

SPECIAL POINTS OF INTEREST:

- **Happy New Year!**
- **Make A Wish**
- **Requisition Forms!**
- **Mud Action**
- **Ground Breaking!**
- **"The Cement is pour'n"**
- **New to EGS, Inc.**
- **CONCERN**

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Welcome 2009!

It's not a secret that we're facing tough economic times. But with the new year, comes new hope. Whether it's the new administration, the renewable energy industry, or just a fresh start, there is a sense of hope in the air.

With hope comes strength. As a company, ThermaSource has maintained this hope and strength and therefore has kept abreast of the industry and continues to move forward.

ThermaSource has seen a lot of recent success, but still is a company very similar to a growing boy with big feet: "You'll grow into them, soon enough," his mother would say. ThermaSource has all of the ingredi-

ents in place to grow *into those shoes*.

The first step to achieving this growth is to expand drilling operations internationally. To start this process ThermaSource is sourcing the costs of mobilizing drilling rigs to Australia. "We feel the demand and potential there [Australia] are components of a profitable equation that is missing just one thing...drilling rigs," said Jim Hanson, EVP of Operations.

With ThermaSource Rigs in Australia, our international business endeavors will be hugely successful.

The international plans are not limited to Australia. Currently, ThermaSource is speaking with several developers in Indonesia, the Philippines, and in Chile.

The international plans and the new projects scheduled to begin in the Spring, are signs that ThermaSource has the hope and strength in place to succeed. Welcome to 2009!



David's Wish (a Make-A-Wish story)

David Godfrey, 14 years old, diagnosed with and undergoing treatment for a rare form of leukemia had one wish, to have an impact in today's environment. When the Greater Bay Area, Make-A-Wish Foundation Chapter learned of David's admirable and selfless wish, they began brainstorming how they could help to make David's wish come true.

The following is what the foundation came up with: David began his Environmental Sojourn/Wish as a Keynote Speaker at the Green Business Awards on June 12, 2008, followed by a visit to Kleiner Perkins Caufield & Byers, a greentech investment company. On August 25th, David visited the Lawrence Berkeley

National Laboratory. On September 25th, David visited the NASA Ames Research Center in Mountain View and Bloom Energy in Sunnyvale to meet with a number of scientists. On November 21st, David visited the National Renewable Energy Laboratory in Golden, Colorado, where he was named an honorary research fellow and spent the day as a scientist.

David had to write a report on geothermal energy a year ago and since then has been intrigued by the renewable, base load energy source. His interest in geothermal energy made ThermaSource a great next visit. On January 19th, 2009, David, his mother and father, accompanied by the Director of the Bay Area Chap-

ter of Make-A-Wish Foundation drove up to Santa Rosa, CA to visit the offices of ThermaSource. When David arrived, the conference room was all set for him. At his seat was a black jacket embroidered with his name and ThermaSource's logo, a blue T-Shirt with the TSI logo, a blanket, hat and green hard hat with his name and TSI logo on it. In addition there was a small selection of pastries, juice and fruit for the morning, a PowerPoint presentation, and a selection of unique geothermal rock formations (provided by Paul Brophy and Mike Lane of EGS, Inc.) for him to learn about.

After the introductions, CEO Louis Capuano, welcomed David *continued on the back...*

Purchasing Update

As many of you are aware, ThermaSource has instituted new purchasing policy that went into effect on January 5, 2009. All goods and services must be requested on a purchase request form. If you do not have this form please contact Carol Steinberg for a copy. If you are still not clear as to what items need PO's please contact the Purchasing Department for further explanation. Please be sure to send all purchase requests to purchasing@thermasource.com. Your request will be logged and distributed to the buyer responsible for your business unit. Thank you all for your efforts in making this necessary transition successful.

Purchasing Team:

Carol Steinberg: ThermaSource, & ChemTech.
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Caity Johnson: ThermaSource & EGS
Phone # 707-636-5811

Pat Benfer: ThermaSource Cementing & Tecton.
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Rig 105 in Klamath Falls, Oregon on OIT Campus. Photo taken by Andrew Mariman

OIT Ground Breaking

ThermaSource was well represented at the ground breaking ceremony for the first college campus in the world to be totally heated by natural geothermal waters and now to be powered electrically by geothermal energy.

Louis Capuano, Jr., Bob Swanson, Louis Capuano, III, Roger Almond, Andy Snell, Bill Doubleday and Rig 105 crews were available on site to give the representatives of state and local government as well as educational representatives a tour of the rig. U.S. Sen. Ron Wyden, D-Ore, pushed the throttle to start the drilling of OIT's initial exploration well on Campus.

The well is designed to drill to 6,000' in an effort to produce enough resource to develop 3 MW of electric power, enough to supply the entire campus.

While the plant will save OIT up to \$500,000 a year in energy costs and perhaps even generate money by creating extra energy to sell on the market, John Lund said it also is an important demonstration of how geothermal energy can be used in the Klamath Basin and around the state.

Senator Wyden, cited his efforts to set aside \$30 million in federal funds to study geothermal energy. He said he is pleased that the OIT project is getting off the ground.

Approximately 250 to 300 people attended the event and rig visit (see image below). After the tour, Thermasource personnel fielded questions from the audience.



EGS Update



Paul Brophy, President, EGS, Inc.

EGS is pleased to announce that two highly experienced employees have been added to the roster:

Gene Suemnicht as Chief Geologist and Mike Lane as GIS Specialist.

Gene, most recently employed as the Chief Geologist at Ormat, will assist Paul in resource exploration and assessment, as well as assisting with regulatory and permitting processes. Mike, who has been providing his GIS (geographic information systems) services to the Company on a consulting basis, is now working as a part time employee to produce maps and analyses of our projects that enable us to visualize the resources we are exploring. Feel free to stop by and talk with either of Gene or Mike – they're both enthusiastic geologists – which means that like Paul, they're willing to talk rocks at any time.

Welcome to EGS, Inc.

Mike Lane, GIS Specialist:

Mike's background includes time worked as a consulting geologist specializing in computer depiction of geologic subsurface conditions and groundwater contamination issues. Mr. Lane also served as research staff and associate director in the Environmental Research Center, SUNY College in Oswego, NY. Mr. Lane holds an A.B. from Hamilton College, an M.A. from Indiana University, and obtained his Ph.D. from Indiana University. Mike is a Registered Geologist with the State of California and is a Licensed Geologist in Oregon.

Gene Suemnicht, Chief Geologist:

Gene's background also includes time worked with MacTec Engineering & Consulting, and SCS Engineers in positions focusing on program and project management for projects ranging from geothermal assessments and investigations to environmental remediation. Gene earned a B.S. in Education (Geology, Chemistry) from Southern Oregon University and an M.S. in Geology from the University of Arizona and Mr. Suemnicht is a Registered Geologist and a Registered Environmental Assessor, and holds a Certification, Site Assessment and Remediation, from the University of California, Davis.

"It's great to be a part of a project such as OIT, where the University is working towards relying 100% on geothermal energy."

*Louis Capuano, Jr.,
CEO*

Cementing Update



**Marc Brennen
ThermaSource
Cementing**

The crews and staff at ThermaSource Cementing have been very busy since the last update with the newsletter.

We have been providing services to several ThermaSource rigs working in

Nevada. ThermaSource 101 is on a new well at Blue Mountain, 103B has started the second well for the Navy at Hawthorne and 104 has moved to another well at Dixie Valley, Nevada. We continue to increase our safety agenda with monthly meetings for our employees as well as identifying safe work-

ing practices and observations on jobsites and in the work place. Willy Leuzinger conducted the last meeting in Arbuckle and presented many safety topics that included safe winter driving habits, PPE, driving courtesy, cleanliness and speed limits on lease roads.

Hamid Najafi, TCI's Cement Engineering Manager, has been very busy as the cement testing lab is now operational at Arbuckle. Hamid will be performing tests that will insure quality and predictability of the cement blends that we are pumping on the rigs. Future plans for our lab will also include mud testing equipment for ChemTech.

We're also working with Patrick Hanson on the build out of the new ThermaSource Cementing website, which should launch late Spring.

Safety Article



**Willie
Leuzinger
Safety Dept.**

As many of you have noticed Safety Captains have recently been appointed and assigned around the rigs. The Safety Captains are extensions of your EH&S Team and will prove to be valuable assets to

the company. Initially the Safety Captains have been tasked to assist with the implementation of several regulatory requirements in the field. They will be conducting monthly inspections on Emergency Equipment, and Personal Protective Equipment to ensure that they are in an acceptable condition at all times. In addition they will conduct site inspections on a daily, weekly, and monthly basis to satisfy OSHA, EPA, and other agency requirements.

The Safety Captains are also going to assist the Safety Team in revising and creating several different projects and programs. First and foremost their practical experience in the drilling industry and knowledge of the rigs will help us modify and refine our

JSA's so that they will be rig specific. This will be especially important on our hydraulic and truck mounted drilling rigs where different methods and tools are used to make connections, trip drill pipe, etc. That being said, every rig has subtleties that warrant a complete review of the JSA's.

Another project where the Safety Captain's practical experience will be instrumental is the revisions of the "Tourly Checklist" that each of our rigs complete on a twice daily basis. That form was initially created in a team effort by one of our Drilling Superintendents and current Rig Manager for an SCR rig, but as you all know we have several different types of rigs within ThermaSource. In the end we hope to be able to deliver an effective and practical inspection based checklist for each specific rig. The checklists will respectively become "Rig # (i.e Rig 108) Tourly Checklist".

The ThermaSource Health and Safety Plan is owned by you and your fellow employees. With the added coverage in the field please embrace this opportunity to make suggestions and share knowledge to improve the overall safety of your rig.

HR Message



**Bill Gittins,
VP of HR**

As we have all become aware over the last year or so from watching television, reading the newspapers, and talking with friends and relatives,

individuals and families are experiencing difficult times. As a company, and as a group of employees, we have all witnessed this. It appears no one will be immune from experiencing this economic downturn, either personally or by knowing someone who has been, or could be, affected. If during these difficult times, or any other time for that matter, you or one or more of your family members experience a personal situation that you find too overwhelming to deal with alone, please contact someone at CONCERN, our confidential Employee Assistance Program (EAP). No one at ThermaSource will know you called CONCERN unless you decide to tell someone you called. It is totally private and confidential. We wouldn't want it any other way. Call: 800-344-4222 (24-hours a day.)

Bottom Right: CEO, Louis Capuano, Jr. at the controls of Rig 105 at the ground breaking ceremony on OIT's campus.

Note: suit and tie is the new required dress code for rig crews!

ChemTech Update



**Alan Bartley,
ChemTech**

Currently, ChemTech has projects at Blue Mountain, Dixie Valley, and Hawthorne in Nevada, Klamath

Falls in Oregon and Bottle Rock in California. In order to manage all of these projects, ChemTech has expanded our staff by hiring Rick Jones, Brandon Burton, James Henson, Greg Harris and Jason Smith. More than 120 years of mud engineering experience come to us with this group. We've also changed Ted Coffey's status with the company from consultant to employee.

Managing as many projects as we have, especially in Nevada, has been a logistic challenge, but a challenge welcomed.

As many companies are doing these days, ChemTech is looking for cost saving strategies such as receiving material directly from the manufacturing plant when other resources are depleted. Another cost saving strategy would be to have rail siding next to a facility that could sack bentonite.

ChemTech is anticipating equal or greater business as the year matures, especially if Imperial Valley picks up, which is exciting news with this economy.



David's Day in Photos

Below is a visual summary of David's Make-A-Wish day at ThermaSource. A special thanks to Chloe's for providing pastries in the morning and lunch, Jay's Engraving for the branding on David's Hard Hat and Sonoma Design for the embroidery on David's jacket, hat, t-shirt and blanket. David said his day was amazing.



David's Wish *continued*

and briefly spoke about ThermaSource and how it began. Patrick Hanson then began with the Power Point presentation and over the next hour steered an open discussion that led to a memorable day. Bob Swanson elaborated on several key drilling and engineering aspects, explaining how a drill bit works and having to answer one of David's most unique questions: "Why would you use a drill bit made of tungsten when it's such a brittle metal?" To hear a 14 year old, 8th grader ask such sharp and advanced questions was inspiring. Paul Brophy described the different types of rocks and explained to David how they were formed. Jim Hanson explained the difference between drilling core wells and conventional wells. Mike Lane, GIS Specialist for EGS, Inc., showed David a series of maps ranging from Northern California, to the geologic make-up of The Geysers, and 3D maps of recent wells drilled in the area.

After the hour long open discussion with David and the ThermaSource team in the Santa Rosa corporate office, Patrick Hanson, Paul Brophy, Caity Johnson and Anne Marie Van Roy led the caravan up to Bottle Rock. Awaiting our arrival was Willie Leuzinger, Safety Specialist. Willie gave us a brief safety presentation and equipped everyone with the proper safety glasses, ear plugs and hard hats.

Fully equipped in safety gear, we headed up to the top of Bottle Rock where Rig 108 was drilling. David was greeted by Company Man, Rod Inman, Tool Pusher Daryl "Hoss" McConnell and Safety Captain, Carlos Tapia. The group was allowed to climb up to the rig floor to watch the drilling up close, and was welcomed by the crews. It was here where David watched the ThermaSource crew making a connection with more drill pipe and the change-out of crews. After our time on Rig 108, David and company made way for Bottle Rock Power Plant.

Larry Bandt, Executive Vice President of Engineering for Oski Energy greeted us and led the group on a tour of the plant. David saw one of the turbines and the main computer room that controls all the steam field operations.

After completing the tour, we enjoyed sandwiches and cookies provided by Chloe's Café.

David then had to rush off to Far Niente Winery in St. Helena where he was to tour the facilities that were powered by floating solar panels.

Thank you for everyone's help in this unique event that led to David's wish coming true!