

8 August 2011

ASX Release - Joint Company Statement

GDP FUNDING MUTUALLY TERMINATED

Australian listed geothermal explorers Torrens Energy Limited (ASX:TEY), Green Rock Energy Ltd (ASX:GRK), Greenearth Energy Ltd (ASX:GER) and Hot Rock Limited (ASX:HRL) wish to advise that they have mutually executed Deeds of Termination with the Australian Government for their Geothermal Drilling Program (GDP) grant funding.

The Companies were each competitively assessed and selected through a rigorous technical and financial merit assessment. Projects span a range of geological environments and represent some of the highest quality potential geothermal development projects in Australia. Regrettably current economic conditions over the past year combined with the agreed construct of the GDP grant has limited project recipients' ability to attract project funding and thus fulfil all the requirements of their GDP grants in the timeframes stipulated.

In July 2011 the Australian government announced its Clean Energy Future package which includes a carbon price of \$23/tonne of CO₂ and \$13.2 billion in clean energy funding initiatives. The package which includes the \$10 billion Clean Energy Finance Corporation and the 3.2 billion Australian Renewable Energy Agency (ARENA) will cut pollution and drive investment in new clean energy sources, such as geothermal.

Geothermal remains the Country's only potential large scale zero-emission renewable base-load 24/7 energy source, and this has been recognised with the announcement today by the Minister for Resources and Energy, Martin Ferguson AM MP within the Australian government's *Emerging Renewables* program.

The *Emerging Renewables* program aims to reduce the costs of new technologies, improve skills across the renewable energy industry, and leverage finance from the private sector as well as state and territory governments.

The *Emerging Renewables* program will have funding of \$126 million with geothermal companies well placed to benefit from the new program design with at least one third of the total program funding expected to be available to support the development of geothermal energy in Australia.

Please find attached a copy of today's Australian Government announcement regarding its *Emerging Renewables* program

Yours sincerely



John Canaris
Managing Director
Torrens Energy



Richard Beresford
Managing Director
Green Rock Energy



Mark Miller
Managing Director
Greenearth Energy



Mark Elliott
Executive Chairman
Hot Rock Limited



MEDIA RELEASE

MARTIN FERGUSON

Minister for Resources and Energy
Minister for Tourism

8 August 2011

APPLICATIONS OPEN FOR EMERGING RENEWABLES FUNDING

The Australian Government today opened its *Emerging Renewables* program to applications from promising renewable energy technology projects such as geothermal, solar and ocean.

The *Emerging Renewables* program aims to reduce the cost of new technologies, improve skills across the renewable energy industry and leverage finance from the private sector as well as state and territory governments.

“With this program the Government is taking on an innovative design for merit-based grant programs following the Australian Centre for Renewable Energy’s (ACRE) extensive consultation with the renewable energy industry and financiers,” the Minister for Resources and Energy, Martin Ferguson AM MP, said at this morning’s launch..

“It allows a flexible approach to funding across the technology innovation chain, in line with stakeholder feedback to improve the sector’s competitiveness.

“For emerging technologies this flexibility is critical. It will help ensure government support is tailored to the needs of industry as they evolve over time, while also putting in place the appropriate safeguards for taxpayer funded investments.

“On this basis we have also increased funding by \$26 million for the *Emerging Renewables* program with funds returned from the *Geothermal Drilling Program*.

“This takes the total program funding to \$126 million. Geothermal companies will benefit from the new program design with at least one-third of the total program funding expected to be available to support geothermal energy.”

The program design is based on the independent ACRE Board’s *Strategic Directions* and provides a streamlined applications process as well as the opportunity for greater collaboration amongst applicants. It employs a continuously open application model allowing companies to submit applications as and when they need to with no arbitrary cut off dates or set funding rounds.

ACRE will administer the program until the \$3.2 billion Australian Renewable Energy Agency (ARENA) is established.

“Opening the program now is important to keep up momentum in the industry and continue providing government support for renewable energy technologies as we introduce a price on carbon and establish ARENA and the \$10 billion Clean Energy Finance Corporation,” Minister Ferguson said.

The *Emerging Renewables* program will fund promising renewable energy and enabling technologies under two categories: ACRE Projects and ACRE Measures. More information on

these categories and a copy of the *Emerging Renewables Program Information Guide for Applicants* is available at www.acre.gov.au

Minister Ferguson opened the *Emerging Renewables* program at the launch of a new rooftop solar research project, supported by a \$3.2 million Australian Solar Institute grant. The project based at the Australian National University aims to improve the efficiencies of rooftop solar by providing a cost effective, all-in-one solar energy system for heating, cooling, hot water and electricity to supply households and businesses.

“Projects such as the hybrid system launched today demonstrate that there is still a huge amount of innovation potential in solar technology for researchers and companies to develop,” Minister Ferguson said.

“They will pave the way for the next generation in solar technology, and through the Government’s Clean Energy Future package these next generation projects will have access to more support than ever before.”

Media contact: Fiona Scott – 0457 542 330