

Hot Rock Energy Investment To Exceed \$500 MM By 2012

Australia's geothermal sector is forecast to spend over \$500 million by 2012 on exploration, proof-of-concept and demonstration of 'hot rock' alternative energy sources, according to one of South Australia's leading petroleum and energy experts.

PIRSA Petroleum and Geothermal Director, Barry Goldstein, said the expected impacts of climate change would drive high levels of Australian investment in geothermal energy. "Australia's growth in geothermal licences and expenditure in just the past six years has been significant and is a pointer to the future", Goldstein said.

"This will rapidly accelerate to a point when we expect forecast investment in the sector to exceed \$500 million by 2012," he said. "Australia-wide, this on current applications, will involve 19 companies in 141 areas spending \$654 million in work programmes and that excludes up-scale and deployment.

"In South Australia, which will dominate the sector's growth, 12 companies have already applied for 116 areas and can be expected to invest \$524 million in their projects by the next six years."

Goldstein described South Australia as 'Australia's hot rock haven' and said this emissions free and renewable energy form could confidently

be expected to form part of Australia's secure energy future. "Recent estimates suggest some 6.8% of Australia's base load power needs will come from hot rocks by 2030", he said.

"Geoscience Australia estimates the national indicative geothermal energy resource to be around 1.2 billion petajoules and this estimate will be refined as part of the federal government's Onshore Energy Security initiative and as project knowledge advances.

He said there are several milestones ahead which point the way towards the increasing likelihood of geothermal energy establishing a commercial path. "These include at least 10 projects expected to achieve successful exploration and proof of concept, that is, heat flows, by 2010, and at least three power generation demonstration projects on stream by 2012."

Goldstein said these milestones will help demonstrate to the investment community and equity markets that geothermal power generation is a compelling success and that hot rock energy is real. Goldstein said the Australian Geothermal Energy Group (AGEG) had recently formed to share learnings and move progress towards the commercialisation of geothermal energy at maximum pace and minimum cost. "The terms of reference for the AGEG is, in effect, a declaration of interdependence of the new and vibrant geothermal sector in Australia," he said. ■