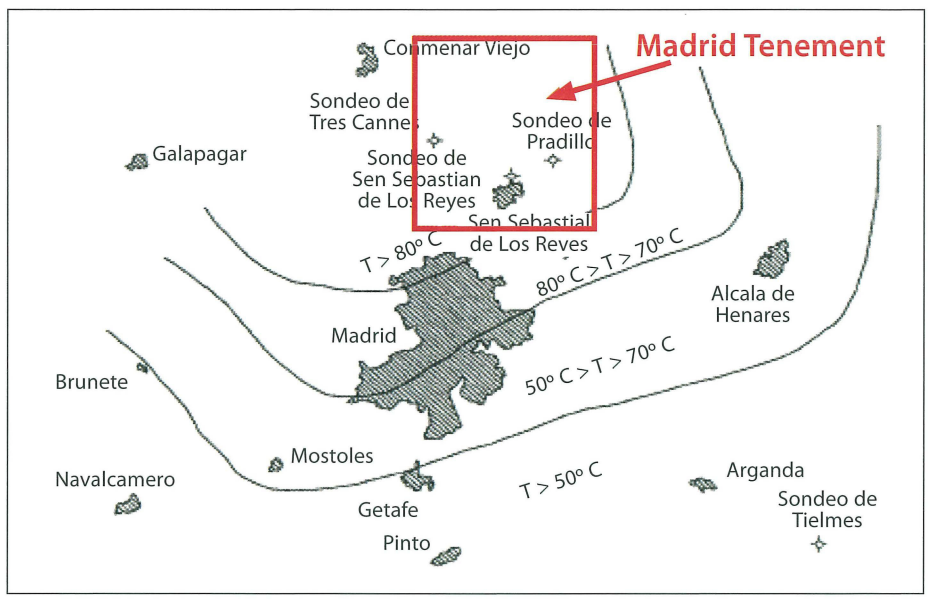
Petratherm's Spanish Inquisition Heats Up

The Spanish capital of Madrid could be heated by leading Australian geothermal developer, Petratherm Limited, with a pre-feasibility study into the proposal nearing completion.

The study by French consultancy, GPC Instrumentation Process (GPC IP), is assessing the practical application and commercial viability of the 'Madrid Basin Direct Heating' project, which proposes to drill into a shallow geothermal reservoir 1,500 m beneath the Madrid Basin at a site about 40 km northeast of the city.

Based on temperature and flow information from existing exploration and development wells, Adelaide-based Petratherm plans to provide a conventional geothermal supply to directly heat selected districts of Madrid within the next two years.



Site of Petratherm's 'Madrid Basin Direct Heating' project

The move cements Petratherm as Australia's geothermal pioneer, with the company's flagship Paralana project in South Australia's northern Flinders Ranges expected to become the nation's first commercial geothermal supply by early 2010. If the Madrid project is successful, the Australian energy developer will explore the potential to extend it to Barcelona and other areas of Spain.

Petratherm's Managing Director, Mr Terry Kallis, said today that GPC IP already managed several district heating installations across the Paris Basin, which had similar geothermal characteristics to Madrid. "Like the Paris Basin, the Madrid Basin sits over a huge shallow geothermal resource with very large aquifers and high flow-rates. The Spanish resource hosts two main geothermal reservoirs, including a shallow reservoir at about 1,500 m depth where previous drilling to depth has already encountered temperatures of between 70-80ºC – ideal for direct heating application", he said.

"The second reservoir, at 3,400 m depth, is even more exciting. Results based on previous drilling to depth, show temperatures as high as 156ºC. This creates opportunities for both direct heating and significant power generation."

If the pre-feasibility study generates a viable outcome, Petratherm will develop a detailed plan to exploit the resource and seek appropriately skilled joint venture partners to realise the full potential of the project.

Kallis said prospects for the project were further enhanced by the close proximity of one of Spain's largest electricity transmission systems – a 5,000-plus MW grid helping service Madrid's population of 5.5 MM.

Petratherm now has seven projects in Spain, including two conventional geothermal exploration projects in the Canary Islands and five Engineered Geothermal Systems (EGS) and hydrothermal projects on the mainland. ■

PESA News No. 94 (2008)