

## Australian Government awards \$10 million to Licella, Muradel as accelerator towards commercial scale

Jim Lane

### Algae, drop-in fuels get a kick-start from \$3.2 billion ARENA funds

In Australia, two key projects focused on algae biofuels and drop-in fuels from wood biomass and residues took major steps forwards with an [Australian Government investment of \\$10.0 million](#), through the Australian Renewable Energy Agency's (ARENA) Advanced Biofuels Investment Readiness Program.



The Minister for Resources and Energy, the Hon. Martin Ferguson, announced \$5.5 million for Licella to assess the feasibility of constructing its first pre-commercial biofuel plant; and \$4.5 million for Muradel to demonstrate its algal biofuel technology. Both projects are expected to be completed by the end of 2014.

"Australia has a chance to capitalise on a number of competitive advantages, such as our abundant sunshine and climate, to build an advanced biofuels industry that will help diversify our liquid fuel sources and reduce greenhouse gas emissions," Minister Ferguson said.

"Following earlier Australian Government support, ARENA is making these investments after seeing both of the home-grown companies prove the potential of their advanced biofuel technologies," Ferguson added. "The new investments are expected to take the local industry forward by creating the next step in the commercialisation pathway for these advanced biofuel technologies."

### More about Muradel

Muradel will use ARENA's \$4.5 million investment in a \$10.9 million project up scaling its marine algal production and harvesting technology from pilot to demonstration size near Whyalla, South Australia. The technology has the potential to become sustainable "green crude" for the existing petroleum industry and to provide fuel for aviation.

"If this project proves the technology's commercial viability, Muradel will be in the position to build Australia's first commercial algae-to-biofuels plant that will offer regional employment opportunities and increase Australia's fuel security," Minister Ferguson remarked.

Muradel has been operating a pilot plant near Karratha, WA, that has been used to develop sustainable biofuel processing technology in line with Australia's aim to reduce carbon emissions. The pilot plant has been operated continuously over 2 years to test the carbon neutral technology developed by the Company's partners to grow and then concentrate the microalgae which will be converted to 'green' crude oil. The secret to Muradel's technology is the exploitation of a tiny non-invasive, naturally occurring and highly productive marine microalgae that can be readily concentrated and turned into oil.

The Whyalla City Council has been an engaged and pro-active partner in the development of Muradel's plans for its demonstration plant and earlier this year agreed to lease an area of Council land for the project.

Muradel is an Australian joint venture between Murdoch University, the University of Adelaide and SQC,

the latter linked to Aban Australia , the principal source of private funding to date.

## More on the Licella project

Licella, which opened its Australian Government supported Commercial Demonstration Plant in 2011, will use the \$5.5 million of ARENA funding to undertake a \$8.4 million feasibility study into the construction of its first pre-commercial biofuels plant. If constructed, it is estimated that the plant could produce 125,000 barrels of Bio-Crude per annum, which could be used as a drop in fuel for the aviation industry.

A key part of the feasibility study will be focused on site selection for a first commercial plant.

“Technologies such Licella’s, which will produce a ‘drop-in’ alternative to fossil based crude oil, have the potential to directly displace traditional high-emission fuels. It’s promising to see this company take steps to move from a successful demonstration program into the commercialisation space,” Minister Ferguson said.

## More about ARENA

ARENA is a \$3.3 billion Australian Government commitment to improve the competitiveness of renewable energy technologies and increase the supply of renewable energy in Australia. It is part of the Government’s Clean Energy Future package.

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