

AltaRock Energy Receives Notification of Grant Award from Department of Energy

Sausalito, CA (October 30, 2009) AltaRock Energy, Inc. received notification yesterday from the U.S. Department of Energy that its grant applications for exploration and demonstration projects were selected for negotiation and finalization of grant awards under The American Recovery and Reinvestment Act of 2009 (aka “Stimulus Bill”).

The demonstration project grant application, for \$24,999,530 is to demonstrate an Engineered Geothermal System (EGS) at the Newberry Geothermal Resource Area in Oregon. This demonstration project is in partnership with Davenport Power, the operator of the Newberry site.

The exploration grant application, for \$1,450,000 is to develop exploration methods for identifying EGS drilling targets more efficiently.

“We are honored to have been selected to receive funding for work at Newberry and for EGS exploration techniques and look forward to the promise these developments hold for expanding America’s renewable energy options” said AltaRock CEO Donald O’Shei. “The Department of Energy, through programs like this, is helping to solve the nation’s energy challenges and to ensure its future economic prosperity.”

“AltaRock, founded in Seattle, is on the cutting edge of engineered geothermal energy and I’m extraordinarily pleased the Department of Energy is making a commitment,” said Rep. Jay Inslee (D-Wash). “This exciting technology presents us with the opportunity to expand geothermal energy production beyond traditional areas and thus make it available to more consumers. Investment will allow new testing, research and expansion of the technology, which has the potential to become an inexpensive, self regenerating, and CO2 free source of energy. With the work of AltaRock and others, the Pacific Northwest will remain at the vanguard of clean energy development.”

About Engineered Geothermal Systems

Geothermal energy is clean, renewable energy that offsets CO2 emissions of electricity generated from fossil fuels such as coal and natural gas. Typically geothermal plants generate electricity 24 hours a day, seven days a week.

Emerging EGS technology has the potential to facilitate geothermal development in areas across the country that do not have conventional geothermal resources. EGS also has the potential to reduce the "dry hole" risk associated with conventional hydrothermal development, which requires locating existing fractures containing high flows of hot water.

EGS projects produce electricity using heat extracted through engineered fluid flow paths in hot rock. In the first portion of the EGS power generation cycle, a fractured reservoir is created at a depth where the rock is hot. Water is continuously injected down a well into

the engineered fractures that then heat up the water as it flows through. The water is then brought to the surface via production wells, and its heat is extracted to generate electricity in power plants. Finally, the water, depleted of its heat, is re-injected to be heated again.

About AltaRock Energy Inc.

AltaRock Energy is a renewable energy development company focused on the research and development of Engineered Geothermal Systems. Its principals include Don O'Shei, Chief Executive Officer, and Susan Petty, President/Chief Technology Officer and an AltaRock Energy founder. The company has its corporate headquarters in Sausalito, Calif., and its technology development office in Seattle, Wash.

For More Information

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