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Hot rocks vision for Pilbara boom

News: 24-September-09 by John Phaceas



IT has the potential to become one of the great ironies of Western Australia's unfolding LNG boom - hot rocks powering the Pilbara's accelerating oil and gas-based economy.

Yet that is exactly what local geothermal energy aspirant New World Energy has in mind.

The unlisted Guildford explorer chaired by former Hardman Resources chief, Ted Ellyard, is already one of the biggest holders of geothermal energy permits in the South West.

However, it is now also the biggest geothermal energy proponent in the Pilbara after winning nine permits stretching between Onslow and Carnarvon.

Geothermal energy is already widely used world-wide to generate zero-emissions power, by tapping the latent heat contained within rocks buried deep below the earth's surface.

Cool water is pumped to the targeted rock formations through one bore, where it is heated and is then returned to the surface to generate electricity or used directly as a heat source.

According to NWE managing director John Libby, there is significant geothermal potential close to key centres in the Pilbara, where electricity demand is expected to treble to more than 1,500 megawatts by 2020 and the local power grid is readily expandable.

Much of this demand will come from proposed LNG plants in the region, and the ongoing expansion of Pilbara iron ore production.

While gas will continue to be the main source of power for major development in the region, Mr Libby said geothermal power could play a significant role as a source of renewable energy credits or carbon offset for more traditional fossil-fuel powered activity such as LNG and iron ore production.

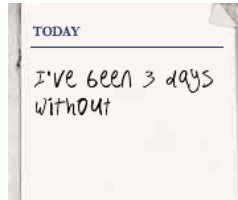
"They are pretty big CO2 emitters ... so absolutely there is potential for them to do deals with hot rock companies to get renewable energy certificates and then offset some of their CO2 emissions," Mr Libby told WA Business News. "It's a pretty interesting model, I think."

Furthermore, geothermal energy was ideally suited to providing the sort of steady large-scale base load energy, which is a core requirement of the Pilbara's non-stop 24 hour iron ore and LNG operations.

Mr Libby said NWE hoped to start initial exploration and evaluation work by the end of the year.

It also hopes to announce the first geothermal resources in its South West permits over the next few months, and drill its first deep well in the Perth Basin within 18 months. If all went perfectly, it was possible that NWE could generate its first power within five years, he said.

Mr Libby said NWE aimed to list in Australia by early next year.



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