

Geothermal explorers heat up with \$35M boost

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AUSTRALIAN hot rock explorers have been given a \$35 million boost to help them develop geothermal energy under the second round of the federal government's \$50 million geothermal drilling program.

Five companies – Hot Rock Ltd, Geodynamics, Green Rock Energy, Greenearth Energy and Torrens Energy – each secured \$7 million in grants for their projects.

Federal Resources Minister Martin Ferguson said the investment in geothermal energy would help Australia meet its three major energy-related goals: increasing security by diversifying energy supplies, reducing carbon dioxide emissions by 60% below 2000 levels by 2050, and producing 20% of Australia's electricity from renewable sources by 2020.



"Geoscience Australia estimates that if just 1 per cent of Australia's geothermal energy was extracted, it could supply Australia's total annual energy requirements for 26,000 years," he said.

"This is a huge resource if we can get the technology breakthroughs necessary to deliver geothermal energy to market cost-effectively and reliably.

"Australia's geothermal resource is world class and if we can make technology breakthroughs and drive down costs, geothermal energy could play a significant role in providing clean, reliable and affordable base load energy for centuries."

Hot Rock Ltd intends to use the funds to drill two appraisal wells and for a testing program at its flagship Koroit project in the Otway Basin, Victoria, with drilling and testing scheduled to start early next year.

Hot Rock Ltd's project could result in the first geothermal pilot power plant in Victoria by the end of 2011.

Also in Victoria, Greenearth Energy is developing its Geelong geothermal project and plans to use the funds to drill two wells into a hot sedimentary aquifer to a depth of up to 4 kilometres.

The company has secured the Weatherford Drilling International Rig 828 for the stage one proof-of-concept drilling, to start in the second half of 2010.

In New South Wales, Geodynamics plans to use its funds to develop its Hunter Valley project.

The company has identified a location for a 2km deep well to confirm temperature gradients in the Bulga tenement, and planning is underway to drill a well in the first half of 2010.

Over in South Australia, Torrens Energy plans to direct the funds toward achieved proof-of-concept at its Parachilna project, while in Western Australia, Green Rock Energy will use the grant to develop the first geothermal powered absorption chiller and WA's first major geothermal project.

KuTh Energy, which applied for a grant to support its deep drilling program but was unsuccessful, said it was surprised at the decision given the unique position of Tasmania as renewable energy leaders in Australia.

"Yes, we are obviously disappointed at not being successful in this round of the GDP grant, funding especially given the opportunity that exists in Tasmania to host a suite of renewable energy technologies and a showcase of Australian expertise," managing director David McDonald said.

"We will continue to engage in discussions with parties who can see the value proposition that our Tasmanian project offers.

"We also remain hopeful that the Tasmanian government will stand up where the federal government hasn't."