



MEDIA RELEASE

MARTIN FERGUSON

Minister for Resources and Energy
Minister for Tourism

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GEOTHERMAL ENERGY GETS A \$35 MILLION BOOST

The Minister for Resources and Energy, Martin Ferguson AM MP, has announced five geothermal energy projects to receive Australian Government funding of \$35 million from round two of the \$50 million Geothermal Drilling Program.

The Geothermal Drilling Program will support more than \$180 million worth of investment in this exciting new clean energy technology. In addition, geothermal energy was a big winner from the Renewable Energy Demonstration Program, with two projects worth approximately \$535 million receiving Australian Government funding of more than \$150 million.

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

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

The Australian Government recognises the need to pull through these emerging clean energy technologies as the world transitions to a low carbon economy.

The Geothermal Drilling Program is supporting proof-of-concept projects and will help establish Australia as a world leader in geothermal technology development.

Second-round Geothermal Drilling Program recipients of \$7 million each are:

- **Hot Rock – Koroit in the Otway Basin, Victoria**
- **Geodynamics – near Bulga in the Hunter Valley, New South Wales**
- **GRE Geothermal WA1 – Perth metro area, Western Australia**
- **Greenearth Energy – near Geelong, Victoria**
- **Torrens Energy – Parachilna, South Australia**

This investment will help meet the Australian Government's three major energy-related goals:

- Increasing energy security by diversifying energy supplies;
- Reducing Australia's CO2 emissions to 60 per cent below 2000 levels by 2050; and,
- Producing 20 per cent of Australia's electricity from renewable sources by 2020.

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 baseload energy for centuries.

The Australian Government has now committed more than \$200 million to accelerate geothermal energy technology development, demonstration and deployment in Australia, leveraging a total investment in excess of \$720 million.

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Background

Hot Rock Limited's proof of concept project at Koroit in the Otway Basin, Victoria will aim to define 'proven reserves' through the drilling and testing of two deep deviated standard size production appraisal wells. Hot Rock's project could result in the first geothermal pilot power plant in Victoria by the end of 2010, followed by plans for a 10MW demonstration plant by 2012.

Geodynamics Limited's proof of concept project in the Hunter Valley, New South Wales will aim to drill two 4,500m holes followed by stimulation and flow testing. Geodynamics believes this resource has the potential to support a 200 MW plant.

GRE Geothermal WA1's project in Perth will aim to prove the geothermal energy that is recoverable within the Perth Metropolitan Area. This resource is significant as a demonstration of medium temperature geothermal resources for commercial applications.

Greenearth Energy Limited's project near Geelong in Victoria will aim to drill two wells into a hot sedimentary aquifer to a depth of up to 4 kilometres. A sustained extraction and injection of hot fluids will be demonstrated from wells co-located at the surface.

Torrens Energy Limited at Parachilna in South Australia aims to prove the expected temperatures of the geothermal resource and the suitability as an enhanced geothermal system for generating power.