

● Minerals may be the flavour of the month but mining industry veterans know that booms come and go. Four years ago John Libby, the founder of exploration contractor Digirock, was looking for something that was potentially as lucrative as the mining sector but less volatile.

Libby discovered that his skills as a deep exploration geologist had other uses – scouring Western Australia for the hot spots in the earth’s crust that could provide green power for the state’s new industries.

“During the last downturn I was confident that the boom would return but I needed to secure work for when the mining industry slowed,” Libby says.

His timing was impeccable. It was late 2006, the green energy movement was getting attention and government funding and he had a successful business that could fund the investment in geothermal.

He saw that WA, home to the country’s most energy-intensive industries, would struggle to meet government renewable energy targets and identified geothermal as the ideal solution.

In late 2006 he started a geothermal exploration company, New World Energy, spending half his time getting the company off the ground while also managing Digirock. Libby recruited a geologist to help him identify prospective sites. After investigating key energy markets, legislation and land access, New World energy set its sights on prospective geothermal

regions in WA, a state that might struggle to meet its renewable energy targets as more resource and processing industries are set up.

“Ideally, you want geothermal projects that are close to large markets and close to the infrastructure to deliver electricity,” Libby says.

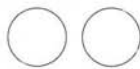
The Pilbara and the mid-west region of WA host the largest resource projects in Australia, as well as the companies that would benefit most from base-load geothermal energy.

Libby sought board members with experience in the resources sector and attracted the ex-managing director of Perth-based oil and gas exploration company Hardman Resources, Ted Ellyard, who was appointed chairman.

Hardman Resources had discovered oil and gas in Mauritania, Africa, under Ellyard’s guidance, going from a market cap of less than \$5 million to \$1.5 billion. As well as his experience, Ellyard brought with him a strong following of investors.

In 2008, tenders were opened for geothermal exploration sites in the very promising Perth Basin. Libby was well prepared, which proved critical as the global financial crisis hit and forced other geothermal hopefuls out of the running. The company moved quickly. “We were poised to put in our applications and have taken a dominant position,” Libby says.

The company acquired nine permits in the basin as well as prospective land in the Pilbara and is now the largest geothermal landholder in WA, with 30,000 square kilometres and most of the prospective areas. “If someone is going to deliver geothermal energy into the Pilbara, it’s going to be us,” Libby says. **BRW**



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Interviewer: Dan Hall

John Libby

New World Energy

Position	Managing director
Milestones	1998: Founded Perth-based Digirock
	2006: Started junior explorer New World Energy
	2008: WA government passes legislation governing geothermal exploration
	2009: New World Energy secures 30,000 sq km of permits

LIFECYCLE: **TIMING**

Geologist grabs the opportunity to find hot rocks