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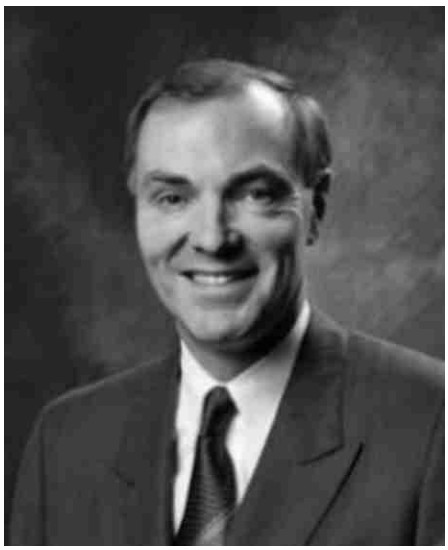
# While Still Developing Their Large South Meager Geothermal Project In BC Canada, Western GeoPower Has Expanded Their Original Vision By Acquiring 1000 Acres Of Leasehold In The Most Productive Geothermal Field On Earth In The Geysers Field, In California

WESTERN GEOPOWER CORP.

**Energy**
**Renewable Energy**
**(WGP-TSXV)**

**Western GeoPower Corp.**

**Suite 400, 409 Granville Street**
**Vancouver BC Canada V6C 1T2**
**Phone: 604-662-3338**



**Kenneth MacLeod**
**President and CEO**

**BIO:** Kenneth MacLeod has been President and CEO and a member of the Board of Directors of Western GeoPower since his appointment in 2001. He has been Acting Chairman since September 2005.

With a goal of establishing Western GeoPower Corp as one of the top geothermal development, and exploration companies in North America; MacLeod has aligned the company with strong strategic investors and obtained prime projects such as the 2006 acquisition in The Geysers Field in California.

MacLeod brings over 27 years of leadership and business experience in international resource exploration and development and has been instrumental in raising over C$100,000,000 in financing for his companies, including C$57,000,000 in financing for Western GeoPower. His experience in the areas of corporate management, corporate finance, project management and administration has been instrumental in directing the growth of Western GeoPower to its position of being one of approximately ten geothermal companies in the United States perfectly positioned to take full advantage of a projected five-fold increase in geothermal capacity over the next fifteen years.

MacLeod has built an experienced Management Team, an accomplished Board of Directors, combining with that expertise from leading geothermal industry experts and consultants.

Prior to joining Western GeoPower Corp. from 1980 to 2001, MacLeod acted as senior officer and director of several resource companies operating in North America, Asia and Africa. From 1984 to 2001, he was President of Kakanda Development Corp., one of the first foreign mining companies to operate in the Democratic Republic of Congo. Prior to his involvement in resource development, from 1974 to 1980, Ken was an independent engineering consultant engaged in the design and construction of industrial facilities related to the resource sector.

**Company Profile:** Western GeoPower Corp. is a renewable energy company dedicated to the development of geothermal energy projects for the delivery of clean, sustainable, baseload electricity generation. The Company is developing a 35 Megawatt (net) geothermal power plant at The Geysers Geothermal Field in California, United States. Western GeoPower is also developing the South Meager Geothermal Project in British Columbia, Canada.

**Interview conducted by:**
**Lynn Fosse, Senior Editor**
**CEOCFOinterviews.com**

**CEOCFO:** Mr. MacLeod, what was your vision when you became CEO of Western GeoPower in 2001, and where are you today?

**Mr. MacLeod:** "The initial vision for Western GeoPower in 2001 was to develop the South Meager Geothermal Project in Canada as Canada's first geothermal power project for the production of electricity. Since that time while we have made significant strides forward to evaluate and determine the commercial viability of the South Meager project, it still remains to be seen as to what the ultimate signs of the power plant will be whether it is 25 megawatts, or even 250 megawatts or somewhere in-between. We still hold to our 2001 vision and very distinctly because the South Meager project is a large geothermal project by world

standard. Therefore, we feel very confident as we continue to test the wells that we have drilled there that we will have a commercially viable project, and with the way that the power prices have been increasing over the past two or three years, the project becomes more valuable as time goes by. However, since that time our vision has expanded, we have moved into California and have acquired over 1000 acres of leasehold in the most productive geothermal field on earth in the Geysers Field north of San Francisco. We are in the process of developing a 35-megawatt power plant at that particular site to come on line in early 2010. Consequently, we have decided that California is a very attractive place to do business in the Geothermal sector because of the fact that it is recognized as the most productive area for geothermal development in the world with almost 30% of the world production being focused within California. In addition, California deriving about 6% of its power from geothermal energy with the goal of achieving as much as 20% off its power from geothermal energy over the next 20-25 years so we want to be a significant contributor to that 20% projection."

**CEOCFO:** What is special about geothermal?

**Mr. MacLeod:** "Geothermal energy is truly a renewable and sustainable resource. It is created as a result of the magma in areas of recent volcanic activity, by recent I mean in the past two million years. Where you have the magma relatively close to the surface, the magma heats the basement rock, which then heats the water that flows in faults and fractures throughout the basement rock. Then in turn we drill into these fractures to extract either the steam or the hot water, which comes to surface and powers the turbine and then the hot water is then cooled down sufficiently to enable us to inject it back into the reservoir. Then it is also the only renewable baseload generation, in other words it has a 95-99% capacity factor. It is effectively on line 24/7 producing the same energy without fluctuations year after year. You know what your price is going to be when you drill your wells. You determine what your cost will be for the life of the project because the drilling of these wells is in essence paying for your energy or paying for your fuel upfront. It is very similar to building a hydro dam, where you sink a lot of cost into building the dam but after that the energy is essentially free from that point onward except for the operating and maintenance cost. The utilities especially in California where the demand is very high for geothermal, rely on geothermal energy because it does not impose any stresses on the dispatch ability of the power for example with wind when the wind doesn't blow there is no electricity being produced. Geothermal energy is very reliable and it carries a premium because of the fact that it is so reliable and it does provide base load generation."

**"Western GeoPower has been quietly building up the project in California first of all as a 25 megawatt size project and over the past five months we have extended the leasehold from six hundred acres to a thousand acres which now enables us to increase the capacity up to 35 megawatts. That is one reason why the project value in California has appreciated over the past few months. Other factors to consider are the power prices in California has increased approximately 13% over the past twelve months which makes our project even more valuable than it was when we started the feasibility report over a year and a half ago. We are looking at expanding within California and other countries and we have been aggressive in identifying projects in these various jurisdictions so that our shareholders will be able to participate not just in one project in Canada and one in California but numerous projects in various market segments in three or four areas throughout the world." - Kenneth MacLeod**

**CEOCFO:** Are you selling to the utility companies?

**Mr. MacLeod:** "We are selling to the utilities such as in California, Southern California Edison, Northern California Power Agency and San Diego Gas & Electric. These are all major utilities that are very keen on buying as much geothermal energy that they can, not just for them to meet that renewable portfolio of standard, but also for the fact that it is reliable generation. They know what the price is going to be today and they know what the price is going to be twenty years down the line. When you secure a power purchase agreement from Geothermal Energy, your costs are fixed for the term of the power purchase agreement. Twenty years down the line you know exactly what that power is going to cost therefore the utilities can plan for twenty and sometimes forty years down the line as to what the costs are going to be."

**CEOCFO:** What is the timetable over the next couple of years to get up and running, and are there challenges to the completion of your plans?

**Mr. MacLeod:** "There are always challenges. This one would be environmental and regulatory, and permitting. Even in the Geysers Field in California where our project site was the scene of a larger 62 megawatt power plant that operated between 1979 and 1989, the legacy of which the drill paths are in excellent position and still in place. The wells were plugged and abandoned but we would rather build new wells anyhow with modern technology. The other infrastructure of roads are all in place. It is a dream come true as far as a developer coming in and redeveloping a brand new power plant at this time however we still have to go through the stringent permitting and environmental issues of which California is famous for. The project has met and in most cases exceeded the minimum environmental regulations so there are no hurdles that cannot be overcome and we have been very diligent in making sure that we meet the environmental standards. Hurdles would be in drilling the wells, and not every well is going to be successful so what you need to do is make sure you use the existing technical data to the maximum extent so as to mitigate the risk in drilling the wells. We have a huge

amount of data from the original wells that were drilled during that ten-year period I mentioned earlier. We feel we have mostly eliminated the environmental permitting variances; we have cut down on the risks from a technical perspective. Now it is a matter of meeting the air quality emission standards of California for building the power plant. Geothermal energy is a no-net polluter and carbon dioxide emissions are hardly registered on the scale, there should be no problems with building the power plant at our project site.

If you want to look at the remaining hurdle that would be the financing hurdle and interestingly enough there has been a considerable change in attitude on the part of the financial community over the past two years. Up until about five years ago I could go into any financial institution in New York, Toronto, London, and Zurich and talk about my geothermal projects and they would look at me with a certain amount of pity because your fighting a losing battle. While they were interested and maybe liked the story, they were not ready to get involved in geothermal energy because they did not understand it and because the technology in their opinion was unproven. As it turns out there are over nine thousand megawatts of installed capacity around the world in countries such as the United States, New Zealand, Iceland, the Phillipines, so on and so forth. That message is now starting to get across to the financial community, it is also being recognized that geothermal energy is superior because of base load capabilities, its reliability and sustainability. Over the past two years now instead of me knocking on doors trying to raise capital the financiers are calling us now to say are you interested in us putting money into your company and financing your project. We are almost being swamped with offers now for financing our geothermal projects which is a good thing."

**CEOCFO:** Will you please touch a bit on the expertise of your team?
**Mr. MacLeod:** "Internally we have a board of directors that have extensive experience in electricity generation ranging from Tom Drolet, who was the president of Ontario Hydro International and built power plants around the world. Asgeir Margeirsson, who was the Deputy CEO and Director of Production and Sales for Reykjavik Energy in Iceland. They have been instrumental in building geothermal power plants throughout Iceland and other parts of the world and he is currently the CEO of Geysir Green Energy, which is a geothermal developer in Iceland once again operating around the world, with expansive expertise in that regard. Domenic Falcone is one of the founding fathers of geothermal development in California in the late seventies and throughout the nineteen eighties. He has been instrumental in working with me in developing the projects from California, Canada, and looking elsewhere as well. My own background, which is 25 years of resource administration, financing, and management in the mining sector, oil and gas sector and since 2001 strictly in the geothermal sector. Between those key members of our team, we have the ability to create the policy for Western GeoPower to pursue geothermal energy in Canada, the United States and we are looking in other parts of the world as well. In addition to that, we have a very close relationship with GeothermEx, Inc. of Richmond, California who is highly regarded around the world as one of the foremost experts on geothermal resource evaluation and development for almost eighty percent of the fields that are operating around the world. We have a very close relationship with GeothermEx in that regard and it is almost a seamless relationship because our technical team works very closely with the technical teams at GeothermEx to ensure the veracity of the technical data."

**CEOCFO:** Why should potential investors choose Western GeoPower?
**Mr. MacLeod:** "Western GeoPower has been quietly building up the project in California first of all as a 25 megawatt size project and over the past five months we have extended the leasehold from six hundred acres to a thousand acres which now enables us to increase the capacity up to 35 megawatts. That is one reason why the project value in California has appreciated over the past few months. Other factors to consider are the power prices in California has increased approximately 13% over the past twelve months which makes our project even more valuable than it was when we started the feasibility report over a year and a half ago. We are looking at expanding within California and other countries and we have been aggressive in identifying projects in these various jurisdictions so that our shareholders will be able to participate not just in one project in Canada and one in California but numerous projects in various market segments in three or four areas throughout the world. Thereby spreading the risk and looking at much greater rewards as well. We feel that we are opening up a funnel for our shareholders to participate in a very significant way in what we consider to be an expansion of the geothermal power market by a factor of threefold over the next fifteen or twenty years."

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