

AltaRock Energy and Davenport Newberry to Demonstrate Innovative Geothermal Technology

Project Co-Funded by U.S. Department of Energy and Supported by Local, Regional and National Partners to Be Monitored by Public-Sector Officials

BEND, OREGON – June 8, 2010 – AltaRock Energy (www.altarockenergy.com), a renewable energy development company focused on the research and development of Enhanced Geothermal Systems (EGS), and Davenport Newberry (www.newberrygeothermal.com), which specializes in the development and management of geothermal opportunities, announced plans today to conduct a demonstration of EGS technology as part of the U.S. Department of Energy's Geothermal Technology Program (www1.eere.energy.gov/geothermal/) at a site located near Bend, Oregon.

The purpose of this project is to create geothermal reservoirs and extract heat from the earth in locations where high temperatures can be reached by conventional drilling techniques – in an effort to advance geothermal energy's promise and potential in the U.S.

The demonstration will take place on an existing Federal lease located outside the Newberry National Volcanic Monument, about 30 miles south of Bend. Leases located outside the Monument boundary were designated for geothermal use by a committee that included representatives of the community, environmental groups, government and the geothermal industry. This committee helped draft the legislation that was adopted in the Congressional process that established the Newberry National Volcanic Monument and adjacent geothermal leases.

Funded by a recent \$21.45 million American Reinvestment and Recovery Act grant through the U.S. Department of Energy and \$22.36 million from the AltaRock-Davenport partnership, the project will also benefit from the research efforts of faculty and students at the University of Oregon, University of Utah, Lawrence Berkeley National Laboratory, Texas A&M, Temple University, and scientists from the U.S. Geological Survey.

The U.S. Bureau of Land Management, the U.S. Forest Service, the U.S. Department of Energy, and Oregon state officials will review all plans and issue applicable permits only when satisfied that the Newberry project complies with strict standards. These public-sector entities will also continue to monitor all aspects of the project as it progresses.

"The Newberry project is subject to strict regulatory agency approval and will meet the requirements of the National Environmental Policy Act," says Will Osborn, Project Manager for AltaRock Energy.

Adds Doug Perry, President at Davenport Newberry, "We see this project as a true public-private collaboration, and we welcome input from government officials and community members. We seek nothing less than an ongoing 360-degree conversation with all parties. In addition, we've studied the science, refined the technology, and listened attentively to the community; we've also tried to use and deploy thoughtful planning and control systems."

The U.S. Department of Energy describes EGS as extracting heat from the earth by creating a subsurface fracture system and circulating water through these fractures using deep well bores. Creating an EGS reservoir requires improving the natural permeability of rock. Rock is permeable due to the presence of minute fractures or pore spaces. Water pumped into deep injection wells is heated by contact with the rock and returns to the surface through production wells, similar to naturally occurring geothermal systems.

Geothermal energy is proven and has tremendous upside. It has been generating electricity for nearly 50 years in the U.S., and more than 100 years around the world – in Europe, Japan and Australia. EGS is an extension of this original technology, and it can further increase the reach of geothermal power generation.

A 2007 study led by the Massachusetts Institute of Technology estimated that with suitable investments and improvements to existing technology, EGS could supply up to 10 percent of America's electricity needs within 50 years at prices competitive with fossil-fuel fired generation, but with very low greenhouse gas emissions.

Many supporters recognize that geothermal energy is one of the few baseload renewable power sources available. And there is great support for geothermal technology and a new energy economy, both in the U.S. and around the world.

For further details and additional background about the project, please go to www.newberrygeothermal.com/press/QandA.pdf.

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