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Media Release

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Petratherm praises government's expanded renewable energy target

Adelaide-based geothermal energy company Petratherm (ASX: PTR) has applauded a government ruling for an expanded Renewable Energy Target (RET) for Australia.

Last week, the Council of Australian Governments (COAG) announced a landmark decision to a new RET scheme ensuring that 20 per cent of the country's electricity comes from renewable sources by 2020.

The RET scheme will be implemented through Commonwealth legislation this year, with increased annual targets commencing in 2010. The targets increase annually to reach 45,000GWh in 2020 and will now be maintained at that level to 2030.

Importantly, the RET scheme also includes an increased shortfall charge (the penalty paid by electricity retailers in lieu of renewable energy certificates) from \$40/MWh to \$65/MWh to encourage compliance.

Speaking at Paydirt's 2009 South Australian Resources and Energy Investment Conference in Adelaide this afternoon, Petratherm Managing Director Terry Kallis said he was delighted with the Australian Government's latest show of support for renewable energy and the geothermal sector.

"The Government's new RET scheme, in particular its decision to increase the renewable energy certificate penalty by \$25/MWh and extend the period to 2030, is likely to create greater certainty and improved NPV for geothermal project investment," said Mr Kallis.

"This is a significant decision by COAG and continues strong Government support for geothermal and renewable energy, which includes capital funding through the \$50 million geothermal drilling program and the \$435 million renewable energy demonstration program."

Mr Kallis said the new RET scheme could deliver a renewable energy target more than four times the size of the current Mandatory Renewable Energy Target (MRET).

"This new RET scheme is a fantastic step forward for renewable energy and the geothermal sector in Australia," he said.

"Not only will it give confidence to investors to help advance a broad range of renewable energy technologies, but it will also result in more green jobs for Australians.

"It will also help the Government achieve an estimated 30-fold increase in the renewable electricity sector by 2050 and maintain this country's reputation as one of the world's renewable energy leaders."

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