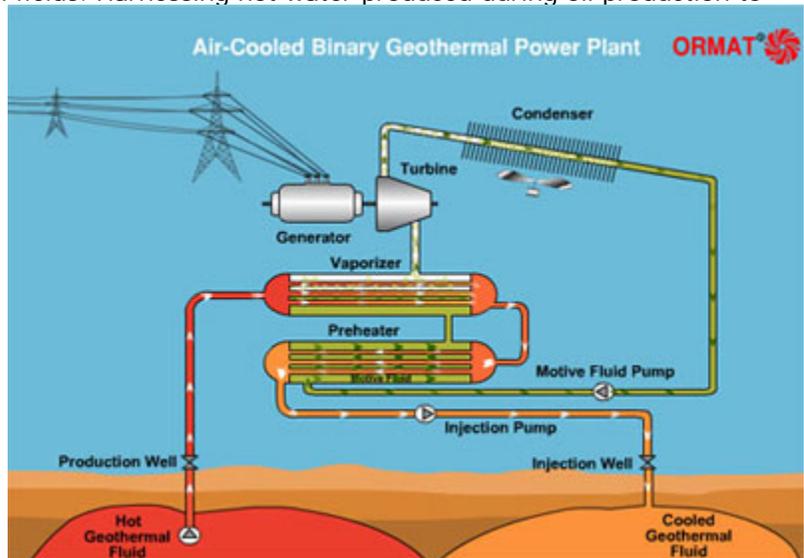


Geothermal electrical generation holds promise for older oil fields

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The Rocky Mountain Oilfield Testing Center (RMOTC) and Ormat Technologies, Inc. of Reno, Nevada announced today the first successful generation of electricity using geothermal hot water from a producing oil well. This project is unique in its production of onsite renewable power and has the potential to increase the productivity and longevity of existing U.S. oil fields. Harnessing hot water produced during oil production to power the oil field could lead to more economical access to reserves, especially in older, depleted fields.

The 12-month test started in September 2008 at the Naval Petroleum Reserve No. 3 (NPR-3) operated by RMOTC for the U.S. Department of Energy and located north of Casper, Wyo. The power system is a commercial standard design Ormat Organic Rankine Cycle (ORC) power plant. The binary power unit uses produced hot water as the heating fluid for a heat exchanger in the Ormat Energy Converter (OEC). In the heat exchanger, a secondary working fluid, an organic fluid with a low boiling point, is vaporized. That vapor is then used to spin a turbine coupled to a generator to produce electricity.



The cooled geothermal fluid can then be reinjected into the reservoir or discharged, depending on the location. Currently, the 190°F water produced from the Tensleep sandstone formation at NPR-3 is a waste stream and is treated before being safely discharged into an adjacent stream. The OEC captures the water's heat and makes use of it before the water is treated and discharged. The Ormat power unit is connected to the field electrical system to power production equipment and the produced energy is metered and monitored for both reliability and quality. It has been producing 150-250 gross kilowatts of power since it was first started in early September.

The unit at NPR-3 is similar to a 250-kilowatt Ormat unit that has been producing electricity from 210°F geothermal water at an Austrian resort for more than six years. Similar units have also been in continuous commercial operation since the 1980s in Nevada and Thailand.

There are a large number of oil and gas wells in the United States that produce hot water as well as hydrocarbon products. These wells, which generally produce fluids at temperatures below 220°F, have been estimated as being capable of generating upwards of 5,000 MW of power.

Some 8,000 similar wells were identified in Texas by the US DOE Geothermal Research Project Office. Ormat is now assessing the feasibility of utilizing these wells to support onsite power generation by employing its sub-megawatt geothermal power units which have been field proven in 1,000 installations worldwide.

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