

The Heat Exchanger

An Update On Developments In The Australian And International Geothermal Scene

Gareth Cooper, Hot Dry Rocks

The most exciting thing about the entire federal election campaign has been the cliffhanging outcome. While much attention has focused on the independents in the House of Reps, the fact that the Senate will be Green dominated after July 1 next year seems to only now be dawning on public policy consciousness. My prediction is that the much ridiculed 'citizens assembly' on climate change will suffer a hasty death and carbon tax will be back on the agenda. We hope that the industry coma induced by climate change and ETS policy paralysis will soon end. Hoorah!

Selected highlights from *Geothermaland*, in no particular order, from the recent period include ...

- New Zealand commenced its Emissions Trading Scheme on 1 July as the Australian renewable energy sector looked on in envy.
- Mr Simon Molesworth departed as Chairman of Green Earth Energy and was replaced by Mr Rob Annells.
- Victorian Premier John Brumby was impressed by 'ground source heat pumps' at the Plumbing Industry Climate Action Centre.
- Prime Minister Julia Gillard canned the 40% Resources Super Profits Tax in favour of a 30% Mineral Resources Rent Tax. The 30% Resource Exploration Rebate was a victim of the move.
- Greearth Energy announced the signing of a non-binding MoU between PT. Geo Power Indonesia (of which a Greearth subsidiary holds 40%) and Cengiz Holding of Turkey to develop a geothermal site in Java, Indonesia.
- Panax Geothermal completed 'productivity index testing' at Salamander-1. While Panax noted that there was some well damage from drilling activities, it remained confident that the reservoir transmissivity is sufficient to support a geothermal plant.
- Mr James (Jim) Randle joined KUTH Energy as Director of Projects. Jim spent the past seven years developing a conventional geothermal plant in Nicaragua.
- On 12 July, *The Age* and *The Australian Financial Review* both carried stories on geothermal energy potential in Victoria.
- The Australian Geothermal Energy Association issued a press release calling for: a carbon price, increased project funding, power infrastructure to northeast South Australia, the inclusion of direct use projects in the RET scheme, and increased R&D support.
- Dr Jack Hamilton of Geodynamics signed a funding deed with the federal government to start the flow of money (subject to conditions precedent) from the \$90 MM REDP grant announced last November. The first payment will support the drilling of Habanero-4 later this year, and the last will relate to commissioning a 25 MWe power plant in 2015.
- The Department of Primary Industry's map of Victorian heat-flow was also released. Hot Dry Rocks completed all of the thermal conductivity measurements and heat-flow modelling required to produce the map, which can be viewed under the tab 'Georeferenced Images / Maps' on DPI's online mapping tool, GeoVic: <http://mapshare2.dse.vic.gov.au/MapShare2EXT/imf.jsp?site=geovic>.
- Geodynamics stated that they had drilled out the cement plug set in Jolokia-1 in September 2008 and the well has been logged to check its condition. Shortly, 7" liner casing will be run, prior to hydraulic stimulation of the granite. Drilling will recommence at Habanero after the Jolokia stimulation.
- Petratherm signed a funding deed with the federal government for \$62.762 MM under the REDP program. Petratherm will apply the money towards a 30 MWe geothermal demonstration project at Paralana.
- The Australian Labor Party announced its 'Connecting Renewables' election policy. The ALP is promising \$1 B over the next decade to connect remote renewable resources (such as the Cooper Basin geothermal resources) to the National Electricity Market.
- Geodynamics released a 'community engagement' presentation in which it explains what Innamincka residents could expect during and after stimulation programs.
- Petratherm confirmed that it will proceed with perforation of casing, injectivity tests, and fracture stimulation in Paralana-2. Petratherm also announced that it has varied its farm-in agreement with Beach Energy to bring forward \$2.7 MM in free-carry funding of its share of Paralana project costs. In return, Petratherm will bring forward Beach's 21% equity earning in the project, and Beach will no longer have to pay the first \$5 MM of Paralana-3 (just its 21% of project costs).
- Green Rock Energy released its quarterly activities report, noting continued work in the Perth Basin, including work on the geothermal resource estimate of its Alkimos project being undertaken by Hot Dry Rocks.
- Hot Rock (not Hot Dry Rocks) stated that proof of concept drilling at Koroit, Victoria, is slotted to commence in January 2011.
- Torrens Energy announced that AGL had completed drilling six heat-flow holes to a total of 1,933 m depth in the joint venture Barossa project, 70 km north of Adelaide. Torrens also said that Hot Dry Rocks has commenced an estimate of the geothermal resource in its Port Augusta project. ■