

Geothermal Update.

July 2010.

I eagerly awaited the start of the new financial year, scheduled date of the next installment in the restoration of my faith - i.e. the next quarterly report from Greenerth Energy. Was I right in abandoning my initial skepticism last December? (i.e. in suspecting that Lakes Oil had acquired the Geelong Geothermal project in order to stall it?) Should I be thinking that the \$20million in government seed funding (with a further \$80million committed if test drilling is successful), while tiny in proportion to this country's sporting budget, let alone its military one, is nevertheless symbolic of a genuine good will on behalf of both the state and federal governments? Or am I just a sucker? I'm beginning to suspect the latter, as usual.

No drilling has begun in Geelong, and the commencement of the first test drill is scheduled rather vaguely for "the second half" of this year. A one-month extension on the deadline for the actual pull-down of the \$20million from the government (\$7mil State, \$13mil Federal) has just been granted, by which time if Greenerth don't get their act together, they lose the funding. And what's more, their Chairman has just resigned - Simon Molesworth, QC. Here's what Moleswoth and the Greenerth Board said:

Mr Molesworth said today: *"In the context of elections being imminent both nationally and in Victoria, and next year in NSW, I have found the diplomacy required of me in my role as Chairman of Greenerth Energy constrains what I might otherwise be able to say to both governments and their oppositions throughout this country. I cannot remain quiet when the time to speak is now, so the longer I remain a member of the Board of Greenerth Energy, the less opportunity I will have before the elections to speak in support of the whole renewable energy and green technology sector. The time to act publicly is now, so there is no time for me personally to delay leaving my Board in this sector"*.

The Greenerth Board wishes to express its appreciation to Simon for his outstanding support of the Company overseeing its transition through the IPO process to public listing and then through its initial three year period exploring opportunities both in Australia and in Indonesia with both geothermal energy and other renewable energy technologies. Last December the Company was awarded both a \$7 million grant from the Australian Government and a \$25 million grant from the Victorian Government for its vanguard Geelong Geothermal Power Project, a project that has the potential of providing emissions-free baseload renewable power. The Company also has a 40% interest in PT Geo Power Indonesia, which is actively pursuing geothermal energy opportunities in Indonesia to service Indonesia's growing energy needs.

All seems above board I *guess*, and I'm sure we all look forward to hearing Mr Molesworth's voice on environmental issues loud and clear in the media in coming weeks and months. Like the speed with which the test drilling itself is carried out, the proof of the good will of Molesworth's words will be in the Xmas pudding due in about four months.

But the plot thickens when we turn to Gippsland, for Greenerth also hold a second Geothermal Exploration License granted by the State Government back in 2004, on the basis of geothermal surveys beginning in 1984 and continued throughout the 1980s and '90s. But no action on the

Latrobe site, extremely disappointing given that it is right next to the Desal Plant. Now there's a business venture that knows the meaning of go-go-go, as opposed to Greenerth's undeniable go-slow.

Latrobe Valley Investigation

The company has been planning a forward program to better understand the geology beneath the Latrobe Valley. The very thick brown coals in the area tend to obscure geophysical signals and makes mapping detail beneath the coals difficult. Greenerth Energy has, to date, focused on understanding heat flow and temperature at depth. The next phase is to commence mapping of the subsurface layering in this area, which is key to advancing its geothermal potential.

Greenerth Energy has devised a comprehensive program of investigation which will commence in the coming 2009-2010 permit year. However, given the Latrobe Valley's large greenhouse gas footprint and the area's potential to contain both geothermal resources and reservoirs for greenhouse gas sequestration, the company Energy regards the better characterisation of the subsurface in the Latrobe Valley area as an issue of national importance. Accordingly, Greenerth Energy will continue discussions with both the Victorian and Federal Government, universities and industry on potential collaborative efforts to accelerate this important program.

In other words, halt the Geothermal project, because it might be a good spot for Geo-sequestration of CO₂ from the LaTrobe Valley's coal-fired power stations. Hmmm.

Here we see the problem with the foolish and dangerous Geo-sequestration idea. Pumping CO₂ underground acidifies underground aquifers. The recent disastrous trial in Queensland has demonstrated this clearly. This is an unsustainable short-term solution blind to unforeseen consequences. There is simply no case for the crazy scheme of pumping pollution underground given the existence of a 100% clean green alternative readily available.

So we're back to my initial suspicion: that there is a deliberate go-slow on the establishment of a working geothermal power station in Victoria because the fossil fuel industry do not want the potential of geothermal energy demonstrated. The entire board of Greenerth are members of the Oil and Uranium industries (also being board members of Lakes Oil NL and Rum Jungle Uranium mines). How can there not be a conflict of interest here?

Perhaps this all has something to do with the odd fact that the University of Melbourne have weighed in to the debate with their new energy website:

<http://energy.unimelb.edu.au/>

The solar thermal array is a nice idea, but why build all those machines to heat the water, when we already have the pre-heated water on tap? Answer, because someone has steered your funding in that direction and away from competing with the coal mines. This is anti-competitive behavior, but worse, bad faith. Those who engineer the green veneer can fool themselves into believing that they're part of the solution. But they're not. They're part of the problem.

The odd thing is, Melbourne University seem to be proudly announcing that they are going to survey Victoria's geothermal potential. Yet that's been done over and over, and the results are publicly available. Here's their flash announcement of their proud reinvention of the wheel:

<http://www.vgar.unimelb.edu.au/>

That does explain why the Vice-Chancellor's representative on RRR made a Freudian slip on air last Sunday, when, after giving much valuable air-time to ludicrous and dangerous schemes to float mylar balloons in the outer atmosphere to deflect the Sun's rays and slow global warming, he then

accidentally mentioned Geothermal energy, suppressed himself, and went on to ask leading questions with an unconvincing "neutrality" about nuclear energy. In a previous show, Dr. Shane had said that there are "political" problems with Geothermal energy, a clear indication that he is not telling the whole story, and also a clear indication that the only neutral scientist is an unemployed scientist.

Nuclear energy can never be disentangled from the armaments industry, nor will the problem of radioactive waste go away, nor the permanent dangers of accidental explosion or terrorist attack. Could it be that the mining, nuclear and fossil fuel industries have a bit of sway at Melbourne Uni? Could this be why the Vice-Chancellor's media man, RRR's Dr. Shane Huntington, is making Freudian slips about geothermal, while plugging dangerous Geo-sequestration and nuclear "solutions"? His on-air agenda is obvious, and the reasons why he would have his position on the Vice-Chancellor's publicity committee obvious. But RRR does not disclose its budget, so we don't actually know what's going on with funding behind the RRR scenes, and can only speculate.

With the Gulf of Mexico clogged with oil for years, the time is now for Victoria to stand up and show the world that geothermal power works, and also solves dozens of problems simultaneously. When you think about it, \$20 million funding is a joke. John Brumby hands out grants like that to kindergartens. And here he has a golden opportunity to stamp his name on history along with Julia Gillard's as the people who led the world in the Geothermal technology revolution, part of the solar-wind-tidal renewables revolution about to happen. Who's stopping them? The barons who own the coal mines of course - the single biggest industry in Australia - and their friends who own the uranium mines, the oil wells, the gas fields... The people who got rid of Kevin Rudd when he tried to tax them. This is why voting Labor is no different to voting Liberal, and why the only vote that counts is Green.

The switch to renewables (and no, burning logging "rubbish" is not a "renewable energy cycle" - it's aggravating the destruction of fauna habitat with the total removal of all compost (i.e. food) from the soil - it's aggravated wanton destruction of ecosystems - which should be a huge crime, but isn't) - as I was saying, the switch to renewables will not lead to mass unemployment, it will lead to sideways movement in the mining and construction industries, a restructuring the government could easily manage with the aim of disruption minimization for all families involved. The Victorian Government could be taking a lead now rapidly being given up to China - world leaders in the technology of tomorrow. But still, we remain a coal-fired state of the past because of the short-sighted greed of the few at the top.