

NEWBERRY GEOTHERMAL PROJECT NEWS

May 23, 2007

FOR IMMEDIATE RELEASE

CONTACT: Doug Perry, President, Davenport Power, LLC
203-531-6877

Michael L. Dillard, Esq., Karnopp Petersen LLP
541-318-9811

ARBITRATION AWARD CLEARS WAY FOR DEVELOPING NEWBERRY GEOTHERMAL POWER PROJECT AT NEWBERRY VOLCANO IN CENTRAL OREGON

On May 1, 2007, Davenport Power, LLC and joint venture Northwest Geothermal Company received a favorable arbitration award on their claim to expel partner Vulcan Power Company from the joint venture, thereby protecting Northwest Geothermal Company's geothermal leases on the western flank of Newberry Volcano in Central Oregon. The arbitration award is the culmination of an eight-month legal battle by Davenport Power and Northwest Geothermal Company to prevent Vulcan Power from using the joint venture's geothermal leases at Newberry Volcano to build a Vulcan power plant. Doug Perry, the President of Davenport Power said, "this arbitration award clears the way to proceed with an exciting opportunity to develop the Newberry Geothermal Project."

In July 2006 Northwest Geothermal Company, through its Operator, Davenport Power, signed a power purchase agreement with Pacific Gas and Electric Company (PG&E) to supply up to 120 MW of geothermal electric power using the Newberry geothermal leases. The dispute with partner Vulcan Power arose when Vulcan wrongfully used the joint venture's Newberry geothermal leases in a separate power purchase agreement with PG&E entered into by a California subsidiary of Vulcan Power.

In August 2006, Davenport and Northwest Geothermal Company filed a lawsuit against Vulcan Power in Oregon Circuit Court seeking to expel Vulcan from the joint venture for wrongful conduct under Oregon's partnership law. The principal claim was that Vulcan adversely and materially harmed the joint venture's business in wrongfully using Northwest Geothermal Company's geothermal leases in the Vulcan contract with PG&E. The Oregon Circuit Court in Bend, Oregon determined that the expulsion claim should be referred to binding arbitration, but also issued a preliminary injunction against Vulcan Power prohibiting it from taking any action to proceed with the Vulcan contract with PG&E in any that affects joint venture's Newberry geothermal leases.

After a two-week hearing held in April, the arbitrator on May 1, 2007 granted the claim to expel Vulcan from the Northwest Geothermal Company joint venture. The arbitrator further declared that Vulcan Power did not have the authority "to commit, encumber or use the Newberry Leases" in its subsidiary's power purchase agreement with PG&E.

NEWBERRY GEOTHERMAL PROJECT NEWS

Perry stated, “the Newberry Geothermal Project will use the earth’s naturally occurring heat from geothermal leases to generate electricity in an environmentally responsible manner.” He explained, “the project will be located on the western flank of Newberry Volcano, outside the Newberry National Monument, and that upcoming tasks for the project center on drilling exploratory wells to evaluate and define the geothermal resource. In preparation for this exploration activity, approvals are being sought for three well pads and for upgrades to related logging roads.”

Perry also noted, “in addition to producing clean renewable power, this project will bolster the local economy through creating jobs and through the payment of taxes and royalties.”

About Davenport Power

Davenport Power, LLC was formed in 1997 as an independent electric power company to develop, own and operate clean power and renewable energy projects. Its management team has an average of more than 20 years of experience in managing and developing geothermal and other types of power production plants. This team has managed the successful drilling of over 50 wells and financed, constructed and operated over 280 MW of geothermal generating facilities. Management has also been involved with the development or acquisition of over 5,000 MW of power plants utilizing geothermal and other technologies and fuel types. In furtherance of the Newberry Geothermal Project, Davenport has assembled a team of experts, including internationally known geologists, with experience in the geothermal industry.

FOR FURTHER INFORMATION

Davenport Power LLC
225 NW Franklin Avenue, Suite 1
Bend, Oregon 97701
541/323-1190
www.NewberryGeothermal.com
Email: info@newberrygeothermal.com