

Media Release

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NSW LINK TO AUSTRALIA'S FIRST CARBON DIOXIDE STORAGE PROJECT IN SOUTHERN HEMISPHERE

The first carbon dioxide storage or geosequestration project in the southern hemisphere was launched today by the Federal Minister for Resources and Energy, Martin Ferguson, joined by the Victorian Minister for Energy and Resources, Peter Batchelor.

Speaking in Sydney, *CO2CRC Chief Scientist, Professor John Kaldi, said there was a strong NSW link to the Victorian-based CO2CRC research and demonstration project.

“All the economic modeling for the project was conducted by our researchers in NSW.

“It is our research activities in NSW as well as Victoria, SA, WA and Queensland that have put this country at the forefront of international CCS research, development and deployment.”

Geosequestration is a low-emission technology that has the potential to significantly reduce greenhouse gas emissions from the burning of fossil fuels, such as oil, gas and coal.

Professor Kaldi's NSW research team is collaborating with the NSW Department of Primary Industries in conducting an assessment of carbon dioxide storage sites in NSW.

“Our research effort currently is on the Gunnedah and Sydney (sedimentary) Basins. Very little is known as this stage about NSW storage capacity. A more concentrated and in-depth research effort is needed to identify these sites.

“Geosequestration technology is essentially an offshoot of the petroleum and gas industry so more is known about storage sites in States with a high level of oil and gas industry activity,” Professor Kaldi said.

According to the CO2CRC Chief Executive, Dr Peter Cook, the CO2CRC Otway Project is one of the most innovative greenhouse projects ever undertaken in Australia and one of the most comprehensive in the world to demonstrate geosequestration at a commercially significant scale.

“An outstanding example of innovation, the CO2CRC has taken carbon capture and storage (CCS) from concept to reality in 10 short years,” Dr Cook said.

“The CO2CRC Otway Project is one of the few projects currently underway around the world (<http://www.co2crc.com.au/demo/worldprojects.html>) to safely and securely store carbon dioxide, the most abundant greenhouse gas after water vapour. There s a need for many more projects of this type and at a larger scale.

“The launch of the project has a very important role in demonstrating the technical and environmental feasibility of geosequestration to Australia and the world and preparing the way for its widespread application.

“The Project involves compressing and transporting 100,000 tonnes of carbon dioxide and then sequestering it in a depleted natural gas reservoir two kilometres below the Earth’s surface.

“A key feature of the Project is that it is one of the world’s most comprehensive subsurface carbon dioxide monitoring programs http://www.co2crc.com.au/dls/factsheets/CO2CRC_FactSheet_07.pdf ever undertaken, and it was designed, developed and implemented by CO2CRC researchers from Australia, New Zealand, the USA and Canada.

“Using an innovative geotechnical monitoring program, the CO2CRC Otway Project plays an important role in demonstrating the safety of geosequestration technology to communities, industry and governments world-wide.”

Dr Cook said CO2CRC research and demonstration activities in both the capture and storage of carbon dioxide have put this country at the forefront of international CCS research, development and deployment.

“In addition to demonstrating the deep geological storage of carbon dioxide through the CO2CRC Otway Project, CO2CRC is also a national leader in the research and demonstration of carbon dioxide capture technologies. It is operating two projects http://www.co2crc.com.au/dls/media/07/HRL_vic_funding_10april.pdf http://www.co2crc.com.au/dls/media/07/LV_PCC_project_mediarel.pdf supported by the Victorian Government’s Energy Technology Innovation Strategy Brown Coal R&D Grants Program,” Dr Cook said.

“The CO2CRC Otway Project demonstrates the great advantages of collaborative research – a key initiative of the Federal Government’s CRC Programme.

“Another Project innovation was the establishment of one of the world’s first carbon capture and storage companies, CO2CRC Pilot Project Ltd, which was set up specifically to manage the operations of the Otway Project on behalf of CO2CRC.

“CO2CRC has for the past 10 years led and will continue to lead the way in identifying suitable carbon dioxide storage sites in Australia. The Federal Government’s program to map and test suitable large-scale storage sites in Australia under the National Clean Coal Fund complements CO2CRC research program that started in 1998,” Dr Cook said.

Geosequestration, along with renewable energy, switching to less carbon-intensive fuels, and energy efficiency, offers the best solution for addressing the issues of global warming.

*CO2CRC collaborates with leading international and national geosequestration experts to conduct world-class research into geosequestration or carbon capture and storage. Organisations participating in CO2CRC research include CSIRO, Geoscience Australia and the Universities of Adelaide, Curtin, Melbourne, Monash and NSW; the Alberta Research Council in Canada and the US Lawrence Berkeley National Laboratory. Industry and State core partners supporting CO2CRC are ACARP, Anglo American, BHP Billiton, BP, Chevron, ConocoPhillips, KIGAM, NSW Department of Primary Industries, NZ Resource Consortium, Rio Tinto, Schlumberger, Shell, Foundation for Research Science and Technology (NZ), Solid Energy, Stanwell, the Victorian Department of Primary Industries, WA Department of Industry and Resources, Woodside and Xstrata. CO2CRC is supported through the Australian Government’s CRC Programme.

Further information:

Please see fact sheets below and attached on the Otway Project and its monitoring program and go to the CO2CRC website at www.co2crc.com.au

To arrange interviews on the CO2CRC Otway Project, please contact Carmel Anderson, 0418 461 250.

ACHIEVEMENTS OF THE CO2CRC OTWAY PROJECT

- CO2CRC is conducting Australia's first demonstration of geological storage and is leading two other projects to demonstrate carbon dioxide capture.
- CO2CRC is demonstrating that CCS has great potential for enabling Australia to make deep emission cuts from major stationary sources, such as power stations.
- Through the Otway Project, CO2CRC has profoundly influenced government regulations in regard to CCS. Existing State regulations in regard to the Petroleum Act, the Pipelines Act and Planning both at local and State levels were reviewed and amended to accommodate carbon dioxide storage. This leads the way for future large-scale CCS projects in Victoria and other States.
- CO2CRC has profoundly influenced government policy, leading to various national and international initiatives (by industry and government) including proposals for other demonstration projects.
- Proposals for several billion dollars worth of clean energy developments in Victoria, WA, NSW and Qld have been put forward based on CO2CRC findings.
- Internationally, CO2CRC has made significant contributions to the development of the Intergovernmental Panel on Climate Change (IPCC) position on CCS, and the IPCC Special Volume on CCS.
- The Government is investing \$500 million for a National Clean Coal Fund, which offers significant recognition of the work conducted by CO2CRC and offers the prospect of further Federal Government support and funding for the CRC's clean coal carbon capture and storage research programs.
- CO2CRC has for the past 10 years led and will continue to lead the way in identifying suitable carbon dioxide storage sites in Australia. The Federal Government's program to map and test suitable large-scale storage sites in Australia complements CO2CRC research programs that first started in 1998.
- CO2CRC research and demonstration activities have put this country at the forefront of international CCS research, development and deployment.
- CO2CRC is an exemplar of public-private partnership. The Otway Project shows how public benefit and private good can come together to achieve an outstanding result for the country.
- The work of CO2CRC is extremely important to Australia's present and future energy security.
- CO2CRC is and will continue to be a leading agency in developing, demonstrating and deploying clean coal and clean fossil energy for a long time to come.