
NEWS

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AUSTRALIAN GEOTHERMAL ENERGY SECTOR

“COMING OF AGE” - PETRATHERM

Australia’s rapidly emerging geothermal energy industry sector is truly “coming of age” according to a leading industry participant.

The assessment – by Mr Terry Kallis, a newly appointed Board member of Renewable Energy Generators of Australia (REGA) – noted that at least 16 hot rock companies are now operating in the sector – injecting a measurable level of “vibrancy” into it.

“Most of these companies are currently focused on developing projects in South Australia, where the best thermal resources appear to exist,” Mr Kallis said.

“Their emergence is significant as it means exploration and development of geothermal projects is now a distinct energy sector in its own right in Australia.

“Significantly, this ‘coming of age’ is driving increased levels of attention from investors, financial institutions and governments at Federal and State levels.

“This is particularly evident in the Federal Government’s initiative to create an Australian Geothermal Industry Development Framework - a process commenced in March in Canberra and involving industry, academic and government representatives.”

A number of Geothermal Energy Industry Participants are meeting in Adelaide today to discuss a collective approach to a range of matters affecting the sector.

Mr Kallis – who is also Managing Director of ASX-listed geothermal developer, Petratherm Limited – warned however, that as the sector had blossomed rapidly, it now needed to accept the mantle of responsibility for setting standards for the definition and measurement of geothermal energy resource and reserves.

“There is an accepted process for analysis of mining resources and also for assessing oil and gas potential and this issue is becoming increasingly important for the geothermal sector as it seeks to quantify its resources and to build project value through staged developments,” Mr Kallis said.

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FIELD PUBLIC RELATIONS PTY LTD ABN 74 008 222 311

231 South Road, MILE END SA 5031

Ph: 08 8234 9555 Fax: 08 8234 9566

admin@fieldpr.com.au

“Project financiers, as well as stock market investors, are seeking a better understanding with more transparency and consistency as they assess various geothermal projects.

“They need a standardised way to evaluate and assess the risks of the increasing number of hot rock projects, and, the geothermal companies now active in the Australian energy spectrum.

“For example, the number of new entrants into South Australia’s hot rock sector has climbed eight fold or so in under three years – and more entrants are expected as the climate change debate escalates and clean emission issues encourage non-fossil fuel developments.”

Mr Kallis said the introduction of a JORC-style geothermal standard could substantially improve access to critical funding for project development.

“These reporting parameters apply to Australia’s mineral sector and similar style definitions apply in our oil and gas sector.

“In a resource-savvy market, the industry must establish its credentials by generating data capable of being authenticated and which is built around the maxims of Proven, Probable and Inferred style criteria as it currently applies to mineral ore bodies and oil & gas reservoirs.

“Our own code can ensure Australia’s renewable energy momentum can benefit from higher investor confidence and investment levels and greater research and development impetus in terms of new technologies.”

As a new appointee to REGA, Mr Kallis has joined a renewable energy lobby whose members are currently responsible for 10% of Australia’s total electricity supply.

At last month’s annual REGA Forum, Geothermal Energy was a major component and attracted a number of key speakers covering topics including;

- Geothermal Energy In Australia – Creating and Industry Development Framework – Drew Clarke (Energy & Environment Division – DITR)
- The Future of Geothermal Energy in the US – Prof. Jefferson Tester (MIT)
- IEA Geothermal Task : Australia’s 2006 Report – Barry Goldstein (PIRSA)
- Economic Challenges for Geothermal Energy Projects in Australia – Terry Kallis (Petratherm)
- The Need for an Industry Guideline for Geothermal Reserves Determination – Jim Lawless (SKM).

Mr Kallis said Petratherm’s website (www.petratherm.com.au) offered links to, and or full copies of the presentations.

MEDIA CONTACT:

Terry Kallis Petratherm Limited (08) 8274 5000 / 0419 810 153

Kevin Skinner Field Public Relations (08) 8234 9555 / 0414 822 631