

KRYSUVIK: GEOTHERMAL DEVELOPMENT ASSET

- ✓ Exploration permit for 29,500 hectares
- ✓ 100 MW planned expansion
- ✓ 4 - 5 sub-reservoirs
- ✓ 4 MW steam behind pipe from 2 recent production wells, 9 slim wells, 19 shallow wells
- ✓ 500 MW Inferred Resource

The Krýsuvík property is located in the center of the Reykjanes peninsula. The property is comprised of 29,500 hectares of private and municipally owned land. HS Orka has an exclusive exploration license in the complete Krýsuvík geothermal area until 2016.

The Krýsuvík geothermal area is located approximately 30 km from Reykjavík. From either Reykjanesbaer or Reykjavík, the Krýsuvík geothermal area is accessed by all-season paved and gravel roads. The closest substation is 20 km away in the municipality of Hafnarfjörður.

The Krýsuvík high-temperature geothermal area belongs to the Krýsuvík volcanic center and the associated fissure swarm. Systematic exploration in the geothermal area started in the 1940's with the drilling of 19 shallow wells approximately 200 m deep. In 1960, 3 deeper exploration wells were drilled the deepest reaching 1,275 m. Exploration continued in the 1980's and included wells drilled to depths of approximately 800 - 900 m. From 1997 to 2001, TEM resistivity campaigns were conducted to outline the extent of the geothermal resource. This has been completely supplemented by further TEM, magnetotelluric resistivity, gravimetric, detailed geological and hydrothermal surveys.

The Krýsuvík geothermal area is divided into several sub-fields named: Austurengjar, Sandfell, Hveradalir and Trölladyngja. All of those areas are within HS Orka's exclusive exploration license.

Austurengjar: Located in the SE part of the Krýsuvík geothermal field. The area is characterized by several hot springs and steam-explosion craters.

Sandfell: Located at the SW margin of the Krýsuvík geothermal area. It shows signs of surface geothermal manifestations and resistivity anomalies.

Hveradalir: A sub-field in the SE of the area. The surface manifestations are among the most active in the Krýsuvík area. Several wells have been drilled in the field to a depth of 1,275 m with downhole temperatures up to 230°C. HS Orka currently has a permit to drill 3 directional wells from a single platform.

Trölladyngja: Located in the NW part of the Krýsuvík geothermal area. Two wells were drilled by HS Orka in 2001 and 2006 to depths of 2,271 m and 2,307 m and down-hole temperatures were up to 325°C.

