The Mount Spurr Geothermal Project - Update

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We will not update these forward-looking statements, even though our situation will change in the future.
Outline

- Introduction to:
  - Ormat Technology, Inc
  - Geothermal power
  - The Mt. Spurr geothermal project

- Project status and timeline
- Costs, matching funds and overall funding plan
- Local support
- Amount and cost of power supplied to Railbelt
- Economic and environmental impact
Ormat Brings Credibility

- A leader in geothermal power
- Owns and operates 553* MW worldwide
- Supplied approximately 1,410 MW to 24 countries
- Vertically integrated:
  - Explores, develops, engineers, manufactures, constructs, operates
- Employs approx. 500 people in the U.S.; >1,150 worldwide
- Publicly traded on the NYSE (“ORA”)

*Including 50 MW of North Brawley in California and 15 MW of Jersey Valley in Nevada, which are currently below design capacity.
Global Presence
Meeting the Needs of Customers in 71 Countries

California, 228 MW
Nevada, 125 MW
Hawaii, 30 MW
Guatemala, 44 MW
Nicaragua, 26 MW
Minnesota, Montana, North & South Dakota, 49.5 MW
Colorado, 3.5 MW
Kenya, 48 MW
Ormat’s Commitment to Alaska

- >100 Remote Power Units
  - Serving remote gate valves
  - TransAlaska Pipeline
  - Since 1975

- First geothermal unit
  - Tested in 1979
  - University of Alaska Fairbanks
  - At Manley Hot Springs

- Approx. $6 million of Ormat equity invested in Mt. Spurr to date
Geothermal – Key Attributes

- Utilities’ renewable energy of choice:
  - Base-load generation
  - Cost-competitive
  - Highly reliable; >95% availability
  - Proven technology: ~11,000 MW deployed worldwide
- No fuel cost risk; Fixed long-term pricing
- Sustainable & environmentally friendly
  - Closed loop system with near zero emissions
  - No water consumption [Mt. Spurr plant will be air-cooled]
  - Minimal surface and visual impact
- Creates long-term, high-quality jobs
Geothermal – Development Inhibitors

- Resources are scarce
- High upfront CAPEX and risk required in order to discover and confirm the resource
Worldwide Geothermal Deployment

- Approximately 11,000 MW deployed world-wide
- 24 nations have utility-scale geothermal generation
  - US is the world leader, with plants in CA, NV, HI, UT, ID
- Supportive policies have been key to success in all nations

Source: International Geothermal Association
Project Location

West Cook Inlet
~75 miles west of Anchorage

Source: GoogleEarth
Mt. Spurr – Status & Estimated Best Case Timeline

- 36,000 acres of state lands leased from DNR in October 2008
- Non-intrusive exploration conducted summer of 2009 and of 2010
- Two exploration core holes (~1,000 ft) drilled in September 2010
- One deep exploration core hole (~4,000 ft) drilled during summer of 2011
General Lease Area: 3 Regions
Drilling Work Focused on Eastern Region

- Closest to infrastructure (road, transmission)
- Outside the known volcanic hazardous zone
- Geologic faults identified could potentially accommodate a geothermal resource
Core Drilling in 2010 and 2011
Core Collected – Donated to DNR/DGGS
Results to Date

- Results from the 2009-2010 exploration and drilling work were encouraging as to the potential existence of a geothermal resource at commercial depths, primarily in the central (harder to develop) region but also in the eastern region.

- Results from the 2011 deep core hole in the eastern region were not encouraging as the rock type encountered was not a good reservoir rock and the temperatures measured were colder than expected.

- Current geologic model predicts low likelihood of finding a commercial geothermal resource at the eastern region.

- However, geologic data still support the potential existence of a commercial resource at the central region.
Status and Next Steps

Current efforts focus on trying to find a location in the central region that satisfies all major requirements:

- Reasonable likelihood of finding a commercial resource
- Volcanic hazard risk can be mitigated
- Access road and transmission line could be connected to it at reasonable costs
Summary – Mt Spurr Benefits

- Clean, reliable, field-proven, base-load power to the Railbelt
- Significant relief in Cook Inlet natural gas consumption
- Significant contributor towards 50% renewables by 2025
- Provides long-term price stability
- Near-term solution, bridging the gap to longer-term mega-solutions, e.g. Suisitna hydro and/or gas pipeline
- Provides high quality, long term green jobs
Thank You!

Mt. Spurr Summit – August 2009

Core Drilling – September 2010

Core Drilling – Summer 2011