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Media Release

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New report shows major renewable benefits for low cost geothermal power in South Australia

Adelaide geothermal company Petratherm has welcomed a new independent report showing early investment in building transmission lines for geothermal projects will deliver huge savings for Australian electricity consumers.

Petratherm Managing Director Terry Kallis said the report by leading energy economics firm McLennan Magasanik Associates (MMA) clearly shows geothermal has the potential to be the cheapest form of renewable energy.

MMA, the company that advised the Federal Government on the design of the Carbon Pollution Reduction Scheme and Renewable Energy Target, was commissioned by the Australian Geothermal Energy Association (AGEA) to produce the report.

The report studied the cost benefit of connecting an electricity transmission line from Innamincka in northern SA via Olympic Dam near Moomba to Davenport near Port Augusta – taking in the geothermal energy projects of Geodynamics in the Cooper Basin and Petratherm in the northern Flinders Ranges.

It showed investing \$171 million in transmission would create savings of \$860 million for South Australian customers and \$2,800 million for customers of the National Electricity Market (NEM) from 2011 to 2030.

“This report shows early investment in transmission will allow low-cost geothermal energy to push electricity prices down along with the cost of renewable energy certificates,” Mr Kallis said.

“The potential for cheap, base load power coming from the northern part of South Australia is very large. The Australian Energy Market Commission has been provided with a copy of the report as part of its consideration into how to facilitate large-scale renewable energy into the NEM.

“The MMA study demonstrates that the lowest cost solution, in SA, for getting renewable energy into the market is from geothermal power. The report also indicates that transmission line investment can be deemed to be regulated assets.”

The MMA report can be found on the Petratherm website - www.petratherm.com.au/. The AGEA Media Release can be found on the AGEA website - www.agea.org.au/

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