

Labor steamed up over hot rocks

Friday, 1 June 2007

AUSTRALIA'S hot rocks explorers will receive a dollar-for-dollar government subsidy to the tune of \$50 million if the Labor Party wins the upcoming federal election.

The pledge was made by Opposition Leader Kevin Rudd yesterday as part of Labor's 10-point plan to tackle climate change.

Labor's environment spokesman Peter Garrett said the funding would help the hot rocks sector overcome the high costs of renting drilling rigs during the current mining boom.

"Geothermal energy holds the promise of being a renewable energy source with zero greenhouse gas emissions that can operate 24 hours a day, providing critical baseload power for Australian homes and industries," Garrett said.

"The \$50 million in funding would be provided as a \$1-for-\$1 subsidy and be capped at \$5 million per well. Companies would be eligible for up to two grants."

Recently floated geothermal explorer Torrens Energy welcomed the initiatives, with chief executive Chris Matthews saying they would generate direct benefits for his company.

"We believe that Torrens is in pole position to take advantage of this new initiative, with the company's exploration targets located relatively close to Adelaide, on and adjacent to the national electricity grid, existing markets and infrastructure," he said.

"Our early stage exploration results show that we can attain hot rock resources, and the location of our project areas sees us well placed to benefit."

The company, which continues to apply for prospective acreage close to power networks, plans to start drill testing in September.

A Labor Government would also offer \$50 million to establish The Australian Solar Institute.

"This new institute incorporates the CSIRO's National Solar Energy Centre and will create a global solar energy hub and fast-track the development of solar thermal technology in Australia," Garrett said.

"Federal Labor wants Australia to return to its former position as a world leader in solar thermal power demonstration and research by 2010."



Labor's Peter Garrett



Geodynamics' Habanero-2 well