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## News Release

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### **Davenport Newberry and AltaRock Energy Receive Key Approval for the Newberry Enhanced Geothermal Systems Demonstration Project**

*Milestone initiates Phase II of the project, which will test a new technology for developing geothermal power at Newberry and elsewhere*

**Bend, Ore. - April 9, 2012** – Newberry EGS, a joint venture of Davenport Newberry and AltaRock Energy, today announced that the Newberry Enhanced Geothermal Systems (EGS) Demonstration project has undergone a formal Environmental Assessment under the National Environmental Policy Act (NEPA) and the Bureau of Land Management (BLM) and the U.S. Department of Energy have reached a Finding of No Significant Impact (FONSI) <http://www.blm.gov/or/districts/prineville/plans/newberryegs/>. This milestone signifies that the Newberry Demonstration was subject to strict regulatory agency approval and has met the requirements of NEPA. Obtaining the FONSI decision was a necessary step for proceeding with Phase II of the project.

Located in the Deschutes National Forest in central Oregon, the purpose of the Newberry EGS project is to demonstrate AltaRock's new technology designed to lower the cost of EGS, and thus allow economic extraction of heat from the earth in locations where high temperatures can be reached by conventional drilling techniques. Successful completion of the Demonstration will provide an exciting path forward to maximize the potential for geothermal energy development in the U.S. In issuing a FONSI, the regulatory agencies determined the project will not significantly affect the quality of the human or natural environment.

"Securing this authorization is a critical achievement for the Newberry EGS team having met national environmental policy and goals for the protection, maintenance and enhancement of the environment," said Doug Perry, president and CEO of Davenport Newberry. "We are impressed with the BLM, Forest Service and Department of Energy's efforts in conducting a comprehensive review and pleased with their ultimate approval. I am grateful to everyone who worked to reach this goal and look forward to implementing Phase II of the project."

"Geothermal energy has the potential to meet a large share of our nation's energy needs if we can demonstrate that we now have the technology to bring the price of EGS in line with existing utility rates," said Susan Petty, president and founder of AltaRock Energy. "The Newberry EGS Demonstration will show that EGS can be an economically viable source of broad-scale 24/7 baseload renewable energy."

The first phase of the Newberry EGS Project involving planning for the well stimulation, environmental studies and public outreach, recently reached completion. Key participants with AltaRock in the execution of Phase I included federal agencies (Bureau of Land Management, Forest Service, and Dept. of Energy), state agencies (Oregon Depts. of Geology and Mineral Industries, Environmental Quality, and Water Resources), government scientific labs (US Geological Survey and Lawrence Berkeley, Lawrence Livermore, Los Alamos, and Sandia National Laboratories), universities (Oregon State, Temple, and Texas A&M), and Davenport Newberry, the well and geothermal lease owner.

In Phase II of the Newberry EGS Demonstration, water will be injected into an existing hot well to create multiple reservoirs of connected cracks 6,500-11,000 feet below ground. Prior to the injection of water, an array of sensitive seismometers will be installed on the surface and in bore-holes for real-time monitoring of the EGS stimulation. Hydrologic monitoring will also be conducted during and after stimulation. Once the reservoirs are created, production wells will be drilled to intersect the stimulated fractures and flow tests will be conducted to evaluate the potential for using the EGS reservoirs as heat exchangers to produce electricity in the future. Phase II of the project is expected to be completed in 2014.

**About Davenport Newberry and AltaRock Energy**

The Newberry Volcano EGS Demonstration is partially supported by the Department of Energy under Award Number DE-EE0002777, with \$21.4 million in grant funds from the Department of Energy to AltaRock Energy matched by an additional \$22.4 million from the AltaRock-Davenport partnership. The project is also benefitting from the research efforts of faculty and students at the Oregon State University, the University of Utah, Lawrence Berkeley National Laboratory, Texas A&M, and Temple University.

AltaRock Energy ([www.altarockenergy.com](http://www.altarockenergy.com)) is a renewable energy technology company focused on the research and development of Enhanced Geothermal Systems (EGS).

Davenport Newberry specializes in the development and management of geothermal opportunities.

Further information and updates about the Demonstration can be found on the project's Blog ([blog.newberrygeothermal.com/](http://blog.newberrygeothermal.com/)) and on Facebook ([www.facebook.com/NewberryEGS](http://www.facebook.com/NewberryEGS)).

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