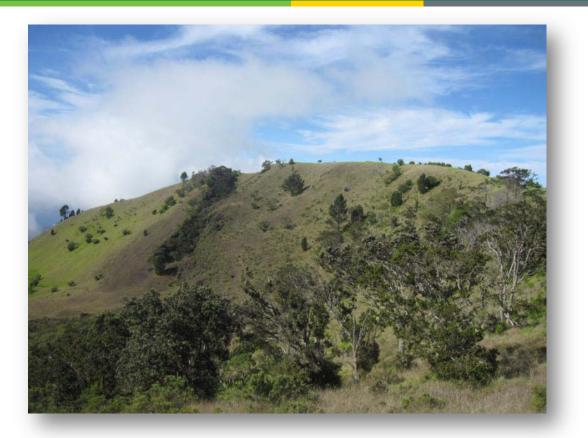
Geothermal Technologies Program 2010 Peer Review



Energy Efficiency & Renewable Energy



Blind Geothermal System Exploration in Active Volcanic Environments; Multi-phase Geophysical and Geochemical Surveys in Overt and Subtle Volcanic Systems, Hawai'i and Maui

May 19, 2010

This presentation does not contain any proprietary confidential, or otherwise restricted information.

Brigette A. Martini Ormat Nevada Inc.

Innovative Exploration Technologies

Overview

U.S. DEPARTMENT OF

- Timeline
 - Project start date
 - Project end date
 - Percent complete
- 10/29/2009 Q1 2012 ~10%

- Budget
 - Total project funding \$10,486,559
 - DOE share
 - Awardee share
 - FY10 funding

\$4,911,330 \$5,575,230 \$598,269

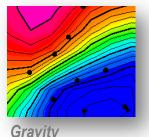
- Barriers
 - 'Blind' system
 - Culturally sensitive location
- Partners
 - Lawrence Berkeley National Lab
 - UC Santa Cruz



To fully realize the potential of geothermal in this century, we must pursue 'non-traditional' resource

- This project targets a 'blind' volcanic system on the southwest flank of Maui, Hawai'i – unconventional due to volcanic dormancy and lack of surface thermal manifestation
- Assessing unconventional targets requires re-tooling the standard geothermal exploration kit and adding in new tools

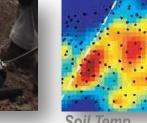
We'll combine traditional and new technologies for a fresh look at a blind system





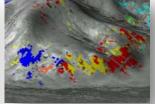


Isotope Geochem



Soil Temp

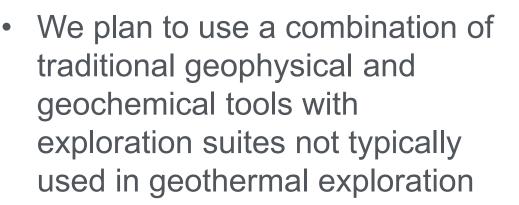




Hyperspectral

Aeromagnetics

Objectives



- These techniques will be assessed first at the Ormat-run Puna geothermal field – a 'known' system
- The exploration suites will then be applied at Ulupalakua Ranch (a private lease on Maui); a site of similar, but older volcanism to Kilauea/Puna



U.S. DEPARTMENT OF

ENERGY

Energy Efficiency &

Renewable Energy

Puna, Hawai'i



Ulupalakua, Maui

Relevance/Impact of Research



Energy Efficiency & Renewable Energy

• Our research will

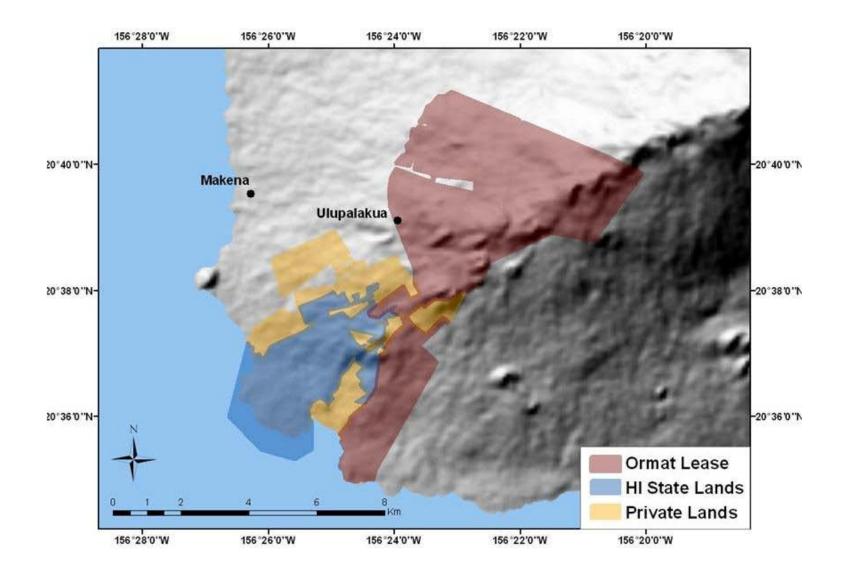
- Provide a benchmark for exploration of other 'blind', dormant volcanic systems
- Validate gravimetry and aeromagnetics for geothermal exploration in young, basaltic volcanic environments
- Demonstrate use of CO₂, isotope analysis and hyperspectral imaging in young, hot-spot volcanic systems for geothermal exploration
- Provide baseload energy for Maui island



Lava Tube (900 yrs old) Ulupalakua, Maui

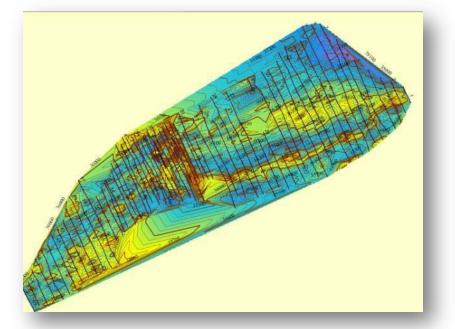
Study Area – Ulupalakua Ranch, Maui

Energy Efficiency & Renewable Energy





- Compile historical geophysical and geochemical information for the Puna geothermal field
 - Status: on-going
 - Old gravity and aeromag are being re-processed using modern algorithms and georeferenced to standard datums and projections
 - Geochemical data being compiled; many sources over three decades



Re-processed TMI (archival USGS data) - Puna, Hawai'i

Scientific/Technical Approach



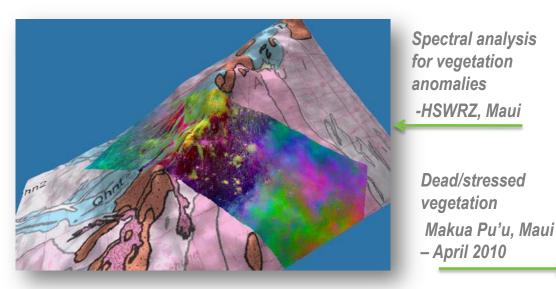
- Conduct initial reconnaissance of Puna and Maui for potential CO2 degassing (in preparation for full gridded survey)
 - Status: completed
 - Flux measurements were taken over three days within and directly adjacent to the Puna field during outage
 - Sites of recent volcanism along the HSWRZ were sampled over three days
 on Maui



Scientific/Technical Approach

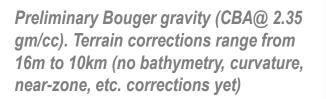


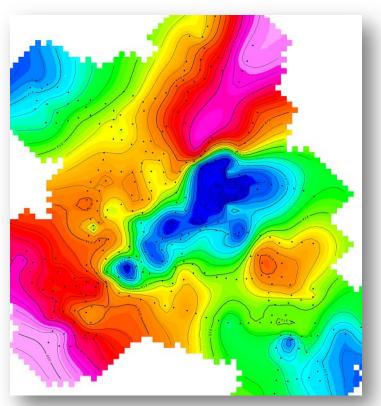
- Hyperspectral imagery analysis for biological and geological anomalies related to potential degassing or other geothermal signatures
 - Status: In-progress.
 - Initial analysis for vegetation stress caused by potential degassing was completed. Anomalies could not be confirmed as CO2-induced; may be due to other factors (eg. Moisture, parasites, etc.)
 - Geological mapping on-going; alteration so-far is minimal





- Acquire ground-based gravity of Ulupalakua Ranch and surrounding land on Maui (~400 stations at 400 m spacing)
 - Status: 80% complete as of 3 May 2010

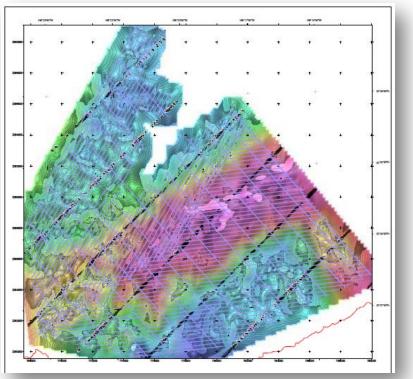






 Acquire aeromagnetics of Ulupalakua Ranch and surrounding land on Maui (~1500 line kilometers @ 400 m spacing)

Status: Complete – post-processing underway



Preliminary RTP magnetic survey (boxgrid flight lines in light purple); unleveled in regions of high gradient - 50m grid interval



- Creation of database and 3-D structural model of the Ulupalakua project using newly acquired geophysics and ground mapping results
 - Status: In-progress.
 - Final delivery of Maui geophysical surveys expected in early June.
 - Re-processed Puna geophysics expected mid-June.
 - Currently testing new software suites to improve our modeling capability.
- Collection of full CO₂ flux grids and isotope geochemistry over the Puna and Ulupalakua projects as queued by the geophysical models
 - Status: Not yet begun
 - Planned for mid to late July



- Milestones FY2010
 - Project began 10/29/2010
 - Contract signed 4/5/2010
- Go/No-Go Phase 1
 - Though Maui is a site of recent volcanism, there is no surface thermal manifestation and the existence of an active, convecting hydrothermal system on Maui is presently unknown
 - Lack of faulting, fracturing and/or intrusions revealed by geophysics and field mapping coupled with no/poor geochemical results will result in a No-Go decision
 - Lack of an encouraging geochemical signature will not preclude Phase 2 drilling



- Project Management
 - Martini (co-PI) is managing and overseeing all phases of database creation, geophysical acquisition, hyperspectral analysis, project logistics and budgeting
 - Lewicki (co-PI) is coordinating the geochemical surveys (CO2 flux and isotope)
- <u>Schedule</u>
 - Phase 1 completion (Q4/2010)
 - Phase 2/3 completion Permitting and drilling (Q4/2011)
- NGDS integration
 - Our database (that will include geophysical surveys and geochemical measurements) will be provided to the NGDS in whatever requested format is decided upon



Southwest Rift Zone Makua Pu'u, Maui – April 2010

ENERGY Energy Efficiency & Renewable Energy

- We're looking towards development of our structural model to queue geochemistry this summer 2010
 - We expect to site drill targets in Q4/2010
- Community outreach continues
 - Renewable energy has a lot of support in Maui (~9% of their load is wind)
 - Our private lease with Ulupalakua Ranch remains solid and adjacent landowners are supportive
 - Traditional resources have been identified and the Native Hawaiian community remains supportive
 - The Natural Area Reserve System has been engaged and has also been supportive to our exploration





- Key geophysical surveys are complete or near completion on Maui
- Historical databases for Puna are in-progress
- The second half of Phase 1 (geochemistry) will begin in July 2010
- A Go/No-Go decision will be made in Q4 – 2010 with regards to drilling

