

Press Release from the Atlas Copco Group

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Atlas Copco to develop high-speed geothermal drilling technology

Stockholm, Sweden, October 12, 2011: Atlas Copco Secoroc LLC and Sandia National Laboratories have been awarded MUS\$ 3.4 (around MSEK 20) by the U.S. Department of Energy (DOE) for a joint research project. The aim is to develop technology that would significantly increase the speed of drilling deep geothermal wells and reduce the cost of investment in this renewable energy source.

Geothermal energy has great potential as an environmentally friendly source of energy in many parts of the world, but developments are constrained by the high costs related to drilling deep wells in hard rock and high temperatures. Percussive tools, or down-the-hole hammers, are a promising technology for geothermal exploration and development as they rely on mechanisms well suited for the type of rock normally found in geothermal formations. Compared to conventional geothermal drilling methods, down-the-hole hammers could quadruple the penetration rates.

“We look forward with great anticipation to the results of this project,” said Bob Fassl, Business Area President, Atlas Copco Mining and Rock Excavation Technique. *“Atlas Copco already offers a wide range of products and services for geothermal development projects and this is clearly a future growth market for the Group.”*

During the three-year project Atlas Copco Secoroc will design, develop, and test equipment. Sandia National Laboratories will provide computer models to evaluate hammer performance, materials and components. Sandia will also develop a high temperature test cell to evaluate hammer prototypes.

The grant is one of 32 research and design projects for geothermal power production funded through an initiative by the DOE's Office of Energy Efficiency and Renewable Energy. These projects are designed to meet the challenge to generate 80% of U.S. electricity from clean energy sources by 2035. Atlas Copco was awarded the second largest contract in the DOE initiative, which totaled MUS\$ 38.

Atlas Copco is an industrial group with world-leading positions in compressors, expanders and air treatment systems, construction and mining equipment, power tools and assembly systems. With innovative products and services, Atlas Copco delivers solutions for sustainable productivity. The company was founded in 1873, is based in Stockholm, Sweden, and has a global reach spanning more than 170 countries. In 2010, Atlas Copco had 33 000 employees and revenues of BSEK 70 (BEUR 7.3). Learn more at www.atlascopco.com.

Atlas Copco Secoroc is a division within Atlas Copco's Mining and Rock Excavation Technique business area. It develops, manufactures and markets rock drilling tools worldwide. Its products are used for rock excavation within the mining and construction business for both surface and underground applications. The division is headquartered in Fagersta, Sweden and has production in six continents.

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