

“NEWBERRY GEOTHERMAL NEWS” *September, 2008*

Newberry Geothermal Project Update

Davenport Power, Operator of the Newberry Geothermal Project, is leading an effort to explore for geothermal resource areas on the western flank of Newberry Volcano. We ultimately hope to develop a power plant facility on this site utilizing geothermal energy - heat from the earth that provides a renewable, continuous energy resource and is a clean and reliable alternative to fossil fuel.

Last April, we started drilling the first of a series of exploratory test wells to explore potential geothermal resource areas to find the right combination of heat and water.

If our exploratory drilling program is successful and a favorable commercial resource is found, then development of power facilities could occur. In that case, our next steps would involve rigorous processes to obtain federal and state environmental approvals and permits for development of a power plant that will use geothermal energy to generate electricity.

Exploratory Wells

As we reported earlier, three well pad locations have been approved by the Bureau of Land Management (BLM) and the Forest Service. Well pads have been prepared and exploratory wells now are being drilled on these pads in accordance with permits and oversight by the State of Oregon and the BLM. The well pads and wells are located on federal geothermal leases held by the Project, located about 25 miles south of Bend and west of the Newberry National Volcanic Monument.

Drilling of Exploration Well #1 was completed on July 12, 2008 at a depth of 10,060 feet. While this well encountered high temperatures and some fractures, the underground rock formations did not contain significant quantities of water or steam. Davenport Power will continue to study this well and use the geologic and scientific data throughout the exploratory drilling program.

Following completion of Exploration Well #1, we moved the drilling rig approximately two miles north to a second well pad. Drilling of the second exploration well began August 11, 2008. At the present time, Exploration Well #2 has been drilled to a depth of about 4,700 feet—less than half way to the expected total depth.

Safety is of primary concern to Davenport Power and the Project. This extends not only to the way activities are conducted at the Project site, but also to all aspects of our planning and design as well as to regulatory review and inspection processes.

Oregon Department of Energy Announces Information Meeting

There are a number of permits and government approvals which the Newberry Geothermal Project is required to obtain throughout all phases of exploration, development, and plant

operation. One of the major environmental and regulatory approvals involves acquiring a Site Certificate from the Oregon Energy Facility Siting Council. Davenport Power initiated the process with the Oregon Department of Energy in July 2008 by submitting a "Notice of Intent" to apply for a Site Certificate for our proposed Project.

Under State of Oregon regulations, the Oregon Energy Facility Siting Council must hold an early public information meeting after receiving a Notice of Intent. That meeting will occur on September 18, 2008 in Bend, at 7 p.m. in the Barnes Room at the Deschutes County Service Center at 1300 NW Wall Street. The purpose of the meeting is to provide the public with information about the proposed Newberry Geothermal Project and the Site Certificate process. This meeting will provide an opportunity for the public to informally ask questions and give comments about the proposed Project at a very early stage in the process. Public comments are helpful for Davenport Power and the State of Oregon to help identify information to include in the Site Certificate application. A formal public hearing will be scheduled by the Department of Energy much later in the process, after they have reviewed the completed application and issued a Draft Proposed Order. The public can also comment on the Notice of Intent by sending written comments to the State of Oregon by September 30, 2008. More information can be found at the [Oregon State Website](#), or by contacting John White, Project Officer, at Oregon Department of Energy, at 625 Marion Street NE, Salem, OR 97301-3742, by telephone at 503-378-3742, or by email at john.white@state.or.us.

The BLM and Forest Service will have a separate Environmental Impact Statement process to analyze the Project under the federal National Environmental Policy Act. This has not yet been initiated and more information will be announced later.

Mailing List Changes and Information Requests

If you wish to update your contact information or be removed from our mailing list, please respond to this email with your requests or revised information.

For additional information on [Davenport Power](#) or the [Newberry Geothermal Project](#), visit us online or call our Bend office at 541-323-1190.

Thank you for your interest in the Newberry Geothermal Project and renewable energy!

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