

SPECIAL POINTS OF INTEREST:

- **GRC Annual Meeting Success!**
- **Website Makeover**
- **Tecton Geologic**
- **Working with Tongs**
- **Tracking Brophy**
- **Action in Arbuckle!**

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Geothermal Energy 2008 Conference and Expo

The Geothermal Energy 2008 Conference and Expo was held at the Peppermill Hotel in Reno, Nevada this year, October 5-8.

There were over 1600 attendees registered for this year's conference and expo, which was more than a 40% increase from last year. "This was the largest show we've ever had," said Paul Brophy, GRC President, "A true sign of the reemergence of this industry."

ThermaSource expected this large audience and knew that there would be no better stage to showcase all of the company's growth. For the first time, ThermaSource publically advertised their turn-

key geothermal services under one company.

In the center of a 20'x20' floor space was a 6'x6' room that stood over 15 feet in the air. Towering over all the other exhibits, the ThermaSource booth could be seen from anywhere in the room. On top of that, the panels on each wall of the room had floor to ceiling graphics for each service partner.

To tie it all together, two, 40" plasma televisions showcased Rig 105's Hot Liner, and a Power-Point/Slide Show summarizing

each company within ThermaSource.

Patrick Hanson and Caity Johnson worked together, designing the best booth that could showcase ThermaSource's skilled services.

The icing on the cake was when ThermaSource won the Audience's Choice Award for Best in Show (booth). More pictures (p. 4)



Visit the New ThermaSource Website!

The new ThermaSource website is an example of our growth. For the first time since ThermaSource received private equity financing, our website reflects TSI's industry reputation; Geothermal expertise and thought leadership.

From the press releases on the home page to driving directions on the contact page, you will see vast improvements with user-interactivity, current information, and the overall ThermaSource image.

For example, click on Projects in the top main navigation. You will see a Google Map of the United States. On the map are green rig icons. Each rig is positioned



based on the exact latitude and longitude of the drilling location. Click on a rig icon and you should see the name of the project. **TIP:** Try zooming in!

Below the map you will see a list of all the projects. Click on any of them to expand and display more information regarding the

project. You can do this for Past Projects and Reservoir Engineering Projects by clicking those tabs on the right hand sub-navigation.

Another great feature is our ThermaSource Community section under the Press Tab. This section is a blog-like information board for all to see, that highlights some of the recent news and events that are happening within the company. Some recent posts include the success of the first ThermaSource Cementing project, and ThermaSource Wins Best in Show at the GRC Annual Convention.

Go to: www.thermasource.com to see all the new features!



Rig 105 Thermal Single, running first hot liner.

Around the Rigs

Rig 101 Blue Mountain, NV. 7 more wells.

Rig 102 Cal Energy at Niland. 2 workovers.

Rig 103 Spudding Shoshone Nation well in Brigham City, Utah.

Rig 104 Moving to Dixie Valley, NV

Rig 105 Completing Francisco well, then moving to new project.

Rig 106 Drilling for Navy, in El Centro.

Rig 107 In Odessa, TX. Rig to be completed end of October then moved to El Centro – 4 wells.

Rig 108 Geysers. Completing Coleman 8-5 well. Will skid back & do two workovers (C 7 -5 & C 6-5) then to Francisco for new well (F 8-5).

Rig 109, Being completed in Odessa, TX, by MD Cowan. Hope to ship by end of October to Brigham City, Utah.

NCPA Rig 1, At Western Geothermal. Working on its 3rd well.

Sierra Lynx Rig 1, Drilling new hole.

Thank you to our rig crews for all their hard work!



Rig 105, Running Hot Liner

A Message from HR: *Bill Gittins, VP of HR*



Bill Gittins, VP Human Resources

We will shortly begin our annual employee open enrollment period for our company benefit package, including benefits such as our medi-

cal, dental, life and vision plans. We have retained the medical and dental plans with some positive changes in benefits. We have upgraded our vision plan to a plan referred to as "VSP." We have added a new plan where employees will be able to contribute monies on a pre-tax basis for medical and drug costs not covered by our plans and for dependent childcare. This plan will reduce taxes owed by participating employees.

Recent benefit surveys indicate that during this past year U.S. health insurance premiums have risen anywhere from 10 to 25 percent! Additionally, many companies have shifted an additional share of this cost to their employees.

In our case, while we find a few ThermaSource employees will be affected by an increase in dependent coverage premiums, some employees will actually find their dependent premium payments going down.

ThermaSource will continue to pay 100% of the employee premium rather than have employees share in this cost.

During the week of October 13th, you should have received an open enrollment packet at your home. Please read through it immediately. To enhance communications with all employees we will be scheduling meetings for field employees when they are not working so we can personally discuss the plans and provide assistance in completing any paperwork. These meetings will be held in Bakersfield, Brawley, Cobb, Santa Rosa, and Yuba City. Lunch will be provided. The dates and times of these meetings will be communicated to you in your open enrollment package. For those of you living outside of California, or for those who cannot

make one of the meetings, we will be available to discuss these plans and your options with you over the phone.

Please feel free to call Jojo Blancaflor, Warren Eik or Bill Gittins (707-523-2960) at any time with any questions related to this topic or any other subject you would like to discuss.

New Additions to Our Team

Please welcome several key employees to our team.

Mike Roach
Operations Manager,
Latin America

Gayle Detillion,
Executive Assistant, EGS, Inc.

Other News

ThermaSource Cementing has completed their first Cementing job for Ormat, in Buffalo Valley, NV. CONGRATULATIONS!

"Winning the 'Best in Show' at the GRC is a testament to all ThermaSource employees and their hard work that let us display such an exhibit that represents our growth."
Patrick Hanson

Operations Update



Jim Hanson,
Executive VP,
Operations

Each Newsletter will feature a brief update from a ThermaSource Executive. Our first edition included an update from our CEO, Lou Capuano, Jr.

ThermaSource Welcomes Tecton Geologic

With the completion of the acquisition of Tecton on September 2, 2008, ThermaSource is now a full service Geothermal Company. Tecton Geologic had their highest earned revenue in September 2008,

with eight units fully operating.

Since the acquisition, we have hired four additional geologists with four more on the horizon for the mud logging operation.

Tecton Geologic has more plans for growth, by filling several key positions, such as an IT Manager and other Administrative personnel. This will help Tecton continue to grow.

We are currently meeting with contractors to build seven new mud logging and abatement units. Alan Frazer's team has been welcomed into the ThermaSource family of companies and we look forward to continued growth and success.

These are exciting times at ThermaSource, with renewable energy being one of the few bright spots in our economy. Our investors have encouraged us to continue growing and building our business.

We are proud to be a part of the geothermal industry and its rampant growth and are proud of the experienced employees we have representing ThermaSource.

On a closing note, ThermaSource Cementing successfully completed their first job for Ormat. This was the infamous "first job test" and we passed with flying colors. The momentum is on our side, and we have more cementing jobs lining up as we speak. Thank you everyone for all your hard work.

"Tecton Geologic had their highest earned revenue in September 2008, with eight units fully operating."

Safety Information

As stated in our initial newsletter, your Environmental Health & Safety (EH&S) Department will utilize this monthly platform to convey meaningful and current information.

It is important for many reasons, that TSI employees report any incident or injury to their supervisor **immediately**. We need to know when an incident occurs so we can make sure you receive proper medical attention and so we can correct any unsafe situations to protect both you and others in the future. ThermaSource does NOT conceal incidents or on the job injuries. We do not want you to conceal them either. We want to know when injuries happen.

Over the last two years ThermaSource drilling rigs have trended a higher percentage of incidents due to the use of manual tongs. As many of you already know the most common injuries from manual tongs include hand injuries. Listed below are some key elements to remember when working Tongs:

Regular Inspection & Maintenance:

- Clean Tong Dies and Inspect for cracks, chips, and/or uneven wear daily.
- Use a Tong Die Drive to change any Tong Dies with appropriate PPE (Safety Glasses, Face Shield, Gloves, and Leather Jacket to cover Torso and Arms.)
- Inspect the pins on the Tong Jaws for play, wear, mushrooms, cracks, broken zerks, lubrication, and keepers.
- Inspect the clevises that fasten the snub line to the Tong and ensure that keepers are in place.
- Inspect the snub line and the cathead cable for kinks, broken wires, and excessive wear.

Proper Hand and Body Placement:

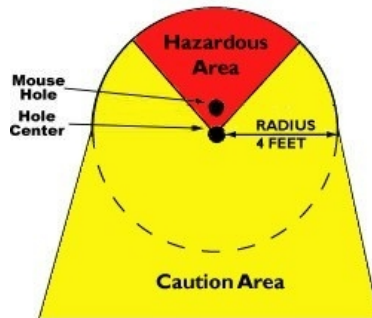
- Keeps hands away from incoming Tongs and the Stump.
- Use supplied Tong Handles and avoid placing hands and

fingers on top of Tongs.

- Keep hands off of Hanging Arms.
- Keep body out of Swing Radius of the Arm of the Tongs as shown in the supplied diagram.

Regular Maintenance and Inspection of Manual Tongs and all the related components along with safe work practices can help eliminate hazards associated with Manual Tongs and ensure each employee is kept out of harms way.

Drilling Rig Floor Hazardous Area Layout Tong Swing Radius



Where in the World is Paul Brophy?



**Paul Brophy,
President, EGS**

Since March of 2008, Paul Brophy, Geologist extraordinaire, has travelled from San Francisco to Bali, Prague, Moscow, Reykjavik and even a trip or two to New York. He's attended

Board meetings, presented papers, participated in workshops and has also managed to inspect a couple of sites for geothermal potential. In general, Paul has been singing the praises of geothermal energy and bringing the name EGS, Inc. / ThermaSource Inc. to the forefront. Paul has three more trips planned before the end of 2008, which

will take him from Panama and the Caribbean to parts of Africa.

The flight miles that Paul has and will accumulate during these trips will total just under 100,000 miles. That might not sound like a lot, but when you realize that the circumference of the Earth is just under 25,000 miles, that means Paul will have flown the equivalent of four (4) trips around the world! And if you have a moment, just ask him if he has a funny story about an airport!



GRC Pictures!



ThermaSource Cementing Update

By the time you read this article ThermaSource Cementing will have the cement bulk plant facility completed and will have completed our first cement job! During the construction phase of the plant in Arbuttle our employees erected custom built cement storage silos, blending tanks, the admixture system, control panels and welded steel plumbing. A specially built compressor and vacuum system will proportion, mix and blend very precise cement mixtures for use in cementing casings in geothermal wells. All of the pressure vessels will be tested at our bulk plant facility and the weigh scale will be certified with the California Weights and Measure department.

Hats off to Pete Joy and the TCI team that prepared our tractors and trailers for California DOT Bit inspection. This is a very rigorous review for all trucking companies and our equipment passed on the first round. Jenn Bastian has done a

wonderful job in legal support with submittals and dealings with all the legal authorities and departments to ensure our licenses and permits are in order.

Carol Steinberg with our purchasing department has been instrumental in locating all the products and services necessary to get our new business underway.

All of the employees with the ThermaSource Companies have been extremely supportive and helpful in getting ThermaSource Cementing started. Anyone who has ever started a new business will agree that it is a very unique and challenging endeavor.

**ThermaSource Cementing Photos:
Top: equipment at Arbuttle facility,
and right: ThermaSource Cementing
trucks on site at first job for Ormat
in Buffalo Valley, NV.**

