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## **Geothermal Drilling Fund Announced, Merit Criteria Not Met, Parachilna Project**

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The Minister for Resources and Energy, Martin Ferguson, today announced the successful applicants for funding under the first round of the Government's Geothermal Drilling Program (GDP).

Torrens Energy advises that its application for Round 1 GDP funding did not meet the broad range of merit criteria, and was therefore not awarded.

Whilst no one factor was singled out, it was raised that project timing played a significant part in the GDP not being awarded; in comparison the successful applicants projects are significantly more advanced.

The assessment process was extremely competitive, with only two successful applicants awarded [\$7m each] under Round 1. Torrens congratulates these companies and looks forward to their demonstration of commercial viability.

Up to \$50m in funding has been set aside from the Federal Government's \$500m Renewable Energy Fund, for the GDP. Round 2 applications are expected to open mid 2009.

Torrens is encouraged by the continuing support of the Commonwealth Government for meeting the challenges of deep geothermal drilling, which the GDP aims to support by providing "matched" grants of up to \$7m per project through to "proof-of-concept".

Torrens Energy will press on expeditiously with definition of drill-ready targets at its promising geothermal sites, which are located in proximity to the national electricity grid.

Executive Director John Canaris commented:

"We are confident that our current plans to advance our geothermal projects will give the Company a stronger chance of meeting the eligibility criteria for Round 2."

For further information please contact:

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