

Tapping Into Canada's Geothermal Potential

Lou Capuano

ThermaSource, CanGEA Member Since 2008

SMU Conference

Dallas, TX

November, 2009

Accelerate Canadian exploration and development of geothermal resources in order to provide secure, clean and sustainable energy

Empowering Canadian Geothermal – 5,000 MW by 2015!

CanGEA Members

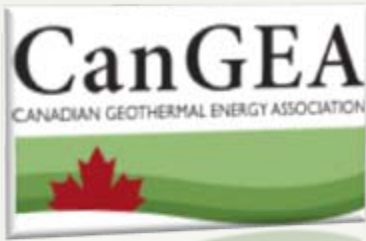




What is CanGEA?

CanGEA was established in 2007 as an industry association to promote the emergence of a Canadian geothermal power industry

- Active in discussion regarding Canadian geothermal policy at the Federal and Provincial level
- Industry leader in advocacy for geothermal as a clean, sustainable and affordable power
- Actively working to reconcile issues of awareness surrounding Canadian geothermal power
- Bringing together Canada's community of geothermal proponents

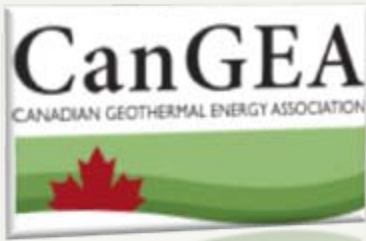


Canadian Geothermal Potential

Summary of Canadian Geothermal Potential

Geothermal Field	Power Potential Based on Volume of Silicious Volcanics <i>MW(e)</i>	Surface Thermal Manifestation	Power Potential Corrected by Extent of Surface Thermal Manifestations <i>MW(e)</i>
Meager Creek/Mount Cayley Complex, B.C. (used for calibrating other fields)	1300 S. Meager = 200-300 N. Meager = 700-800 Mt Cayley = 300	High	1150
Mt. Hoodoo B.C. region	300	Medium	200
Mt Silverthrone complex B.C.	2000	Low	1000
Mt. Edziza region B.C.	2000	Medium	1350
110 Other BC thermal springs	unknown	High	10 MW per thermal spring = 1100
40 Thermal Springs in Yukon Territory, Northwest Territories and Alberta	unknown	High	10 MW per thermal spring = 400
Yukon Territory	unknown	High	~100
Northwest Territories	unknown	High	~100
Alberta	unknown	High	~500

Estimated Potential > 5,000 MW(e)



Recent Financial Activity

magma ENERGY CORP

\$115 Million

INITIAL PUBLIC OFFERING



\$180 Million

EQUITY FINANCING



\$10.9 Million

PRIVATE PLACEMENTS

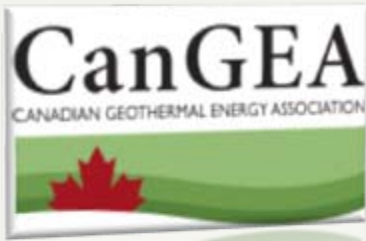


\$2.6 Million

CDN GOVERNMENT GRANT

Even in a difficult market, the geothermal industry has continued to raise **new capital**.

One thing all of the above companies have in common... they are **CanGEO Members**. Through policy activity, networking support and a multitude of other initiatives, CanGEO members receive significant exposure in the geothermal community and beyond.



CanGEA Members Receive US DOE support

magma ENERGY CORP

\$10 Million

Innovative Exploration & Drilling



\$5 Million

Innovative Exploration & Drilling



\$10 Million

Innovative Exploration & Drilling



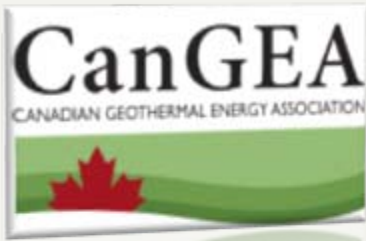
\$13.76 Million

Innovative Exploration & Drilling

OSKI ENERGY

\$4.21 Million

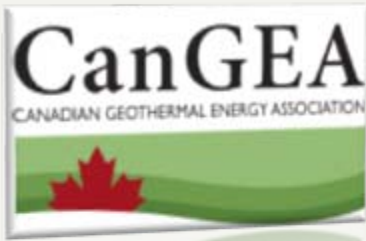
Innovative Exploration & Drilling



CO-PRODUCED FLUIDS GRANT



- CanGEA Member Borealis GeoPower received **\$2.6 Million** from the Alberta Energy Research Institute to support research on geothermal power in the Alberta Foothills
- This represents the **first** geothermal company in Canada to receive any significant government funding
- Financial support like this helps to “de-risk” the geothermal paradigm in Canada, and encourages other prospective developers to enter the industry

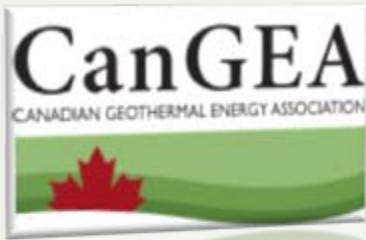


Reporting MW's to the Investment Community



• Why is “Reporting and Reserves” a Priority for Geothermal Power Companies listed on Canadian Stock Exchanges?

- Geothermal exploration is a high risk activity.
- A comprehensive reporting code establishes regulator and investor confidence in the consistency and quality of technical data disclosed by geothermal companies.
- This confidence improves the likelihood of attracting capital to geothermal power. The establishment of an R&R code is an opportunity for Canadian listed geothermal companies to capture a competitive advantage for investment.
- Currently in Draft form; actively engaged with member feedback.



GEOTHERMAL COMMUNITIES WORKSHOP



Geothermal Energy Workshop Terrace, BC

“Opportunity in our Community?”

KT Industrial Development Society and Northwest Science & Innovation invite you to take part in a one-day educational workshop to learn more about high temperature geothermal energy resources and its potential for electrical generation in Northwest BC.

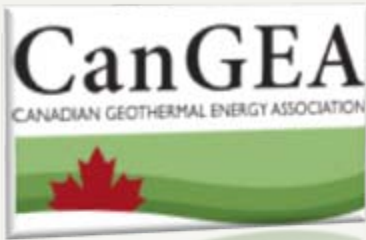
Discussed Topics Include:

- Introduction to Geothermal Energy
- Geothermal Exploration and Development
- The Business of Geothermal
- Community Impacts (Economics & Environment)

Thanks to the event and sponsors and presenters:

Thursday, June 25th, 2009
8:30 am - 4:00 pm
Best Western Terrace Inn





GEOTHERMAL POWER INVESTMENT WORKSHOP AND NETWORKING RECEPTION



The Westin, Calgary
December 03, 2009

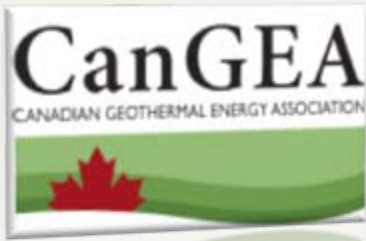
Presentations Include:

- **Geothermal 101: An Introduction to Geothermal Power**
- **Geothermal Finance Panel**
 - *Government incentive programs*
 - *The nature of risk in the geothermal industry*
 - *Geothermal investment vs. other renewables*
- **Geothermal Projects and Transactions**
 - *A profile of the leading companies and deals in today's geothermal industry*
- **Introduction: The Canadian Geothermal Reporting Code**
 - Establishes metrics for public companies to report geothermal resource

Who You Will Meet:

- Investment Bankers
- Green Investment Fund Leaders
- Geothermal Developers
- Environmental Consultants
- Power and Utility Generators
- And Many More!



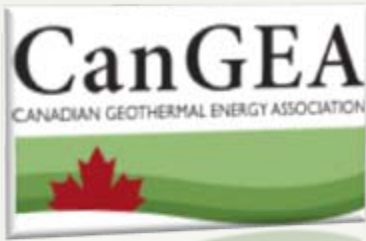


Why Aren't There Any Projects?

There are fiscal, non-fiscal, technical, and non-technical reasons why Canada doesn't have any operating fields:



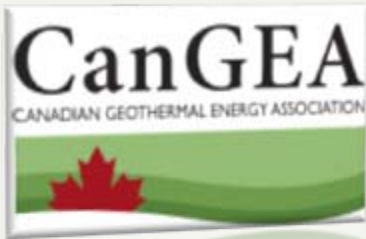
- Too remote
- Transmission access
- New to Canadians
- Other energy sources have been historically less expensive
- High front end cost
- ...
- **Policy doesn't exist or isn't effective**



BE INSPIRED!

- CanGEA was founded in Spring, 2007
- Look at what we've done in 2 years as a mostly volunteer based association
- IMAGINE what we could do with your help





Join Us!

With a united voice, we can achieve our goal

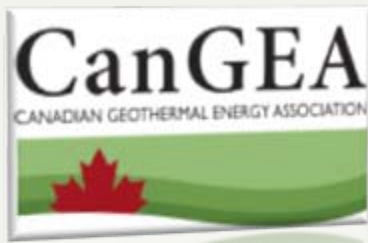
Mount Meager, British Columbia



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See you in Calgary, Dec 3!

