

Hot rock investment set to soar

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IN just a year, the forecast expenditure by the geothermal sector in South Australia for the next six years has risen by \$70 million to \$500 million, a conference heard yesterday.

Speaking on day two of the 2007 Pyrdit, South Australian Resources and Energy Investment Conference in Adelaide, Department of Primary Industries and Resources director of Petroleum and Geothermal Barry Goldstein said the expected effect of climate change would drive up Australian investment in geothermal energy.

"This will rapidly accelerate to a point we expect forecast investment in the sector to exceed \$500 million by 2012," Mr Goldstein said.

"Australia-wide this, on current applications, will involve 19 companies in 141 areas spending \$854 million in work programs,

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."

Companies active in SA include Geodynamics, which this week signed off on a \$32 million drilling rig to progress its plans in SA's Cooper Basin, Petra-therm, Geothermal Resources and Torrens Energy.

The geothermal energy model being tested in SA involves drilling 3-4km deep wells into hot granites, then circulating water through them and capturing steam when it returns to the surface.

Mr Goldstein said recent estimates suggested that 68 per cent of Australia's base load power needs would come from hot rocks by 2030.



RESOURCE: Chris Matthews yesterday... Results "advanced our plans". Picture: CHRIS MANGAN

Warming up to the potential

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TORRENS Energy has had encouraging early results from a geothermal project near Port Augusta.

The company said yesterday modelling on one of its projects predicted heat of 230C, 5km deep. Torrens Energy chief executive Chris Matthews said the temperature readings were well within the range required for commercial power generation.

"The results have significantly advanced our plans to prove the exploration potential of the company's South Australian land holdings and to define geothermal resources for power generation in Australia," Mr Matthews said.

The results are based on temperature logs of a 754m deep petroleum well drilled in 1981, which recorded a down hole temperature of 57C.

Shallow diamond drilling to a depth of 500m is expected to start in September in a bid to confirm the results. Torrens shares closed at 51c, down 2c.