

The Mount Spurr Geothermal Project

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



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Outline

0. Introduction to Ormat; Geothermal Power; Mt. Spurr project
1. Project timeline
2. Total cost of project
3. Transmission needs
4. Cost of power to consumer
5. Amount of power supplied to railbelt
6. Likelihood of completion
7. Permitting roadblocks; environmental challenges
- +. Community Support



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Introduction to Ormat

- A leader in geothermal power
- Owns and operates 520 MW worldwide
- Supplied approximately 1,300 MW to 24 countries
- Vertically integrated:
 - Explores, develops, engineers, manufactures, constructs, operates
- Currently exploring and developing projects in >6 states
- Employs >1,000 people worldwide; 450 in the U.S.

NYSE: "ORA"

Market Cap. : \$1.54B*

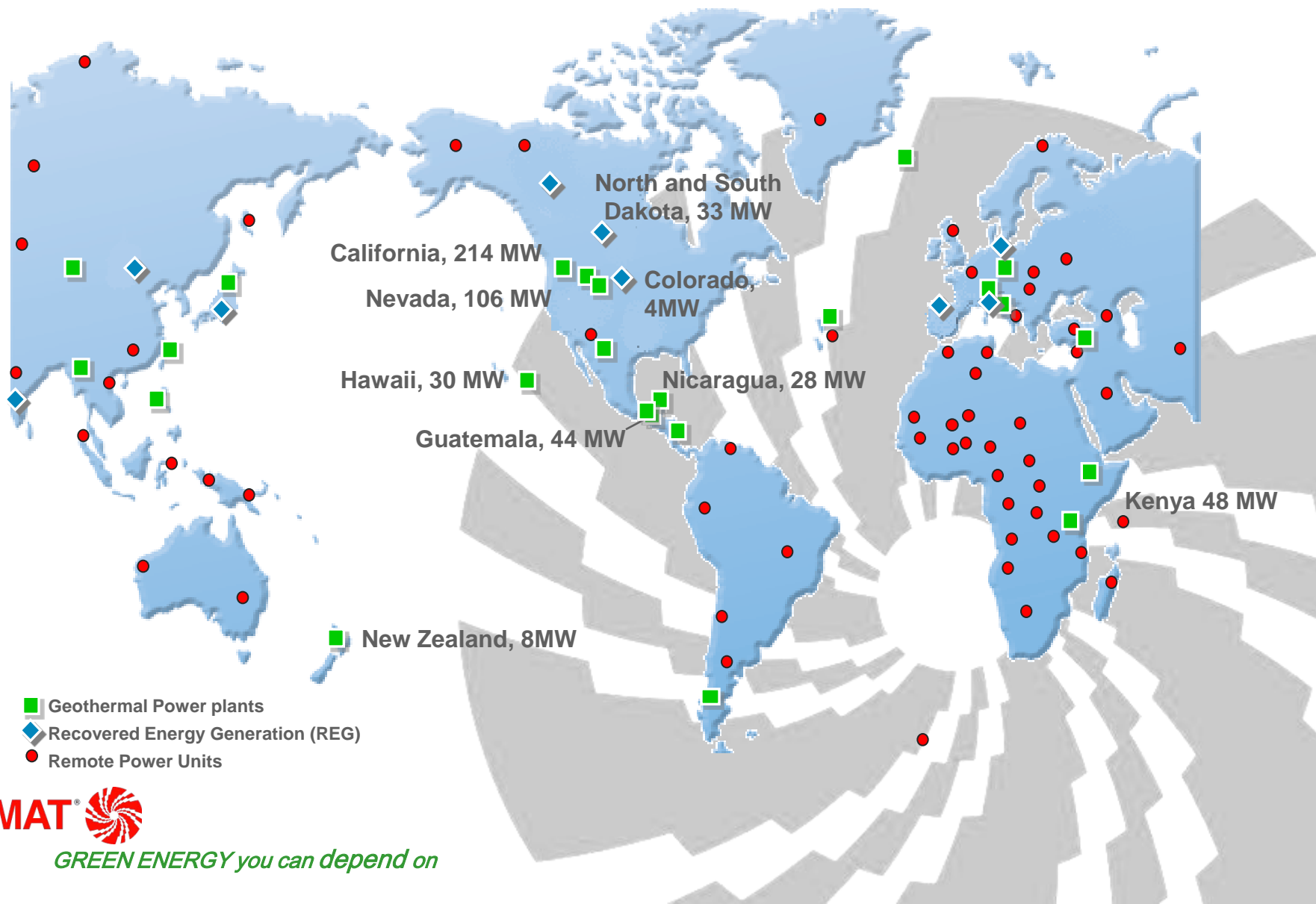
LTM Revenues: \$415 M



*As of February 5 , 2010

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Global Presence; 71 Countries



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The Power of Experience

1300 MW of field proven power plants, including in:
remote locations; volcanic areas;
arctic environment; un-manned facilities



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Nearly 40 Years of Ormat in 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



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ORMAT 

30 Years of Ormat in Alaska

1970-2006

ORMAT® Energy Converters (OEC) powering 62 Remote Gate Valve stations along the TransAlaska Pipeline, since 1976

OEC Prototype for TAPS Tested at **UAF**, 1970

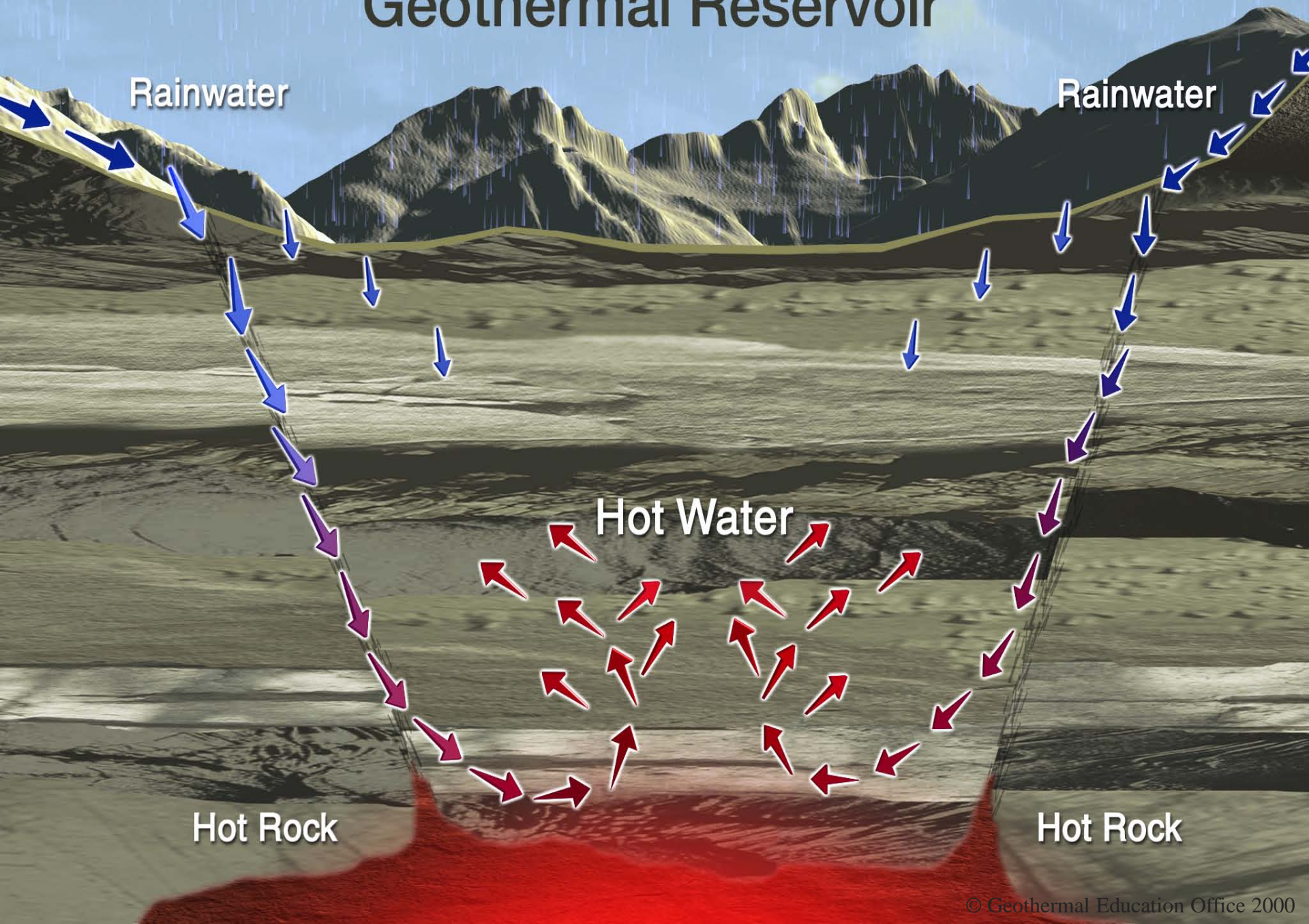
4 kW Geothermal OEC at **UAF**, 1977

**Time,
the Only True Test of
Reliability**

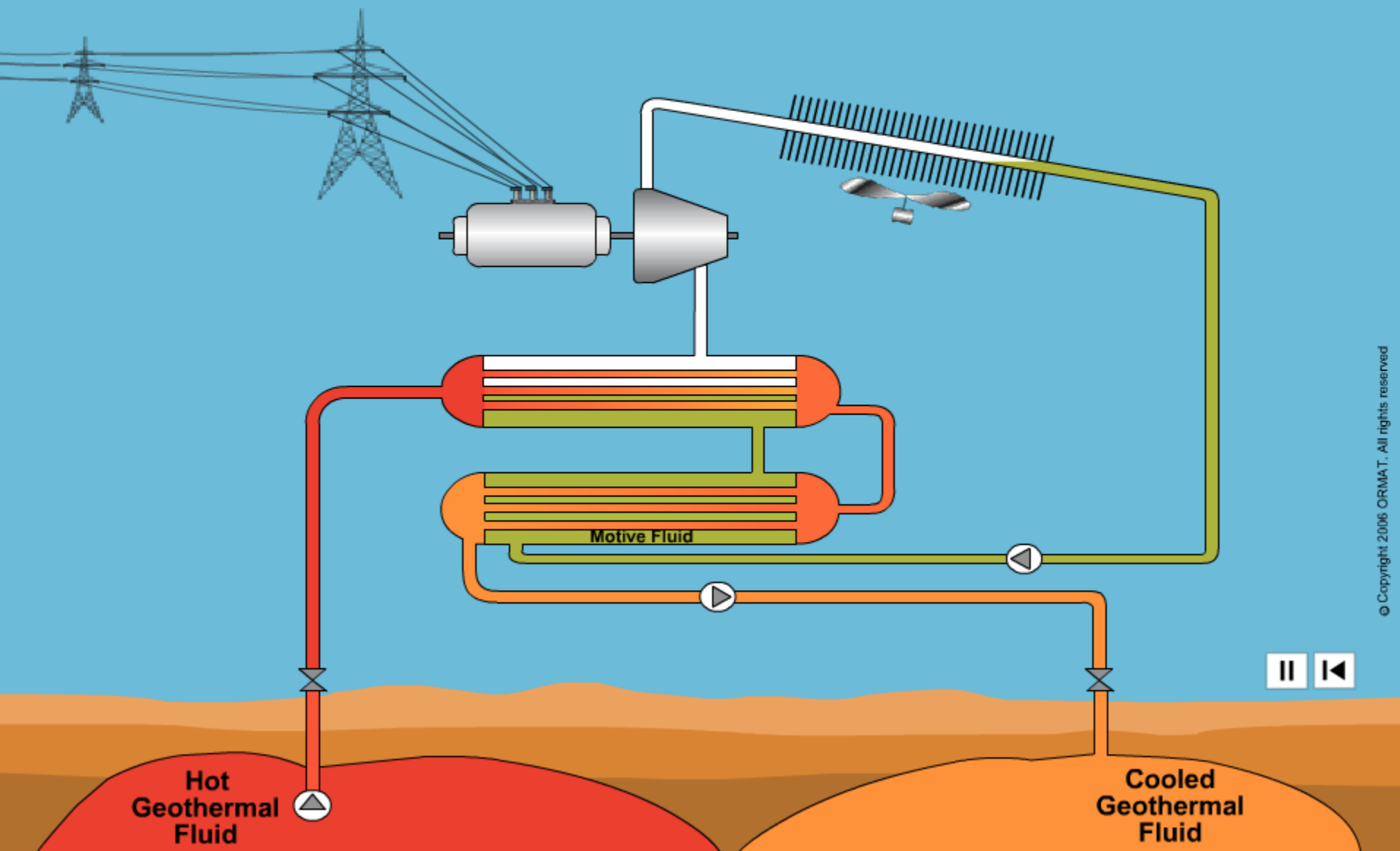
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F-48-007/21

Geothermal Reservoir



Air-Cooled Binary Geothermal Power Plant



Geothermal – Key Attributes

- Utilities' renewable energy of choice:
 - Base-load generation
 - Cost-competitive
 - Highly reliable; >95% availability
 - Proven technology: ~10,000 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



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Mt. Spurr Geothermal Project

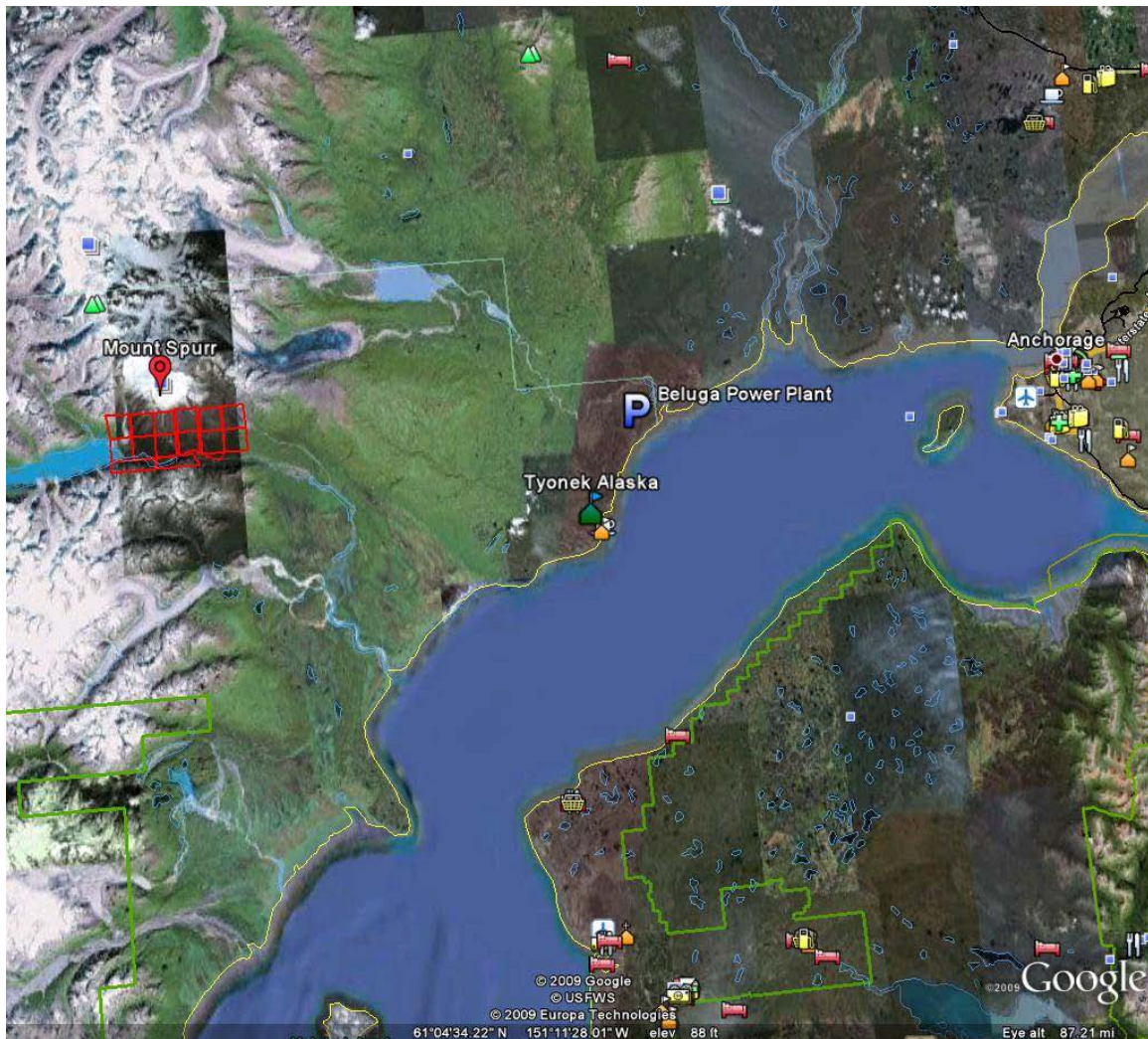


Mt. Spurr Summit – 6 Aug 2009



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Location



West Cook Inlet

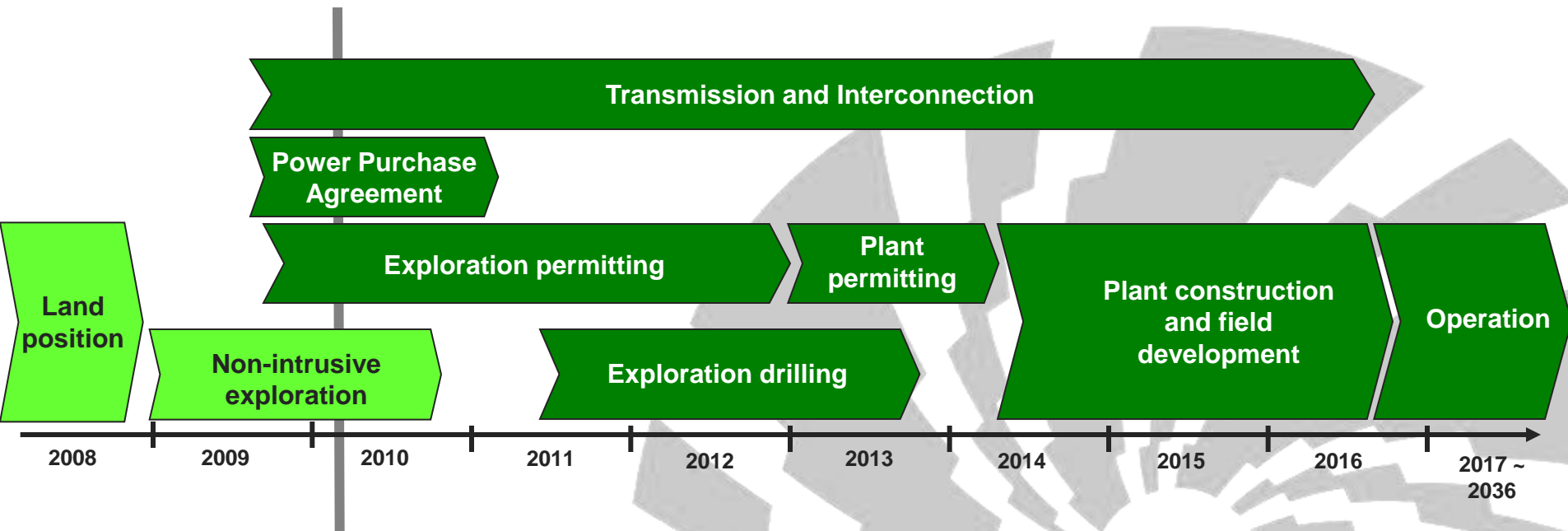
~75 miles west of
Anchorage



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Source: GoogleEarth

1. Mt. Spurr – Estimated Timeline



- 36,000 acres of state lands leased in October, 2008
- Geophysical exploration began in summer of 2009
- Plan of exploration for 2010-2011 approved by DNR on January 2010



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2. Total Cost of Project

- Estimated at \$5,000-\$6,000 / kW
 - Assuming 50 MW: \$250 - \$300 million
- Requested funding:
 - \$2 million, matched by \$2.1 million, from the renewable energy grant program
 - Support 2010-2011 exploration plan



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3. Transmission Needs

- ~40 miles to Chugach Electric's Beluga plant
- Assume the state or one or more local utilities will build, own and operate the line



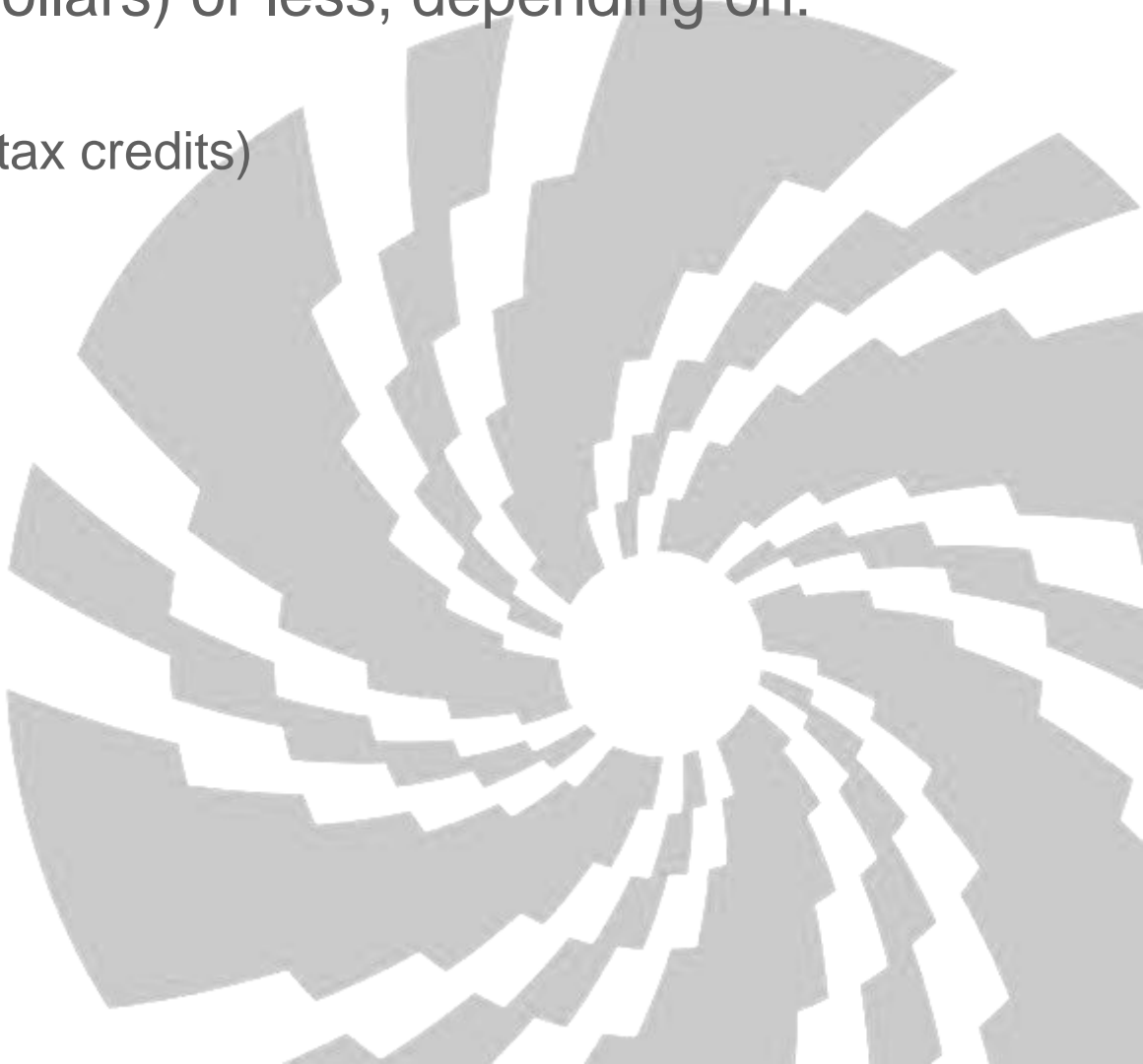
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4. Cost of Power to Utility

- 11~14 c/kWh (2009 dollars) or less, depending on:
 - Royalty rate
 - State incentives (e.g. tax credits)



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5. Amount of Power to Railbelt

- Estimated at 50~100 MW net
- At 95% capacity factor: 416.1 ~ 832.2 GWh / year



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6. Likelihood to Completion

- Technology-wise: Very likely
 - Practically no technology risk
 - Ormat has built dozens of plants worldwide, ~1300 MW
- Business-wise: Depends on utilities and state
 - Chugach and other utilities highly interested in off-taking power
 - Need to incentivize development in order to meet the utilities' price expectations
- Resource-wise: Moderate
 - Preliminary geological analysis is encouraging; however
 - Significant exploration required to prove and size the resource



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7. Permitting Roadblocks

- Area was studied by DNR and findings were published as part of the leasing process
- Ormat will adhere to DNR guidelines and mitigation measures
- Ormat will work with all relevant agencies to obtain the required exploration, development and construction permits
- No roadblocks or major challenges identified so far



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Project Endorsed by:

- Future ratepayers, e.g. Mayor of Anchorage
- All Railbelt utilities, primarily Chugach Electric
- Nearest communities:
 - Tyonek
 - Kenai Peninsula Borough
- Environmental and renewable energy communities:
 - Cook Inletkeeper
 - Renewable Energy Alaska Project (REAP)
 - Homer Electric Association Members Forum (HEAMF)
 - Alaska Center for Appropriate Technology (ACAT)



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