

Australian Geothermal Energy Sector 'Coming Of Age' - Petratherm

Australia's rapidly emerging geothermal energy industry sector is truly 'coming of age', according to a leading industry participant.

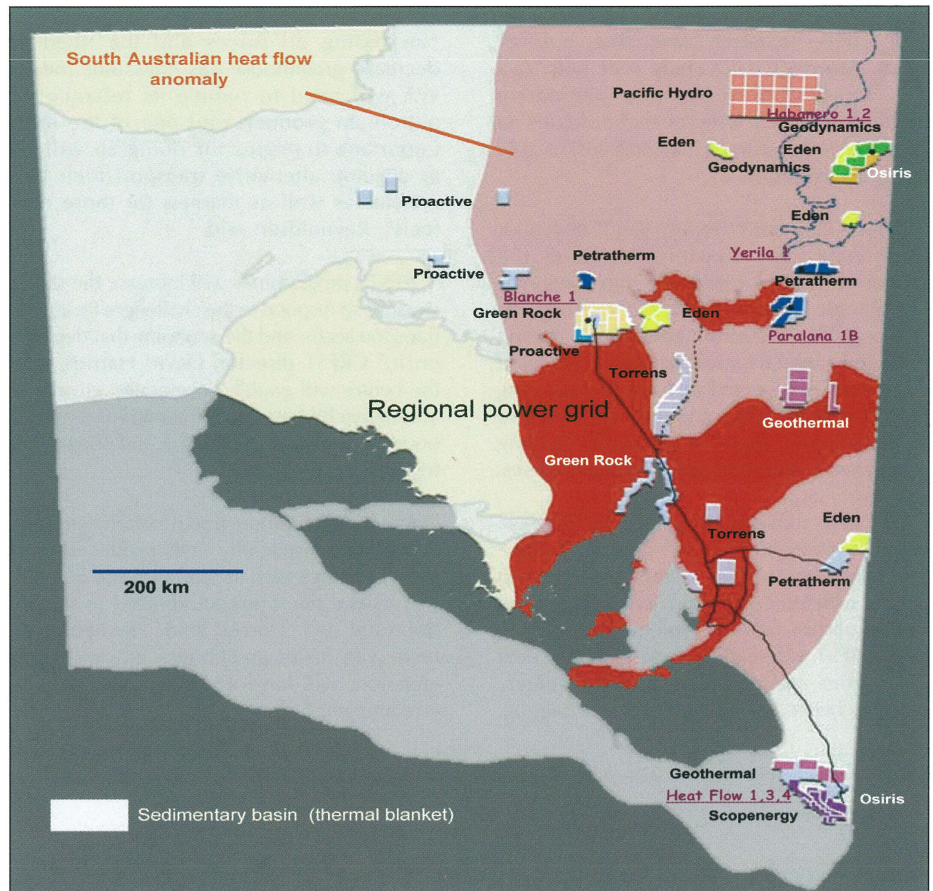
The assessment by Terry Kallis, a newly appointed board member of Renewable Energy Generators of Australia (REGA) and the Managing Director of Petratherm, noted that at least 16 hot rock companies are now operating in the sector, injecting a measurable level of vibrancy into it.

"Most of these companies are currently focused on developing projects in South Australia, where the best thermal resources appear to exist", Kallis said. "Their emergence is significant as it means exploration and development of geothermal projects is now a distinct energy sector in its own right in Australia.

"Significantly, this 'coming of age' is driving increased levels of attention from investors, financial institutions and governments at federal and state levels. This is particularly evident in the federal government's initiative to create an Australian Geothermal Industry Development Framework, a process commenced in March in Canberra and involving industry, academic and government representatives."

But Kallis warned that as the sector had blossomed rapidly, it now needed to accept the mantle of responsibility for setting standards for the definition and measurement of geothermal energy resource and reserves. "There is an accepted process for analysis of mining resources and also for assessing oil and gas potential and this issue is becoming increasingly important for the geothermal sector as it seeks to quantify its resources and to build project value through staged developments", he said.

"Project financiers, as well as stock market investors, are seeking a better understanding with more transparency and consistency as



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they assess various geothermal projects. They need a standardised way to evaluate and assess the risks of the increasing number of hot rock projects and the geothermal companies now active in the Australian energy spectrum.

"For example, the number of new entrants into South Australia's hot rock sector has climbed eight fold or so in under three years and more entrants are expected as the climate change

debate escalates and clean emission issues encourage non-fossil fuel developments."

Kallis said the introduction of a joint ore reserves committee (JORC)-style geothermal standard could substantially improve access to critical funding for project development. "These reporting parameters apply to Australia's mineral sector and similar style definitions apply in our oil and gas sector", he said. ■