

Torrens Energy rocks up to \$6m IPO

Chris Milne

A "hot rocks" energy company exploring in areas close to Adelaide and the wine districts of the Barossa and Clare valleys has launched an initial public offering for \$6 million as the search for geothermal energy sources gathers pace.

Perth-based Torrens Energy will offer 30 million shares at 20c each to fund its search.

The company has amassed 14 geothermal exploration licences in South Australia in the past year, including six south-east of BHP Billiton's power-hungry Olympic Dam mine.

The IPO is due to close on March 21 for an expected Australian Stock Exchange debut

on March 30. Torrens Energy will join five other listed companies and several private firms seeking to start a clean geothermal power industry in Australia.

Chief executive and co-founder Chris Matthews, a geologist with geothermal experience, said the company's highest profile licences covered about 1700 square kilometres, from the northern outskirts of Adelaide to Port Wakefield at the head of St Vincent's Gulf.

The area was near major transmission lines and bordered the coast for access to seawater for cooling, he said.

"Being so close to the national power grid and a major market removes some hurdles to future

development," Mr Matthews said. However, Torrens Energy would do its first drilling within six months at the Barossa-Clare project, where it had been granted funding of \$100,000 from the South Australian government's Plan for Accelerating Exploration initiative.

Temperature data supported the concept that the project covered the same heat flow anomaly as Petratherm's Paralana hot rocks project, which has received federal government funding of \$5 million, and the Geodynamics project in the Cooper Basin.

"We would expect temperatures around 200 degrees," Mr Matthews said. This would be "more than sufficient" to enable the company to tap the energy source.

Torrens Energy will be chaired by Perth resources financier Malcolm James, who holds 979,000 of the 20 million shares already on issue. Board member John Canaris has 3.1 million shares and fellow board member Dennis Gee 100,000 shares. Each will receive annual directors' fees of \$35,000.

Darien Jagger of lead manager Cygnet Capital said Lefroy Resources held more than 10 per cent of the present shares and its shareholders would be entitled to subscribe for 2.5 million of the new shares. The IPO includes one free option for every two shares.

Following a strong response to its roadshow, Torrens Energy expected to have "three or four" institutions on its register, Mr Jagger said.

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