaser to terminate the Asset Purchase Agreement prior to closing. If the asset sale is not approved or does not close, our Board of Directors will be forced to evaluate other alternatives, which are expected to be less favorable to us than the proposed sale of the Tire Recycling Business. In addition, we would likely not have sufficient capital to repay our Laurus indebtedness when it becomes due and therefore be deemed in default under the terms of our agreement with Laurus who has reserved all rights with respect to such default and who may exercise its right to foreclose on our assets

The Asset Purchase Agreement limits our ability to pursue alternatives to the asset sale.

The Asset Purchase Agreement contains provisions that make it more difficult for us to sell our Tire Recycling Business to a party other than the Purchaser. These provisions include the general prohibition on soliciting any acquisition proposal or offer for a competing transaction and the requirement that we pay a termination fee equal to 4% of the purchase price if the Asset Purchase Agreement is terminated in specified circumstances.

These provisions could discourage a third party that might have an interest in acquiring our Tire Recycling Business or our company from considering or proposing that acquisition, even if that party were prepared to pay consideration with a higher value than the consideration to be paid by the Purchaser. Furthermore, the termination fee may result in a potential competing acquirer offering to pay a lower per share price to acquire our company than it might otherwise have offered to pay. The payment of the termination fee could also have an adverse effect on our financial condition.

On October 1, 2008, the monthly principal payments to Laurus under the terms of our Credit Facility which matures on June 30, 2009 were scheduled to increase substantially and if the sale of our Tire Recycling Business is not completed we may default on these notes.

As of June 30, 2008, we owed Laurus approximately $12.8 million under a credit facility which matures on June 30, 2009. On October 1, 2008, our monthly principal payments were scheduled to increase from $100,000 to $400,000 per month until maturity. We will not be able to satisfy these monthly payments through existing cash flow from operations. Therefore, if we fail to make such payments we may be deemed in default under the terms of our agreement with Laurus. We are currently in discussions with Laurus regarding an agreement to extend the term of the credit facility by twelve months and reduce the monthly principal payments to $100,000 for the remainder of the existing term and the potential extension term. We have not reached a formal agreement with Laurus on this matter and we believe such an agreement, if successful, will require us to pay significant fees in addition to the issuance of significant additional warrants to purchase our common stock similar to those previously issued to Laurus. If we are unable to restructure our remaining principal payments and extend the maturity of our outstanding Laurus debt or obtain additional financing we may be deemed in default under the terms of our agreement with Laurus who has reserved all rights with respect to such default and who may exercise its right to foreclose on our assets. In addition, our ability to maintain our current level of operations could be materially and adversely affected and we may be required to adjust our operating plans. Laurus has verbally agreed to defer our October and November 2008 principal payments pending the closing of the sale of our Tire Recycling Business prior to November 30, 2008.

By completing the proposed sale, we will be selling our Tire Recycling Business which has historically generated substantially all our revenue. In order to increase revenue, we will need to achieve sustained profitably of our Welch division and identify and successfully execute new business initiatives.

We will be selling our entire Tire Recycling Business which has historically been the source of substantially all of our revenue. Following the sale of the Tire Recycling Business, we will have minimal long-term debt and more than $5 million of available cash. We intend to invest a portion of the net proceeds of this transaction to grow our Welch Products' business model nationwide and pursue additional recycling, alternative fuel, alternative energy and other “Green” business opportunities through our recently announced subsidiary, GreenMan Renewable Fuel and Alternative Energy, Inc. We believe we will be able to satisfy our cash requirements through at least fiscal 2010. If Welch is unable to achieve sustained profitability during fiscal 2009 and we are unable to obtain additional financing to supplement our cash position, our ability to maintain our current level of operations could be materially and adversely affected. There is no guarantee we will be able to achieve sustained profitability of our Welch Products business or of new business opportunities.

If we acquire other companies or businesses we will be subject to risks that could hurt our business.

A significant part of our business strategy entails future acquisitions or significant investments in businesses that offer complementary products and services. Promising acquisitions are difficult to identify and complete for a number of reasons. Any acquisitions completed by our company may be made at a premium over the fair value of the net assets of the acquired companies and competition may cause us to pay more for an acquired business than its long-term fair market value. There can be no assurance that we will be able to complete future acquisitions on terms favorable to us or at all. In addition, we may not be able to integrate any future acquired businesses, at all or without significant distraction of management into our ongoing business. In order to finance acquisitions, it may be necessary for us to issue shares of our capital stock to the sellers of the acquired businesses and/or to seek additional funds through public or private financings. Any equity or debt financing, if available at all, may be on terms which are not favorable to us and, in the case of an equity financing or the use of our stock to pay for an acquisition, may result in dilution to our existing stockholders.

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PROPOSAL NO. 1

APPROVAL OF THE SALE OF THE TIRE RECYCLING BUSINESS

General

Pursuant to the Asset Purchase Agreement, we will sell to the Purchaser our Tire Recycling Business, which includes all of the assets that relate to each of our tire recycling subsidiaries. Upon consummation of the proposed sale of the Tire Recycling Business, ownership of the assets held by the tire recycling subsidiaries will be transferred to the Purchaser. The sale of the Tire Recycling Business will constitute the sale of substantially all of our assets.

The Parties

GreenMan Technologies, Inc.

We, GreenMan Technologies, Inc. (“GreenMan,” “we,” or “us”), operate two facilities that collect, process and market scrap tires in whole, shredded or granular form. We are headquartered in Savage, Minnesota and currently operate tire processing operations in Iowa and Minnesota. We were originally founded in 1992 and have operated as a Delaware corporation since 1995. Our core businesses is collecting, processing and marketing scrap tires in whole, shredded or granular form (the “Tire Recycling Business”).

Welch Products, which we acquired on October 1, 2007, is headquartered in Carlisle, Iowa and specializes in the design, development, and manufacturing of market-branded, recycled-content products and services that provide schools and municipalities with environmentally responsible products to create safer work and play environments. Welch's patented products and processes include playground safety tiles, roadside anti-vegetation products, construction molds and highway guard-rail rubber spacer blocks. Through its recent acquisition of Playtribe, Inc., Welch Products also provides innovative playground design, equipment and installation. Welch Products had been one of our crumb rubber customers for several years.

GreenMan Renewable Fuel and Alternative Energy, Inc.’s primary objective is to pursue licenses, joint-ventures and long-term contracts with third parties focused on the commercialization of existing and late-stage development products and processes in green-based technologies including renewable fuels, alternative energy and recycled products.

GreenMan Technologies of Minnesota, Inc.

GreenMan Technologies of Minnesota, Inc. is a Minnesota corporation and wholly owned subsidiary of GreenMan. GreenMan Technologies of Minnesota, Inc. operates our tire processing facility located in Savage, Minnesota.

GreenMan Technologies of Iowa, Inc.

GreenMan Technologies of Iowa, Inc. is an Iowa corporation and wholly owned subsidiary of GreenMan. GreenMan Technologies of Iowa, Inc. operates our tire processing facility located in Des Moines, Iowa.

Liberty Tire Services, LLC

Liberty Tire Services, LLC ("LTS") is a Delaware limited liability company based in Pittsburgh, Pennsylvania that currently operates fourteen scrap tire processing facilities in the United States. LTS' principal executive offices are located at 625 Liberty Avenue, Suite 3100, Pittsburgh, PA 15222 and its phone number is (412) 562-0148.

Liberty Tire Services of Ohio, LLC

Liberty Tire Services of Ohio, LLC (the "Purchaser") is a Delaware limited liability company and wholly owned subsidiary of LTS. The Purchaser will be purchasing our Tire Recycling Business.

Reasons for the Sale of the Tire Recycling Business

We believe GreenMan is one of the top five tire recyclers in the United States. Our current tire processing operations manage over 12 million tires annually. We are paid a fee to collect, transport and process scrap tires (i.e., collection/processing revenue) in whole or two inch or smaller rubber chips which are then sold (i.e., product revenue) as tire-derived fuel, tire-derived aggregate, or crumb rubber feedstock for playground, athletic track and field and road surfacing.

Prior to September 30, 2005, we operated tire processing operations in California, Georgia, Iowa, Minnesota and Tennessee and operated under agreements to supply, through our Georgia and Tennessee subsidiaries, whole tires used as alternative fuel to cement kilns located in Alabama, Florida, Georgia, Illinois, Missouri and Tennessee. While our Iowa and Minnesota operations have been historically cash flow positive and performed well, our other operating locations were unable to obtain sustained profitability. We were required to increase our level of long term debt in order to sustain these operations as we implemented cost reduction and revenue enhancing initiatives. These initiatives were unsuccessful. Due to the magnitude of the continuing operating losses incurred by our Georgia and Tennessee subsidiaries, which totaled $5.2 million, and our California subsidiary, which totaled $3.2 million, our Board of Directors determined it to be in the best interest of our company to discontinue all Southeastern and West coast tire recycling operations and dispose of the operating assets of these subsidiaries in fiscal 2005 and 2006. As a result, we reported net losses of approximately $15.2 million and $3.7 million for the fiscal years ended September 30, 2005 and 2006, respectively.

A majority of the operating losses for our Tennessee subsidiary were due to rapid market share growth within the state necessitating us to transport an increasing number of Tennessee scrap tires to our Georgia facility for processing which resulted in significant transportation and processing costs. A majority of the operating losses for our Georgia subsidiary were due to: (1) the negative impact of processing a significant number of Tennessee sourced tires; (2) a change in the specifications of our primary customers, which required a smaller product and resulted in reduced processing capacity and significantly higher operating costs; and (3) the failure of our equipment to perform in a reliable manner due to the fact that our older equipment was required to process an increasing number of scrap tires. A majority of the California operating losses were due to significantly higher operating costs and the failure of our equipment to perform in a reliable manner.

In April 2006, our Board of Directors named Lyle Jensen as President and Chief Executive Officer succeeding Robert H. Davis, who resigned those positions. Mr. Jensen implemented a 5-step turnaround plan designed to: (1) stabilize our business; (2) maximize continuing operations; (3) successfully renegotiate our existing $9 million credit facility in order to obtain additional near term capital and gain time to implement our turnaround plan; (4) finalize the sale of our operations in Tennessee and Georgia; and (5) aggressively pursue strategic business development opportunities intended to leverage our existing operations to maximize shareholder value and position ourselves to retire the significant amount of secured long term debt incurred to fund our historical losses.

In June 2006, we entered into a $16 million amended and restated credit facility with our primary secured lender, Laurus Master Fund, Ltd. (“Laurus”). The new credit facility consists of a $5 million non-convertible secured revolving note and an $11 million secured non-convertible term note which both mature on June 30, 2009. We used approximately $9,972,000 of the term loan proceeds to repay certain existing debt (including approximately $8.5 million due to Laurus) and to pay approximately $888,000 in transaction fees associated with the new credit facility. During the period from July 2006 to June 2007, we only paid interest on our outstanding Laurus term debt which allowed us to implement steps 1 thorough 4 of our turnaround plan. Our monthly principal payments were scheduled to increase from $100,000 to $400,000 per month commencing October 1, 2008. We believe we will be unable to make such monthly payments based on our existing cash flow from operations. If we are unable to make such payments we may be deemed in default under the terms of our agreement with Laurus. We are currently in

discussions with Laurus regarding an agreement to extend the term of the credit facility by twelve months and reduce the monthly principal payments to $100,000 for the remainder of the existing term and the potential extension term. We have not reached a formal agreement with Laurus on this matter and we believe such an agreement, if successful, will require us to pay significant fees in addition to the issuance of significant additional warrants to purchase our common stock similar to those previously issued to Laurus. If we are unable to restructure our remaining principal payments and extend the maturity of our outstanding Laurus debt or obtain additional financing we may be deemed in default under the terms of our agreement with Laurus who has reserved all rights with respect to such default and who may exercise its right to foreclose on our assets. Laurus has verbally agreed to defer our October and November 2008 principal payments pending the closing of the sale of our Tire Recycling Business prior to November 30, 2008.

As part of our turnaround plan, we acquired Welch Products, Inc. on October 1, 2007. Welch Products, headquartered in Carlisle, Iowa, specializes in the design, development, and manufacturing of market-branded, recycled-content products and services that provide schools and municipalities with environmentally responsible products to create safer work and play environments. Welch's patented products and processes include playground safety tiles, roadside anti-vegetation products, construction molds and highway guard-rail rubber spacer blocks. Through its recent acquisition of Playtribe, Inc., Welch Products also provides innovative playground design, equipment and installation. Welch Products had been one of our crumb rubber customers for several years.

Revenues associated with Welch Products since the date of acquisition through June 30, 2008 were $2,093,596 and their net operating loss was $686,780. Welch Products has not yet reached sustained profitability. Since the date of acquisition, we have made a significant investment in sales and marketing initiatives intended to promote the Welch patented products and establish market presence. We estimate Welch will realize revenue growth in excess of 90% this year as compared to the previous year. Our consolidated performance will be negatively impacted unless Welch begins generating positive operating cash flow and achieves profitable status on a sustained basis for all Welch operations.

In addition, in September 2008 we announced the formation of a new subsidiary, GreenMan Renewable Fuel and Alternative Energy, Inc. Our primary objective for this subsidiary is to pursue licenses, joint-ventures and long-term contracts focused on the commercialization of existing and late-stage development products and processes in green-based technologies including renewable fuels, alternative energy and recycled products. To date, GreenMan Renewable Fuel and Alternative Energy has generated no revenues nor incurred any operating expenses.

Background of the Sale of the Tire Recycling Business

In response to the belief we would be unable to meet the increased monthly principal payments to Laurus, which were scheduled to commence on October 1, 2008 and the fact that any material modification to the existing terms and maturity of the debt would be extremely costly, our Board of Directors began to actively explore strategic alternatives during the first quarter of fiscal 2007. Management and members of the Board of Directors have met with over 20 entities since the first quarter of fiscal 2007 to discuss various potential strategic alternatives intended to address the pending June 2009 maturity of the Laurus debt. These entities included various competitors within the scrap tire recycling industry, companies representing vertical and horizontal integration opportunities, as well as entities outside our industry who expressed an interest in a reverse merger with a public entity such as GreenMan. In addition, in July 2007 we retained Institutional Marketing Services (“IMS”), a full service investor relations firm, to assist us in identifying additional potential strategic partners and opportunities.

Throughout this process, we did not receive any interest in a business combination or acquisition of our entire company, but we did receive indications of interest from a third party in selling their molded recycled rubber products business to us as well as an interest by another third party in purchasing our Tire Recycling Business on a stand alone basis.

On October 1, 2007, we acquired Welch Products, Inc. This transaction was structured as a share exchange in which 100 percent of Welch’s common stock was exchanged for 8 million shares of our common stock, valued at $2,800,000 based on the fair market value of the 8 million shares issued in this transaction on the date of issuance. Revenues associated with Welch Products from the date of acquisition through June 30, 2008 were $2,093,596 and net operating loss was $686,780. Our Welch Products division has not yet reached sustained profitability. Since the date of acquisition, we have made a significant investment in sales and marketing initiatives intended to promote the Welch patented products and establish market presence. We estimate that Welch will realize revenue growth in excess of 90% this fiscal year as compared to the previous year.

In early 2008, senior management met on several occasions with representatives of LTS to discuss the potential acquisition of GreenMan's Tire Recycling Business by LTS or an affiliate of LTS. LTS, is a Delaware limited liability company based in Pittsburgh, Pennsylvania. LTS currently operates fourteen scrap tire processing facilities and is the largest tire recycling company in the United States with revenues exceeding $100 million. Based on managements' extensive knowledge of the tire recycling industry and LTS' recent history of significant acquisitions within the Midwest, our Board of Directors believed LTS would be a suitable buyer for our Tire Recycling Business. In April 2008, we received a non-binding proposal from LTS to purchase the Tire Recycling Businesses. In June 2008 senior management of LTS gave a presentation to our Board of Directors regarding a potential transaction.

On July 1, 2008, our Board of Directors met to discuss the status of the potential transaction with LTS and approved the execution of a non-binding letter of intent for the purchase of the Tire Recycling Business by LTS and/or its affiliate. After we executed the letter of intent with LTS, LTS conducted a financial and business due diligence review of our Tire Recycling Business, which included various meetings with us during July and August 2008.

Our Board of Directors believed the terms of the proposed transaction with LTS were in the best interest of GreenMan shareholders. To confirm this belief our Board of Directors decided to obtain independent verification of the fairness of the transaction. Therefore, during July 2008, management interviewed seven potential financial advisors to provide an opinion as to the fairness from a financial perspective ("fairness opinion") of the consideration to be received from LTS by GreenMan for the Tire Recycling Business. On August 1, 2008, the Board of Directors met and approved the hiring of BCC Advisers, a Des Moines, Iowa based firm to provide the fairness opinion.

During August 2008 we received a draft agreement that covered the basic terms of the proposed transaction, including that the purchase price for the Tire Recycling Business would be equal to five (5) times the Tire Recycling Business's EBITDA (earnings before interest, tax, depreciation, and amortization) for the twelve months September 30, 2008, plus assumption of certain liabilities and subject to certain purchase price adjustments. We estimate the gross purchase price will be approximately $26 million. Up to 5% of the total purchase price (estimated to be $1.3 million) may be subject to indemnification claims by LTS or Purchaser.

Throughout the following weeks, we and our advisors negotiated the terms of the Asset Purchase Agreement with LTS and its advisors. The terms of the Asset Purchase Agreement negotiated by the parties were consistent with prior discussions between GreenMan and LTS. On September 9, 2008, we finalized the terms of the Asset Purchase Agreement and LTS indicated that it had received a financing commitment that would provide sufficient funding for payment of the purchase price to us upon the closing of the proposed transaction.

On September 11, 2008, our Board of Directors convened a meeting to review the final Asset Purchase Agreement and the proposed sale of the Tire Recycling Business in accordance with the terms and conditions set forth in the Asset Purchase Agreement. All of our directors participated in this meeting in addition to members of our management team. In accordance with the terms of its engagement letter with us, BCC Advisers, at the request of our Board of Directors delivered an oral opinion (which opinion was subsequently confirmed in writing) to our Board of Directors at a meeting. The opinion stated that, on the basis of its analyses and review and in reliance on the accuracy and completeness of the information furnished to it and subject to the limitations, qualifications and assumptions noted in its opinion, as of September 11, 2008, the estimated $26 million consideration to be received from the sale of the Tire Recycling Business was adequate consideration and that the proposed transaction was fair to GreenMan's shareholders from a financial point of view. Based on this information and after additional discussions, the Board of Directors determined that entry into the Asset Purchase Agreement and completion of the proposed sale of the Tire Recycling Business were in the best interests of the Company and our shareholders. Our Board of Directors then approved (i) the Asset Purchase Agreement, (ii) the related transaction agreements, and (iii) the proposed sale of our Tire Recycling Business to LTS on the terms set forth in those agreements, and authorized management to execute the transaction agreements on our behalf.

On September 12, 2008, we executed the Asset Purchase Agreement with LTS and publicly announced the agreement on September 15, 2008.

Effect of the Sale of the Tire Recycling Business

If our shareholders approve the sale of the Tire Recycling Business, we will seek to complete the sale. We will use the proceeds of the sale of the Tire Recycling Business to repay approximately $19 million of outstanding obligations, including approximately $13 million due Laurus and approximately $6 million of transaction related debt and

payables and other obligations (consisting of $4 million in capital lease obligations and notes payable of the Tire Recycling Subsidiaries, $1.5 million of taxes due as a result of the sale of the Tire Recycling Business and $.5 in notes payable by GreenMan). Approximately $1.3 million of the purchase price will be subject to indemnification claims which may be brought by LTS or the Purchaser. The purchase price will also be subject to adjustment based upon net working capital levels at closing. We estimate our net cash after closing will exceed $5 million. We intend to use such cash to grow our Welch Products' business model nationwide and pursue additional recycling, alternative fuel, alternative energy and other “Green” business opportunities that are intended to increase shareholder value.

We believe that if we are unable to successfully complete the sale of our Tire Recycling Business and are unable to restructure the terms and maturity of our Laurus obligations on acceptable terms we (1) will be unable to meet the increased monthly principal payments due Laurus scheduled to commence in October 2008 and therefore may be deemed to be in default under the terms of our agreement with Laurus, who has reserved all rights with respect to such default and who may exercise its right to foreclose on our assets; (2) anticipate receiving a "going concern" opinion from our auditors for the fiscal year ended September 30, 2008 which will have a negative impact on our ability to secure additional future financing; and (3) may, under certain circumstances, owe a termination fee to Purchaser.

Laurus Financing

On June 30, 2006, we entered into a $16 million amended and restated credit facility with Laurus Master Fund, Ltd. ("Laurus") (the "Credit Facility"). The Credit Facility consists of a $5 million non-convertible secured revolving note and an $11 million secured non-convertible term note.

The revolving note has a term of three years from the closing, and bears interest on any outstanding amounts at the prime rate published in The Wall Street Journal from time to time plus 2%, with a minimum rate of 8%. The amount we may borrow at any time under the revolving note is based on our eligible accounts receivable and our eligible inventory with an advance rate equal to 90% of our eligible accounts receivable (90 days or less) and 50% of finished goods inventory up to a maximum of $5 million less such reserves as Laurus may reasonably in its good faith judgment deem necessary from time to time.

The term note has a maturity date of June 30, 2009 and bears interest at the prime rate published in The Wall Street Journal from time to time plus 2% with a minimum rate of 8%. Interest on the loan is payable monthly commencing August 1, 2006. Principal will be amortized over the term of the loan, commencing on July 2, 2007, with minimum monthly payments of principal as follows: (i) for the period commencing on July 2, 2007 through June 2008, minimum payments of $150,000; (ii) for the period from July 2008 through June 2009, minimum payments of $400,000; and (iii) the balance of the principal shall be payable on the maturity date. In May 2007, Laurus agreed to reduce the monthly principal payments required under Credit Facility during the period of July 2007 to June 2008 from $150,000 to $100,000 per month. Laurus also agreed to reduce the monthly principal payments required during the period of July 2008 to September 2008 from $400,000 to $100,000 per month. Our monthly principal payments are scheduled to increase from $100,000 to $400,000 per month on October 1, 2008. We will not be able to satisfy these monthly payments through existing cash flow from operations and therefore we may be deemed in default under the terms of our agreement with Laurus.

We are currently in discussions with Laurus regarding an agreement to extend the term of the credit facility by twelve months and reduce the monthly principal payments to $100,000 for the remainder of the existing term and the potential extension term. We have not reached a formal agreement with Laurus on this matter and we believe such an agreement, if successful, will require us to pay significant fees in addition to the issuance of significant additional warrants to purchase our common stock similar to those previously issued to Laurus. If we are unable to restructure our remaining principal payments and extend the maturity of our outstanding Laurus debt or obtain additional financing we may be deemed in default under the terms of our agreement with Laurus who has reserved all rights with respect to such default and who may exercise its right to foreclose on our assets. In addition, our ability to maintain our current level of operations could be materially and adversely affected and we may be required to adjust our operating plans. Laurus has verbally agreed to defer our October and November 2008 principal payments pending the closing of the sale of our Tire Recycling Business prior to November 30, 2008.

In connection with the Credit Facility, we also issued to Laurus a warrant to purchase up to 3,586,429 shares of our common stock at an exercise price equal to $.01 per share. Laurus has agreed that it will not, on any trading day, be permitted to sell any common stock acquired upon exercise of this warrant in excess of 10% of the aggregate number

of shares of the common stock traded on such trading day. Previously issued warrants to purchase an aggregate of 1,380,000 shares of our common stock were canceled as part of these transactions. The amount of our common stock Laurus may hold at any given time is limited to no more than 4.99% of our outstanding capital stock. This limitation may be waived by Laurus upon 61 days notice to us and does not apply if an event of default occurs and is continuing under the Credit Facility.

On January 25, 2007, we filed the registration statement under the Securities Act of 1933, as amended, relating to the 3,586,429 shares underlying the June 30, 2006 warrant as well as 553,997 shares issuable to another shareholder upon exercise of a warrant. The registration statement was declared effective on February 6, 2007.

Subject to applicable cure periods, amounts borrowed under the Credit Facility are subject to acceleration upon certain events of default, including: (i) any failure to pay when due any amount we owe under the New Credit Facility; (ii) any material breach by us of any other covenant made to Laurus; (iii) any misrepresentation, in any material respect, made by us to Laurus in the documents governing the New Credit Facility; (iv) the institution of certain bankruptcy and insolvency proceedings by or against us; (v) the entry of certain monetary judgments greater than $50,000 against us that are not paid or vacated for a period of 30 business days; (vi) suspensions of trading of our common stock; (vii) any failure to deliver shares of common stock upon exercise of the warrant; (viii) certain defaults under agreements related to any of our other indebtedness; and (ix) changes of control of our company. Substantial fees and penalties are payable to Laurus in the event of a default.

Our obligations under the Credit Facility are secured by first priority security interests in all of the assets of our company and all of the assets of our GreenMan Technologies of Minnesota, Inc. and GreenMan Technologies of Iowa, Inc. subsidiaries, as well as by pledges of the capital stock of those subsidiaries. In January 2008, we granted Laurus additional security interests in the assets of Welch Products and its subsidiaries, which increased our borrowing base under the revolving note described above.

Opinion of Financial Advisor to the Board of Directors

Our Board of Directors retained BCC Advisers to provide an opinion as to the fairness (from a financial point of view) of the consideration to be received by GreenMan from the sale to the Purchaser of the Tire Recycling Business (the "Transaction"). As part of its consulting business, BCC Advisers is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions and for other corporate and/or personal purposes.

In accordance with the terms of its engagement letter with us, BCC Advisers, at the request of our Board of Directors delivered an oral opinion (which opinion was subsequently confirmed in writing) to our Board of Directors at a meeting of the Board of Directors on September 11, 2008. The opinion stated that, on the basis of its analyses and review and in reliance on the accuracy and completeness of the information furnished to it and subject to the limitations, qualifications and assumptions noted below and in the full text of its opinion, as of September 11, 2008, the estimated $26 million consideration to be received from the sale of the Tire Recycling Business (the "Transaction Consideration") is adequate consideration and that the proposed transaction is fair to our shareholders from a financial point of view.

Pursuant to BCC Advisers' engagement letter, the opinion does not constitute a recommendation to our Board of Directors as to whether it is advisable to enter into the Asset Purchase Agreement or as to the amount of the Transaction Consideration, which was determined in arm's length negotiations between LTS, the Purchaser and us. We imposed no restrictions or limitations upon BCC Advisers' with respect to the investigations made or the procedures followed by BCC Advisers in rendering its opinion.

The full text of BCC Advisers' opinion, which sets forth, among other things, assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by BCC Advisers in rendering its opinion, is attached as Appendix B to this Proxy Statement and is incorporated herein by reference in its entirety. You are urged to, and you should, read the BCC Advisers opinion carefully and in its entirety. The summary of the BCC Advisers opinion in this Proxy Statement is qualified in its entirety by reference to the full text of the BCC Advisers opinion.

BCC Advisers' opinion was provided for the benefit and use of our Board of Directors in connection with its evaluation of the sale of our Tire Recycling Business. BCC Advisers' opinion addresses only the fairness to our stockholders, from a financial point of view, of the Transaction Consideration. Because BCC Advisers' opinion addresses only the fairness of the Transaction Consideration, it did not express any views on any other terms of the sale of the Tire Recycling Business, including without limitation any possible reduction in the total consideration received by us in the transaction based upon the adjustments provided for in the Asset Purchase Agreement or otherwise. In addition, BCC Advisers did not express any opinion about the fairness of the amount or nature of any compensation to any of our officers, directors or employees or the Tire Recycling Business, or class of such persons, relative to the compensation to us.

BCC Advisers' opinion does not address the merits of our entering into the Asset Purchase Agreement as compared to any alternative business transaction or strategy that might have been available to us or our underlying business decision to effect the sale of the Tire Recycling Business, nor does it address the tax consequences to us arising from the sale of the Tire Recycling Business. BCC Advisers' opinion does not constitute a recommendation to any shareholder as to how such shareholder should vote or act on any matter relating to the sale of the Tire Recycling Business. The opinion does not address the value of our company or our viability as a going concern after the consummation of the sale of the Tire Recycling Business. In addition, BCC Advisers did not opine as to the market value or the prices at which any of our securities may trade at any time in the future.

BCC Advisers' opinion spoke only as of the date it was rendered, was based on the economic, market and other conditions as they existed and information with which it was supplied as of such date and was without regard to any market, economic, financial, legal, tax or other circumstances or event of any kind or nature which might exist or occur after such date. Unless otherwise noted, all of BCC Advisers' analyses were performed based on information available as of September 10, 2008.

For purposes of its opinion, BCC Advisers, among other things:

1. Reviewed financial and other information related to GreenMan that was publicly available, including our Annual Reports on Form 10-KSB for the fiscal years ended September 30, 2003 through September 30, 2007 and Quarterly Reports on Form 10-QSB for nine-month periods ended June 30, 2007 and June 30, 2008;

2. Reviewed unaudited financial statements pertaining to our operations prepared by us for the ten months ended July 31, 2008, which we identified as being the most current financial statements available;

3. Considered information provided during discussions with our management;

4. Reviewed the draft Asset Purchase Agreement, dated September 5, 2008;

5. Spoke with certain members of the management of GreenMan and the Purchaser regarding the operations, financial condition, future prospects, and projected operations and performance of the Tire Recycling Subsidiaries;

6. Visited our manufacturing plant in Savage, Minnesota;

7. Reviewed financial forecasts and projections prepared by our management for the years ended September 30, 2009 through September 30, 2012; and

8. Compared certain financial data of GreenMan with various other companies whose securities are traded in public markets, reviewed prices paid in certain other business combinations and conducted such other financial studies, analyses and investigations as BCC Advisers deemed appropriate for purposes of the opinion.

In rendering the opinion, BCC Advisers noted that it relied upon and assumed the accuracy and completeness of all the financial and other information that was available from public sources, that was provided by our management, or that was otherwise reviewed by BCC Advisers. BCC Advisers further noted that it relied on representations that the financial projections supplied by us had been reasonably prepared on a basis reflecting the best currently available estimates and judgments of our management as to the future operating and financial performance of GreenMan. BCC Advisers assumed no responsibility for making an independent evaluation of any assets or liabilities or for making any independent verification of any of the information reviewed by us. BCC Advisers relied upon and assumed, without independent verification, that there have been no material changes in the assets, liabilities, financial condition, results of operations, or prospects of GreenMan since the date of the most recent financial statements provided to BCC

Advisers, and that there was no information nor were there any facts that would make any of the information reviewed by BCC Advisers incomplete or misleading. Furthermore, BCC Advisers undertook no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, or other contingent liabilities to which GreenMan may be subject.

BCC Advisers relied upon and assumed, without independent verification, that (a) the representations and warranties of all parties to the Asset Purchase Agreement and all other related documents and instruments that are referred to therein are true and correct, (b) each party to all such agreements will fully and timely perform all of the covenants and agreements required to be performed by such party, (c) all conditions to the consummation of the Transaction will be satisfied without waiver thereof, and (d) the Transaction will be consummated in a timely manner in accordance with the terms described in the Asset Purchase Agreement, without any amendments or modifications thereto. BCC Advisers also relied upon and assumed, without verification, that (i) the Transaction will be consummated in a manner that complies in all respects with all applicable federal and state statutes, rules and regulations, and (ii) all governmental, regulatory, and other consents and approvals necessary for the consummation of the Transaction will be obtained and that no delay, limitations, restrictions or conditions will be imposed or amendments, modifications or waivers made that would result in the disposition of any material portion of the assets of GreenMan or any subsidiary, or otherwise have an adverse effect on GreenMan or any subsidiary or any expected benefits of the Transaction. In addition, BCC Advisers relied upon and assumed, without independent verification, that the terms of the final form of the Asset Purchase Agreement will not differ in any material respect from those reflected in the draft of the Asset Purchase Agreement identified in item 4 above or otherwise described to BCC Advisers by our representatives.

BCC Advisers did not (a) initiate any discussions with, or solicit any indications from, third parties with respect to the Transaction or any alternatives to the Transaction, (b) negotiate the terms of the Transaction, or (c) advise the Board of Directors or any other party with respect to alternatives to the Transaction.

The opinion provided by BCC Advisers was furnished for the use and benefit of our Board of Directors in connection with its consideration of the Transaction and was not intended to be used, and may not be used, for any other purpose without BCC's prior written consent. The opinion should not be construed as creating any fiduciary duty on BCC's part to any party. The opinion was not intended to be, and does not constitute, a recommendation to the Board of Directors, any security holder or any other person as to whether to enter into the Transaction or how to act or vote with respect to any matter relating to the Transaction.

The opinion provided by BCC Advisers was based on economic, market, financial and other conditions as they exist on, and on the information made available to BCC Advisers, as of the date of the opinion. Although subsequent developments may affect the opinion, BCC Advisers has no obligation to update, revise or reaffirm the opinion. The opinion did not address the relative merits of the Transaction contemplated by the Asset Purchase Agreement and the other business strategies being considered by our Board of Directors, nor did it address the decision to proceed with the Transaction contemplated by the Asset Purchase Agreement. The opinion did not constitute a recommendation to the Board of Directors thereof as to whether it is advisable to enter into the Asset Purchase Agreement or as to the consideration that the Purchaser should pay to acquire the assets of the Tire Recycling Business.

The following is a brief summary of the material analyses performed by BCC Advisers in connection with the preparation of its opinion presented to our Board of Directors at its meeting held on September 11, 2008.

Analysis

BCC Advisers analyzed and performed a valuation of our Tire Recycling Business. BCC Advisers compared the results of their valuation against the expected proceeds to us from the sale of the Tire Recycling Business. BCC concluded that based on their analysis, the expected proceeds to us exceeded the value of the Tire Recycling Business.

BCC Advisers also analyzed and performed a valuation of the operations of our Welch Products business, which we will retain.

BCC Advisers then compared the expected proceeds to us of the sale of the Tire Recycling Business plus the value of our Welch Products business against the current total market value of our outstanding shares. BCC Advisers determined that the purchase price plus the value of our ongoing business exceeded the current market value of our outstanding shares. Based on this analysis, BCC Advisers concluded that the value of our company after the sale of the Tire Recycling Business will exceed the value of our company prior to such sale.

Conclusion

Based upon the analyses described above, and such other factors as it deemed relevant, BCC Advisers was of the opinion that the aggregate consideration to be paid by Purchaser pursuant to the Asset Purchase Agreement is adequate consideration and that the Transaction is fair to the shareholders of GreenMan from a financial point of view.

Pursuant to our engagement letter with BCC Advisers, we paid BCC Advisers a fee of $36,000 upon delivery of its fairness opinion to our Board of Directors. In addition to any fees for professional services, we have agreed to reimburse BCC Advisers, upon request, for certain reasonable out-of-pocket expenses incurred in connection with BCC Advisers carrying out the terms of the engagement letter.

The foregoing summary does not purport to be a complete description of the analyses performed by BCC Advisers or the terms of its engagement by us. The foregoing summary of the analyses performed by BCC Advisers is qualified in its entirety by reference to the opinion of BCC Advisers attached as Appendix B to this Proxy Statement.

The Asset Purchase Agreement

The following is a description of the material terms of the Asset Purchase Agreement. The following description does not purport to describe all of the terms and conditions of the Asset Purchase Agreement. The full text of the Asset Purchase Agreement is attached to this proxy statement as Appendix A and is incorporated by reference. You are urged to read the Asset Purchase Agreement in its entirety because it is the legal document that governs the terms and conditions of the proposed sale of the Tire Recycling Business.

Structure

Our Tire Recycling Business is operated by two of our wholly owned subsidiaries, GreenMan Technologies of Iowa, Inc., and GreenMan Technologies of Minnesota, Inc. (the “Tire Recycling Subsidiaries”). The transaction is structured as the sale of substantially all of the assets of the Tire Recycling Subsidiaries by us to the Purchaser, a subsidiary of LTS. The assets of our Tire Recycling Subsidiaries will be free of liens and encumbrances other than certain assumed liabilities.

Effective Time

The closing of the transaction is anticipated to occur shortly after we obtain shareholder approval and satisfy all other conditions to Closing.

Purchase Price

Pursuant to the Asset Purchase Agreement, Purchaser has agreed to pay an amount equal to five dollars ($5.00) for each dollar of EBITDA for the Tire Recycling Business for the twelve month period commencing on October 1, 2007 and ending on September 30, 2008, minus a reduction to the purchase price of $492,000, plus the assumption of certain assumed liabilities and minus all outstanding indebtedness of the Tire Recycling Business to the extent included in the assumed liabilities (the “Purchase Price”). EBITDA for the Tire Recycling Business means the earnings of the Tire Recycling Business from operations before interest, taxes, depreciation and amortization, determined solely in accordance with generally accepted accounting principles derived from the unaudited segmented income statement for the fiscal year ended September 30, 2008 included in the unaudited segmented financial statements of the Tire Recycling Subsidiaries at September 30, 2008 and for the fiscal year then ended.

The Purchaser will withhold $500,000 of the Purchase Price for a period of one year from the closing (the "Closing") to satisfy potential indemnification obligations owed by us to the LTS Group. One-half of this amount, less any amounts subject to claims by the LTS Group, will be released 180 days after Closing. The Purchase Price is also subject to an adjustment based on the final working capital of the Tire Recycling Subsidiaries at Closing and a true-up based on a review by the Purchaser of the determination of EBITDA used to calculate the Purchase Price. Purchaser will withhold $250,000 of the Purchase Price until the statement of EBITDA for the Tire Recycling Business and the working capital statement as of the Closing have been finalized.

At the closing of the sale of the Tire Recycling Business, approximately $19 million of the purchase price will be used to pay down outstanding obligations, including approximately $13 million due our primary secured lender, Laurus Master Fund, Ltd. ("Laurus") and approximately $6 million of transaction related and other obligations (consisting of $4 million in capital lease obligations and notes payable of the Tire Recycling Subsidiaries, $1.5 million of taxes due as a result of the sale of the Tire Recycling Business and $.5 in notes payable by GreenMan).

Excluded Assets and Retained Liabilities

Certain assets and liabilities related to the Tire Recycling Business are excluded from the sale and include:

- All cash held by the Tire Recycling Subsidiaries and all accounts receivable owed to the Tire Recycling Subsidiaries from GreenMan or any of its affiliates;
- All rights to the names "GreenMan Technologies of Iowa" and "GreenMan Technologies of Minnesota," subject to a license agreement providing the Purchaser with a limited right to use such names;
- Liabilities for claims for breaches of representations or warranties or product liability with respect to any product shipped or manufactured, or any services provided, prior to the Closing;
- Liabilities of the Tire Recycling Subsidiaries to any related party;
- Liabilities related to the transaction;
- Liabilities for any taxes arising as a result of operations prior to the Closing or arising as a result of the sale of the Tire Recycling Business;
- Liabilities attributable to assets retained by us, those incurred by us outside the ordinary course of business or inconsistent with past practice and those not clearly identified in contracts and governmental authorizations to be transferred to the Purchaser;
- Liabilities under employee benefit plans and other liabilities related to employees and former employees of the Tire Recycling Subsidiaries;
- Indebtedness of the Tire Recycling Subsidiaries, except for indebtedness specifically assumed by the Purchaser;
- Liabilities related to legal proceedings that exist as of the Closing; and
- Environmental liabilities related to the period prior to the Closing.

Conduct of Tire Recycling Business Prior to the Closing

We have agreed to customary covenants that from the date of the Asset Purchase Agreement through the effective time of the Closing that require us to, among other things:

- provide Purchaser with access during normal business hours to our properties, books, tax returns, contracts, commitments, records, officers, other personnel and accountants related to the Tire Recycling Business;
- conduct our Tire Recycling Business in the ordinary course and consistent with past practice;

- not accelerate any income or defer any expenses that would increase EBITDA during the period commencing October 1, 2007 and ending September 30, 2008 in any manner inconsistent with historical results or which would cause EBITDA to be unsustainable after such period;

- maintain the purchased assets and assumed liabilities in a manner consistent with past practices;

- use commercially reasonable efforts to comply with the provisions of all contracts, governmental authorizations and legal requirements;

- use our commercially reasonable best efforts to keep the business organization intact, keep available the services of our present employees and preserve the goodwill of our suppliers, customers and other third parties having business relationships with us;

- maintain in full force and effect insurance policies related to our Tire Recycling Business;

- refrain from entering into certain agreements or transactions outside of the ordinary course of business; and

- confer with Purchaser prior to implementing operational decisions of a material nature.

Employee Matters

Immediately after the Closing, or prior to but contingent upon the Closing, the Purchaser shall extend offers of employment to all full-time employees of the Tire Recycling Business, subject to reasonable pre-employment screenings by Purchaser.

In addition, the Purchaser has offered employment to Mark Maust, the current President of both GreenMan Technologies of Minnesota, Inc. and GreenMan Technologies of Iowa, Inc.

Representations and Warranties

The Asset Purchase Agreement contains customary representations and warranties made by us to the LTS Group and by the LTS Group to us for purposes of allocating the risks associated with the sale of the Tire Recycling Business. The assertions embodied in the representations and warranties made by us are qualified by information set forth in a confidential disclosure schedule that was delivered in connection with the execution of the Asset Purchase Agreement. While we do not believe that the disclosure schedule contains information that securities laws require us to publicly disclose, other than information that is being disclosed in this Proxy Statement, the disclosure schedule may contain information that modifies, qualifies and creates exceptions to the representations and warranties set forth in the Asset Purchase Agreement. Accordingly, you should not rely on any of these representations and warranties as characterizations of the actual state of facts, since they may be modified in important respects by the underlying disclosure schedule. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Asset Purchase Agreement, which subsequent information may or may not be fully reflected in the disclosure schedule we delivered to the LTS Group at signing and which may not be delivered by us until the Closing and the consummation of the sale of the Tire Recycling Business.

The representations and warranties made by the parties must be accurate in all material respects as of the date of the Asset Purchase Agreement and as of the time of the Closing, except for those representations and warranties that relate to a specific date, which must be accurate in all material respects as of such date.

Closing Conditions

Purchaser's Conditions. The Purchaser's obligation to complete the proposed sale of the Tire Recycling Business is subject to certain conditions, including among other things:

- the accuracy in all material respects of all of our representations and warranties in the Asset Purchase Agreement;

- our performance in all material respects of all of our covenants and obligations under the Asset Purchase Agreement to be performed or complied with by us prior to the completion of the proposed sale of the Tire Recycling Business;

- no legal requirement shall be in effect that prohibits the completion of the proposed sale of the Tire Recycling Business, and no legal proceeding shall be pending challenging the lawfulness of the proposed sale of the Tire Recycling Business;

- between the date of the Asset Purchase Agreement and the Closing, no change, event, development or occurrence shall have occurred which has had or would reasonably be expected to have a material adverse effect on the Tire Recycling Business or the assets being purchased, results of operations, liabilities, or condition, financial or otherwise, of the Tire Recycling Subsidiaries, taken together as a whole;

- the affirmative vote of the holders of a majority of the votes represented by the outstanding shares of our common stock approving the sale of our Tire Recycling Business;

- Purchaser shall have received all governmental authorizations necessary to own and operate the purchased assets and the Tire Recycling Business;

- that Mark Maust shall have executed and delivered to Purchaser an employment agreement containing terms acceptable to Purchaser;

- Purchaser has received copies of the payoff letters in form and substance reasonably acceptable to Purchaser, stating that all encumbrances held by such creditors shall be released upon payment at the closing of the transaction;

- Purchaser shall have entered into a lease for each facility currently leased by either Tire Recycling Subsidiary;

- Purchaser shall have obtained on terms and conditions satisfactory to it funds sufficient to complete the transaction;

- Purchaser or GreenMan, as applicable, shall have received (x) a Waste Tire Facility Permit from the Minnesota Pollution Control Agency, (y) a Solid Waste Facility License from Scott County Community Development Division, Environmental Health Department and (z) a Permit for Waste Tire Processing from the State of Iowa, Department of Natural Resources, as required for Purchaser to own and operate the Tire Recycling Business after the closing; and

- all other reasonable and customary consents and approvals as required.

Our Conditions. Our obligation to complete the proposed sale of the Tire Recycling Business is subject to certain conditions, including, among other things:

- the accuracy in all material respects of all of the LTS Group's representations and warranties contained in the Asset Purchase Agreement;

- the LTS Group's performance in all material respects of all of its covenants and obligations under the Asset Purchase Agreement to be performed or complied with by the LTS Group prior to the completion of the proposed sale of the Tire Recycling Business;

- no legal requirement shall be in effect that prohibits the completion of the proposed sale of the Tire Recycling Business, and no legal proceeding shall be pending challenging the lawfulness of the proposed sale of the Tire Recycling Business;

- the affirmative vote of the holders of a majority of the votes represented by the outstanding shares of our common stock approving the sale of our Tire Recycling Business; and

- all other reasonable and customary consents and approvals as required.

No Solicitation of Competitive Proposals and Board Recommendation of Sale of the Tire Recycling Business

Under the terms of the Asset Purchase Agreement, we have agreed to immediately cease any discussions with any third party other than the LTS Group with respect to any sale of our Tire Recycling Business. In addition, we have agreed not to directly or indirectly solicit, initiate or encourage any inquiries or proposals regarding any acquisition proposal or participate in any discussions or negotiations regarding, or furnish to any person any information with respect of, or take any other action to facilitate, any acquisition proposal. An acquisition proposal is any inquiry, offer or proposal by any person, other than the LTS Group, to acquire all or any material portion of our assets or the assets of the Tire Recycling Subsidiaries or any of our capital stock or the capital stock of the Tire Recycling Subsidiaries.

Consistent with the requirements of Rule 14e-2(a) under the Securities Exchange Act of 1934, our Board of Directors may furnish information to or enter into discussions or negotiations with a person who makes an unsolicited bona fide acquisition proposal, but only to the extent that the Board of Directors determines in good faith, after consultation with outside counsel, that failure to take such action would be a breach of its fiduciary duties and that such alternative proposal may lead to a transaction that would, if consummated, result in a transaction more favorable to our shareholders from a financial point of view than the proposed transaction with the Purchaser. We have agreed to notify the Purchaser of any such alternative proposal and to keep the Purchaser informed of any material changes to any such proposal.

Our Board of Directors may not (i) withdraw or modify, or propose to withdraw or modify, in any manner adverse to the Purchaser, its approval or recommendation of the sale of the Tire Recycling Business to the Purchaser, (ii) approve, adopt or recommend, or propose to approve, adopt or recommend, an acquisition proposal, or (iii) approve or recommend, or propose to approve or recommend, or cause or permit any of the Tire Recycling Subsidiaries to enter into any letter of intent, agreement in principle, memorandum of understanding, acquisition agreement or other agreement with respect to an acquisition proposal, provided, however, our Board of Directors may take such actions if:

- Our Board of Directors, after consultation with outside legal counsel, determines in good faith that the failure to take such action would be a breach of its fiduciary duties under applicable law;

- Our Board of Directors determines in good faith that such third party acquisition proposal may lead to a transaction that would, if consummated, result in a transaction more favorable to our shareholders from a financial point of view than the proposed sale of our Tire Recycling Business; and

- Prior to taking such action we provide the Purchaser with four days' prior written notice of our intent to take such action.

Non-Competition and Non-Solicitation

Pursuant to the Asset Purchase Agreement, we have agreed that for a period of five years from the Closing neither we nor any of our affiliates will, directly or indirectly, (i) own, manage, operate, join, control or participate in the ownership, management, operation or control of, or be employed or otherwise connected as an agent, security holder, consultant, stockholder, subsidiary, partner or otherwise with, any person, firm, corporation or business that engages in any activity that is the same as, similar to, or competitive with our business of collection, disposal, shredding, processing, recycling or sale of used tires including without limitation the production of tire derived fuel chips, tire derived mulch, tire shreds, crumb rubber and any other byproducts of used tires (the "Used Tire Business"), anywhere within the states of Iowa, Minnesota, Illinois, Indiana, Kansas, Michigan, Missouri, Nebraska, North Dakota, South Dakota and Wisconsin (the "Territory") or (ii) sell crumb rubber to any person who is a customer of the Tire Recycling Business as of the date of the Asset Purchase Agreement; provided, however, that such covenant shall not prohibit us from purchasing tire derived feedstock for manufacturing, marketing, selling and otherwise dealing with end-products (excluding tire derived mulch and crumb rubber for fields) and alternative fuel and energy made from or containing used tires, tire shreds, tire chips, crumb rubber and any other byproducts of used tires.

In addition, for a period of five years from the Closing, we have agreed that neither we nor any of our subsidiaries will, directly or indirectly, (i) solicit the business related to the Used Tire Business within the Territory of any person who is a customer of ours at the Closing; (ii) cause, induce or attempt to cause or induce any customer, supplier, licensee, licensor, franchisee, employee, consultant or other business relation of Purchaser to cease doing business related to the Used Tire Business with Purchaser, to deal with any competitor of Purchaser related to the Used Tire

Business or in any way interfere with its relationship with Purchaser related to the Used Tire Business; (iii) cause, induce or attempt to cause or induce any customer, supplier, licensee, licensor, franchisee, employee, consultant or other business relation of ours on the Closing or within the year preceding the Closing to cease doing business related to the Used Tire Business with Purchaser, to deal with any competitor of Purchaser related to the Used Tire Business or in any way interfere with its relationship with Purchaser related to the Used Tire Business; or (iv) hire, retain or attempt to hire or retain any employee or independent contractor of Purchaser or its Affiliates related to the Used Tire Business or in any way interfere with the relationship between Purchaser and any of its employees or independent contractors in connection with the Used Tire Business.

Termination

The Asset Purchase Agreement may be terminated at any time prior to the date of the Closing by:

- mutual consent of the parties;
- either party if the other party has failed to satisfy any of the closing conditions required to be satisfied by such party prior to Closing;
- either party if the other party has committed a material breach of any provision of the Asset Purchase Agreement and such breach has not be cured by such party within five business days of receipt of notice of such breach;
- us, if our Board of Directors, in compliance with the requirements of the Asset Purchase Agreement, decides to enter into a binding written agreement concerning an acquisition proposed by a third party is superior to the terms of the proposed sale of the Tire Recycling Business provided that we notify the Purchaser in writing of our intent to enter into such an agreement;
- by Purchaser, if our Board of Directors withdraws or modifies its approval of the proposed sale of the Tire Recycling Business, approves, adopts or recommends another acquisition proposal, or approves or recommends that we enter into any agreement with respect to another acquisition proposal, or proposes to do any of the foregoing, or if we breach any of the material exclusivity provisions of the Asset Purchase Agreement, subject to the right of our Board of Directors to terminate the Asset Purchase Agreement to accept a superior proposal, as described above; or
- either party, if our shareholders have not approved the sale of the Tire Recycling Business.

Termination Fee

Under the terms of the Asset Purchase Agreement, we have agreed to pay Purchaser a termination fee equal to 4% of the purchase price (approximately $1.04 million) if:

- we terminate the Asset Purchase Agreement due to a determination by our Board of Directors to enter into a binding written agreement concerning an acquisition proposal by a third party that is superior to the terms of the proposed sale of the Tire Recycling Business; or
- Purchaser terminates the Asset Purchase Agreement due to a breach by us of our obligations under the Asset Purchase Agreement not to withdraw or modify our approval or recommendation of the sale of the Tire Recycling Business to the Purchaser or approve, adopt, or recommend an acquisition proposal.

Under the terms of the Asset Purchase Agreement, we have agreed to pay LTS' documented legal fees and other out-of-pocket costs incurred in connection with the proposed sale of the Tire Recycling Business, up to a maximum of $150,000, if we do not receive the approval of the holders of at least 50.1% of our outstanding common stock of the sale of the Tire Recycling Business and as a result terminate the Asset Purchase Agreement.

Other Expenses

We and the LTS Group are each responsible for our respective costs and expenses that we or the LTS Group incur in connection with the proposed sale of the Tire Recycling Business. We and the LTS Group have further agreed that we

and the LTS Group will each pay one-half of the fees and expenses of the escrow agent responsible for administering the escrow fund established in connection with our indemnification obligations under the Asset Purchase Agreement.

Indemnification

Under the Asset Purchase Agreement, we have agreed to indemnify LTS and the Purchaser, and their representatives and other related parties against any losses, liabilities, damages or expenses, including reasonable attorneys' fees and expenses, which arise from or in connection with: (a) any breach or inaccuracy of any representation or warranty made by us in the Asset Purchase Agreement or in any exhibits or schedules thereto or in any certificate or document delivered by us at the Closing; (b) any breach or nonperformance of any covenant or obligation made by us in the Asset Purchase Agreement or any other agreement contemplated by the Asset Purchase Agreement; (c) any liabilities of the Tire Recycling Business retained by us; or (d) any obligation under the Warn Act or similar state legal requirement caused by our actions prior to Closing; provided that our liability for such indemnification claims for breaches of representations and warranties shall not exceed an amount equal to 5% of the purchase price, and provided further that we shall not be required to indemnify LTS and the Purchaser for breaches of representations and warranties unless and until the total claims for such indemnification, in the aggregate, equal or exceed $50,000 and only in the amount in excess of $50,000.

Pursuant to the Asset Purchase Agreement, the Purchaser will withhold $500,000 of the Purchase Price for a period of one year from the Closing to satisfy potential indemnification obligations owed by us to the LTS Group. One-half of this amount, minus any amounts subject to claims by the LTS Group, will be released 180 days after Closing. In addition, we are required to maintain approximately $1.3 million (minus any amount held by Purchaser as described in the preceding sentence) in cash or cash equivalents in order to satisfy potential obligations owed by us to the LTS Group.

LTS and Purchaser have agreed to indemnify us for any losses, liability, damages or expenses, including reasonable attorneys' fees and expenses, which arise from or in connection with: (a) any breach or inaccuracy of any representation or warranty made by the LTS Group in the Asset Purchase Agreement or in any exhibits or schedules thereto or in any certificate or document delivered by the LTS Group at the Closing; (b) any breach or nonperformance of any covenant or obligation made by the LTS Group in the Asset Purchase Agreement or any other agreement contemplated by the Asset Purchase Agreement; (c) any liabilities of the Tire Recycling Business assumed by the Purchaser; or (d) any obligation under the Warn Action or similar state legal requirement caused by any action of the Purchaser on or following the Closing; provided that the liability of the LTS Group for such indemnification claims for breaches of representations and warranties shall not exceed an amount equal to 5% of the purchase price, and provided further that the LTS Group shall not be required to indemnify us for breaches of representations and warranties unless and until the total claims for such indemnification, in the aggregate, equal or exceed $50,000 and only in the amount in excess of $50,000.

The Voting Agreement

Simultaneously with the execution and delivery of the Asset Purchase Agreement, the members of our Board of Directors and all of our executive officers entered into the Voting Agreement with LTS, Purchaser and us (the "Voting Agreement"). As of September 12, 2008, the shares covered by the Voting Agreement represented in the aggregate approximately 25% of our outstanding common stock. Pursuant to the Voting Agreement, our directors and executive officers have agreed to vote in favor of the Asset Purchase Agreement and the transactions contemplated thereby.

The above description summarizes select provisions of the Voting Agreement and is qualified in its entirety by reference to the complete text of the Voting Agreement attached as Appendix E to this proxy statement. We urge you to read carefully the entire Voting Agreement.

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Related Party Transactions

Tire Recycling Business Related Party Transactions

We rent several pieces of equipment on a monthly basis from Valley View Farms, Inc. and Maust Asset Management, LLC, two companies co-owned by Mark Maust, President of GreenMan Technologies of Minnesota, Inc. and GreenMan Technologies of Iowa, Inc. In addition, we have entered into several capital lease agreements with Maust Asset Management, LLC which had an outstanding balance of approximately $640,000 at September 30, 2008. Purchaser will assume all remaining obligations under these capital lease agreements as part of the pending transaction, such amounts will be deducted from the net proceeds of the transaction received by us.

In April 2003, GreenMan Technologies of Iowa, Inc. entered into a ten-year lease with Maust Asset Management, LLC for a facility located on approximately 4 acres of land in Des Moines, Iowa. In April 2005, GreenMan Technologies of Iowa, Inc. entered into an eight-year lease with Maust Asset Management, LLC for approximately 3 acres adjacent to the existing Iowa facility. The aggregate current monthly rent payment under both leases is $11,750 plus real estate taxes. These lease arrangements will terminate at the close of the sale of the Tire Recycling Business and we expect that the Purchaser will enter into a new lease arrangement with Maust Asset Management, LLC.

GreenMan Technologies of Minnesota, Inc. leases property located in Savage, Minnesota from Two Oaks, LLC, an entity co-owned by Mark Maust under a 12-year lease agreement. This lease will terminate at the close of the sale of the Tire Recycling Business and we expect that the Purchaser will enter into a new lease arrangement with Two Oaks, LLC.

Other Related Party Transactions

Between June and August 2003, two immediate family members of Maurice Needham, our Chairman of the Board of Directors, loaned us a total of $400,000 under the terms of two-year, unsecured promissory notes which bear interest at the rate of 12% per annum. The two individuals agreed to extend the maturity date of these notes until the earlier of when all amounts due under the Laurus credit facility have been repaid or June 30, 2009. The current balance due under these notes is $400,000.

In September 2003, Bob Davis, a former officer of GreenMan, loaned us $400,000 under the terms of an unsecured promissory note which bears interest at the rate of 12% per annum. In July 2006, Mr. Davis assigned the remaining balance due under the note, $99,320, as follows: $79,060 to one of the noteholders described in the preceding paragraph and the remaining balance of $20,260 plus accrued interest of $13,500 to Mr. Needham. All parties agreed to extend the maturity of the remaining balance of this note until the earlier of when all amounts due under the Laurus credit facility have been repaid or June 30, 2009. The current balance due under these notes is $99,320.

Between January and June 2006, Nicholas DeBenedictis, a director, loaned us $155,000 under three unsecured promissory notes which bear interest at the rate of 10% per annum with interest and principal due during the period from June 30, 2006 through September 30, 2006. During the year ended of September 30, 2007 Mr. DeBenedictis agreed to extend the remaining balance due under the notes of $35,000 until the earlier of when all amounts due under the restructured Laurus credit facility have been repaid or June 30, 2009.

We intend to use approximately $665,000 of the net proceeds of the sale of the Tire Recycling Business to repay all principal and accrued interest due these individuals (approximately $535,000 and $130,000, respectively, at September 30, 2008).

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Certain Material Federal and State Income Tax Consequences

This is a summary of the principal material United States federal and state income tax consequences relating to the proposed sale of assets.

The proposed sale of assets will be a transaction taxable to us for United States federal and state income tax purposes. We will recognize taxable income equal to the amount realized on the sale in excess of our tax basis in the assets sold. The amount realized on the sale will consist of the cash we receive in exchange for the assets sold, plus the amount of related liabilities assumed by the Purchaser. Although the sale of the assets will result in a taxable gain to us, substantially all of the taxable gain on a federal tax basis will be offset against our current year losses from operations plus available net operating loss carry forwards, as currently reflected on our consolidated federal income tax returns. We do not have substantial state net operating loss carry forwards and anticipate that a majority of our tax obligations resulting from the contemplated transaction will be on a state income tax level.

The proposed sale of the assets will not be a taxable event for our stockholders under applicable United States federal income tax laws.

This summary does not consider the effect of any applicable foreign, state, local or other tax laws nor does it address tax consequences applicable to stockholders that may be subject to special federal income tax rules. This summary is based on the current provisions of the Internal Revenue Code, existing, temporary, and proposed Treasury regulations thereunder, and current administrative rulings and court decisions. Future legislative, judicial or administrative actions or decisions, which may be retroactive in effect, may affect the accuracy of any statements in this summary with respect to the transactions entered into or contemplated prior to the effective date of those changes.

Accounting Treatment

We will record the sale of the Tire Recycling Business in accordance with generally accepted principles in the United States. Upon completion of the disposition, we will recognize a gain for financial reporting purposes equal to the net proceeds (the sum of purchase price less expenses of the sale) less the book value of the assets and liabilities sold.

Regulatory Approvals

We are not aware of any federal or state regulatory requirements that must be complied with or approvals that must be obtained to complete the sale of the Tire Recycling Business, other than the filing of this proxy statement with the SEC. If any additional approvals or filings are required, we will use our commercially reasonable efforts to obtain those approvals and make any required filings before completing the transactions.

No Changes to the Rights of Shareholders

There will be no change in the rights of our shareholders as a result of the sale of the Tire Recycling Business.

No Appraisal Rights

Our shareholders do not have appraisal rights under the Delaware General Corporation Law in connection with the sale of the Tire Recycling Business.

Required Vote

The affirmative vote of holders of a majority of the shares of common stock is required in order to approve the sale of the Tire Recycling Business. Because the affirmative vote of a majority of the votes entitled to be cast at the Special Meeting is required to approve the sale of the Tire Recycling Business, abstentions, broker “non-votes” and shares not represented at the Special Meeting will have the same effect as a vote “AGAINST” the sale.

Recommendation of Our Board of Directors Regarding the Sale of the Tire Recycling Business

For the reasons described above, our Board of Directors has determined that the proposed sale of the Tire Recycling Business pursuant to the Asset Purchase Agreement is in the best interests of the Company and our shareholders. Accordingly, our Board of Directors has unanimously approved the proposed sale of the Tire Recycling Business and recommends to our shareholders that they vote “FOR” approval of Proposal No. 1.

Our Board of Directors unanimously recommends that you vote “FOR” the approval of the proposed sale of the Tire Recycling Business pursuant to the Asset Purchase Agreement by completing and returning the enclosed proxy or by completing and returning the voting instructions that you receive from the broker or other nominee that holds your shares.

PROPOSAL 2: ADJOURNMENT

Purpose

In the event there are not sufficient votes present, in person or by proxy, at the Special Meeting to approve the sale of the Tire Recycling Business, our chief executive officer or other officer, acting in his capacity as chairperson of the meeting, may propose an adjournment of the Special Meeting to a later date or dates to permit further solicitation of proxies.

Required Shareholder Vote to Approve the Adjournment Proposal

Approval of the adjournment proposal will require that the number of votes cast in favor of the proposal exceed the number of votes cast against it. Assuming the presence of a quorum, abstentions, broker “non-votes” and shares not represented at the Special Meeting will have no effect on the adjournment proposal.

Recommendation of our Board of Directors

Our Board of Directors unanimously recommends that our shareholders vote “FOR” approval of Proposal No. 2 to adjourn the Special Meeting, if necessary to obtain the requisite number of proxies to approve Proposal No. 1.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION
GREENMAN TECHNOLOGIES, INC., AND SUBSIDIARIES

General Information

The following unaudited pro forma consolidated financial information sets forth the pro forma consolidated results of operations of GreenMan Technologies, Inc. (the "Company") for the nine months ended June 30, 2008 and 2007 and the twelve months ended September 30, 2007 and 2006, and the pro forma consolidated financial position of the Company as of June 30, 2008.

The unaudited pro forma consolidated results of operations for the nine months ended June 30, 2008 and 2007 and the twelve months ended September 30, 2007 and 2006 have been derived from the Company's historical consolidated financial information and give effect to the following transaction as if it had occurred on October 1, 2005 (the earliest period presented). In addition, the unaudited pro forma consolidated balance sheet as of June 30, 2008 has been derived from the Company's historical consolidated financial information and gives effect to the following transaction as if it had occurred on October 1, 2007:

- Transaction — The proposed sale of substantially all of the net assets of the Company's Tire Recycling Business to Liberty Tire Services of Ohio, LLC, a wholly-owned subsidiary of Liberty Tire Services, LLC (collectively, "Liberty") in exchange for approximately $26 million in cash. At closing, we estimate $12.8 million will be used to pay-off our Laurus credit facility, $3.7 million will be used to retire certain transaction related obligations, $1.5 million will be due in federal and state income taxes, $1.3 million (5% of gross proceeds) of the cash proceeds will be placed in a restricted account to cover possible indemnification claims, $.95 million will be used to pay down a portion of other debt including approximately $.85 million of related party debt and other transaction related fees to legal and accounting services.

The unaudited pro forma consolidated financial information has been prepared in accordance with Article 11 of Regulation S-X and should be read in conjunction with the Company's historical audited consolidated financial statements and unaudited interim consolidated financial statements included in this Proxy Statement as Appendix C and Appendix D, respectively.

The unaudited pro forma consolidated financial information does not purport to represent what the Company's consolidated results of operations or consolidated financial position would have been if this transaction had occurred on the date indicated and are not intended to project the Company's consolidated results of operations or consolidated financial position for any future period or date.

The unaudited pro forma adjustments are based on estimates and certain assumptions that the Company believes are reasonable. The unaudited consolidated pro forma adjustments and primary assumptions are described in the accompanying notes herein.

GREENMAN TECHNOLOGIES, INC.
Pro Forma Consolidated Balance Sheet
As of June 30, 2008
(Unaudited)

	GreenMan Historical Consolidated	Tire Recycling Businesses	Pro Forma Adjustments		Pro Forma Consolidated
ASSETS					
Cash	$ 543,057	$ 461,820	$ 26,000,000	(1)	$ 6,325,097
			(1,300,000)	(1)	
			(18,917,960)	(2)	
			461,820	(3)	
Restricted cash	--	--	1,300,000	(1)	1,300,000
Accounts receivable, net	3,658,640	2,893,316	--		765,324
Product inventory	1,992,927	927,010	--		1,065,917
Other current assets	1,305,754	856,180	--		449,574
Total current assets	7,500,378	5,138,326	7,543,860		9,905,912
Property, plant and equipment	6,623,658	6,050,985	--		572,673
Other assets	3,799,838	169,088	--		3,630,750
Total assets	$ 17,923,874	$ 11,358,399	$ 7,543,860		$ 14,109,335
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)					
Notes payable, current	$ 10,275,467	$ 381,353	$ 489,176	(4),(6)	$ 383,290
			(9,800,000)	(5)	
			(200,000)	(7)	
Notes payable, line of credit	2,999,662	--	(2,999,662)	(5)	--
Obligations under capital leases, current	337,555	337,555		(6)	--
Accounts payable	2,612,077	1,693,690			918,387
Income taxes payable	--	--	1,500,000	(9)	1,500,000
Accrued expenses and other liabilities	2,598,182	895,720	(112,720)	(7)	1,589,742
Total current liabilities	18,822,943	3,308,318	(11,123,206)		4,391,419
Notes payable, non-current	2,088,087	1,422,559	--	(6)	665,529
Notes payable, related party, non-current	534,320	--	(534,320)	(7)	--
Obligations under capital leases, non-current	1,529,791	1,529,791		(6)	--
Other liabilities, non-current	823,434	242,894	--		580,540
Total liabilities	23,798,575	6,503,562	(11,657,526)		5,637,487
Preferred stock	--	--	--		--
Common stock	308,804	--	--		308,804

Additional paid in capital	38,829,920	--	--		38,829,920
Accumulated deficit	(45,013,425)	4,854,837	(489,176)	(4)	(30,666,876)
			(100,000)	(8)	--
	--	--	(1,500,000)	(9)	--
	--	--	21,290,562	(10)	--
Total stockholders' equity (deficit)	(5,874,701)	8,926,907	19,201,386		8,471,848
Total liabilities and stockholders' equity (deficit)	$ 17,923,874	$ 15,430,469	$ 7,543,860		$ 14,109,335

See the accompanying notes to the unaudited pro forma consolidated financial information.

GREENMAN TECHNOLOGIES, INC.
Pro Forma Consolidated Statement of Operations
Nine Months Ended June 30, 2008
(Unaudited)

	GreenMan Historical Consolidated	Tire Recycling Businesses	Pro Forma Adjustments	Pro Forma Consolidated
Net sales	$ 17,710,424	$ 15,616,828		