



MEDIA RELEASE

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FACT SHEET 4:

GEOTHERMAL EXPLORERS NOW ELIGIBLE FOR RESOURCE EXPLORATION REBATE

The Australian Government has increased its support for Australia's geothermal industry.

This support is reflected in the new resource exploration rebate that was announced by the Government in response to the Henry Tax Review.

In a huge boost for geothermal explorers, their exploration expenditure will be eligible for the resource exploration rebate for exploration undertaken in Australia.

The rebate, to operate within the company income tax system from 1 July 2011, will provide companies with a refundable tax offset at the company tax rate for their exploration expenditure.

For a company in a tax loss position that spends \$1 million on exploration, the resource exploration rebate will provide an immediate cash benefit of \$300,000.

This support for the geothermal sector, in addition to existing support provided through competitive grant programs, is designed to further stimulate investment in this important clean energy sector and drive down its costs.

The support for the geothermal sector through the resource exploration rebate comes on top of existing Government support through the Renewable Energy Demonstration Program and the Geothermal Drilling Program.

The Australian Government has now committed more than \$200 million to accelerate geothermal energy technology development, demonstration and deployment in Australia, leveraging a total investment in excess of \$720 million.

The Government's investment includes \$50 million for seven geothermal drilling projects to support "proof of concept" for both hot-rocks and hot sedimentary aquifer resources and more than \$150 million supporting the demonstration of two geothermal electricity generation projects.

The Government is supporting clean energy technologies through the expanded \$5.1 billion Clean Energy Initiative and the 20 per cent by 2020 Renewable Energy Target as key planks of its response to climate change.

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