

## Fed Gov offers \$3m grant for Hot Rock Project development

**Torrens Energy Ltd has been offered \$3 million in grant funding, under the Australian Federal Government's Renewable Energy Development Initiative (REDI) Scheme.**

The grant funding will be backed by the company's existing cash reserves of approximately \$5.8 million for the ongoing search for commercial energy production from Torrens Energy's South Australian hot rock projects.

"The offering of REDI grant funding is a significant step forward for Torrens Energy, a company which is now a recognised leader in both intellectual and technological innovation in the geothermal energy sector," Torrens Energy's Chief Executive Officer, Chris Matthews, said yesterday.

"Exploration land access is under way and drilling is scheduled to commence at the Torrens Project Area in October 2007," Mr Matthews said.

Funds will be used to accelerate drilling and temperature modelling, reducing the technical risk associated with generating deep drill targets for thermal energy production.

Torrens Energy will use temperature data from exploration drilling to develop an innovative, three-dimensional temperature field model (3D-TFM) across the company's highly prospective Geothermal Exploration Licence (GEL) package in South Australia.

"The 3D-TFM methodology will effectively remove several critical uncertainties, reduce risk, and maximise our understanding of the deeper heat and geology at a fraction of the cost of conventional deeper exploration drilling", Mr Matthews said. "3D-TFM will aim to effectively "map" temperature and reservoir variation on a prospect scale across our licence areas," he said.

Australian Industry and Resources Minister, Ian Macfarlane, and Environment and Water Resources Minister, Malcolm Turnbull, yesterday said that a \$3 million grant to Torrens Energy Ltd will provide a real boost to research into geothermal energy in SA.

"Geothermal power can help reduce Australia's carbon dioxide emissions and provide a reliable source of energy for up to ten per cent of Australia's needs over the next few decades," Mr Macfarlane said.

The Minister for Finance and Administration, Senator Nick Minchin, said: "This grant shows once again that South Australia is on the cutting edge of renewable energy resource exploitation through innovative technology."



Geothermal energy plant