

APPEA conference: Biofuels can only make a small contribution

From the APPEA conference in Queensland:

[from ABC rural] A transport expert says although biofuels and ethanol may help in the long term, nothing can stop oil prices hitting highs of \$US100 a barrel.

David Lamb, who heads the Energy Flagship of the CSIRO, says there is no way production of any alternative fuels can match more than about 1 per cent of our energy needs

His concern comes as a world expert on energy markets, Claude Mandil, warns that with strong demand and falling supplies, oil prices could eventually rise above \$US100 a barrel.

Mr Lamb says without any alternative fuels, cutting consumption is the only option. "By 2011 our Government's plan is to be producing 350 million litres of ethanol per year but that's only about 1 per cent of the amount of oil we use so that's no solution by 2011," he said.

"And biofuels are certainly a part of the solution but it will take a long time, like several years, to be able to crank up to the level where you can even talk about a significant proportion of Australia's oil use."