

Woodside drops hot rocks

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ALTERNATIVE energy group Geodynamics lost cornerstone investor Woodside Petroleum yesterday.

Woodside, a gas and oil business, offloaded all \$17.3 million of its holdings in Geodynamics, which is trying to tap "geothermal" power from underground hot rocks.

"We just believe it's more important for us to concentrate on our core business," a Woodside spokesman said.

It has also trimmed stakes in Ceramic Fuel Cells.

Woodside said it was not giving up on alternative energy, arguing its core business included liquified natural gas which would contribute to combating climate change.

Woodside's entire 11,554,503 Geodynamics shares sold at \$1.50 each.

That's below highs of \$2.27 reached in May 2005.

The stake represented 6.2 per cent of Geodynamics, although Woodside held 32 per cent when the green energy hopeful listed in 2002. Geodynamics has recently made progress but its history has included drilling problems and missed forecasts.

While Woodside is departing, Geodynamics recently announced Sentient and Sunsuper would come on board as investors with an 11.8 per cent stake.

Its shares closed down 7.5 at \$1.68 yesterday.

The Federal Government recently deferred funding for drilling projects in the sector, but it is in talks to possibly alter this.