



Photo courtesy of NREL - Renner, Joel

Financing Geothermal Development

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Dundee Securities Corporation

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Financing Geothermal Development: Capital Is Available

<p>\$32,040,000</p>  <p>Polaris Geothermal Common & Preferred Shares <i>Lead Underwriter</i></p>	<p>\$17,700,000</p>  <p>Nevada Geothermal Common Equity <i>Lead Underwriter</i></p>	<p>\$22,000,000</p>  <p>Western GeoPower Corp. Common Equity <i>Lead Underwriter</i></p>	<p>\$25,000,000</p>  <p>U.S. Geothermal Inc. Common Equity <i>Lead Underwriter</i></p>	<p>\$5,000,000</p>  <p>AIM PowerGen Corp. Common Equity <i>Lead Manager</i></p>
<p>\$17,500,000</p>  <p>Plasco Energy Group Common Equity <i>Lead Underwriter</i></p>	<p>\$142,887,000</p>  <p>Ormat Technologies Inc. Common Equity <i>Co-Lead Manager</i></p>	<p>\$172,500,000</p>  <p>Canadian Hydro Developers Common Equity <i>Co-Lead Manager</i></p>	<p>\$77,000,000</p>  <p>Skypower Corp. LP Units <i>Co-Lead Manager</i></p>	<p>US\$34,000,000</p>  <p>U.S. Geothermal Inc. Project Equity <i>Lead Manager</i></p>

Source: Dundee Securities Corp.

Agenda

- ✓ **What is the appeal of Geothermal for investors?**
- ✓ **Stages of development (and risk) in Geothermal Investing**
- ✓ **Our experience in the geothermal area**

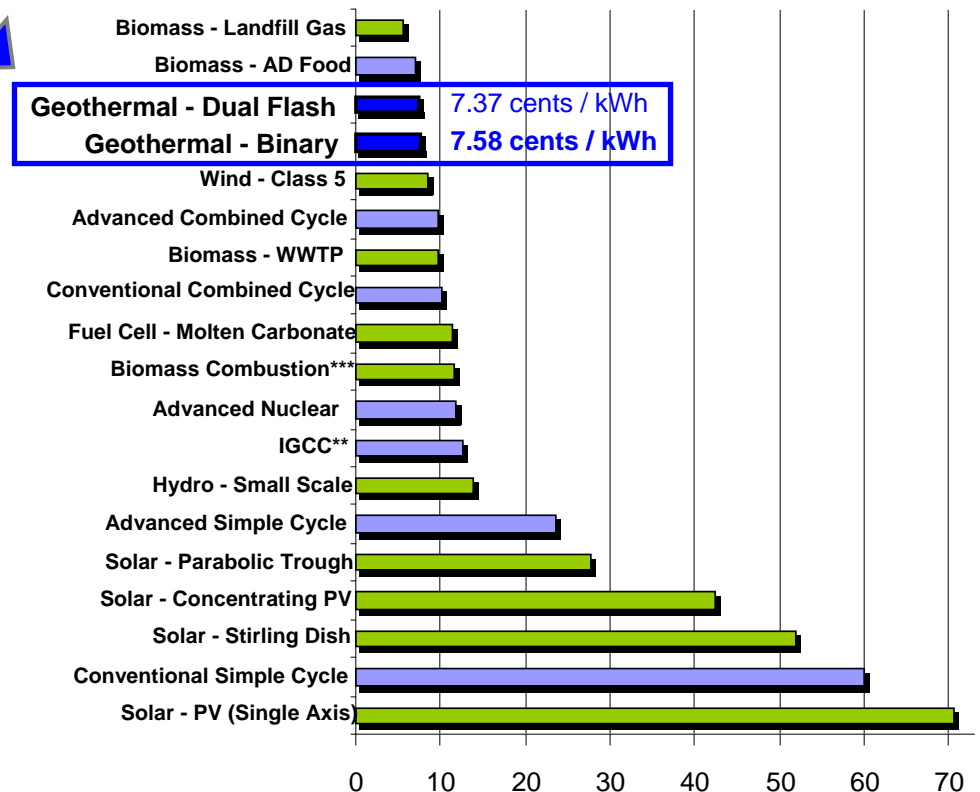
My Message

Dundee helps geothermal developers finance projects by matching them with the resources they require to grow their businesses.

Why Are We All Here ??

1. The **levelized cost of power from Geothermal** is among the lowest available for new electricity generation sources.

Levelised Cost of Power, Generation Technologies
cents/kWh



Why does this matter to investors?

- ✓ **Higher project returns** due to lower overall production costs
- ✓ **Operating Costs are Low: \$16-\$20/MWh** over the life of the project
- ✓ **No Fuel Risk:** (should) lower costs of project debt and equity

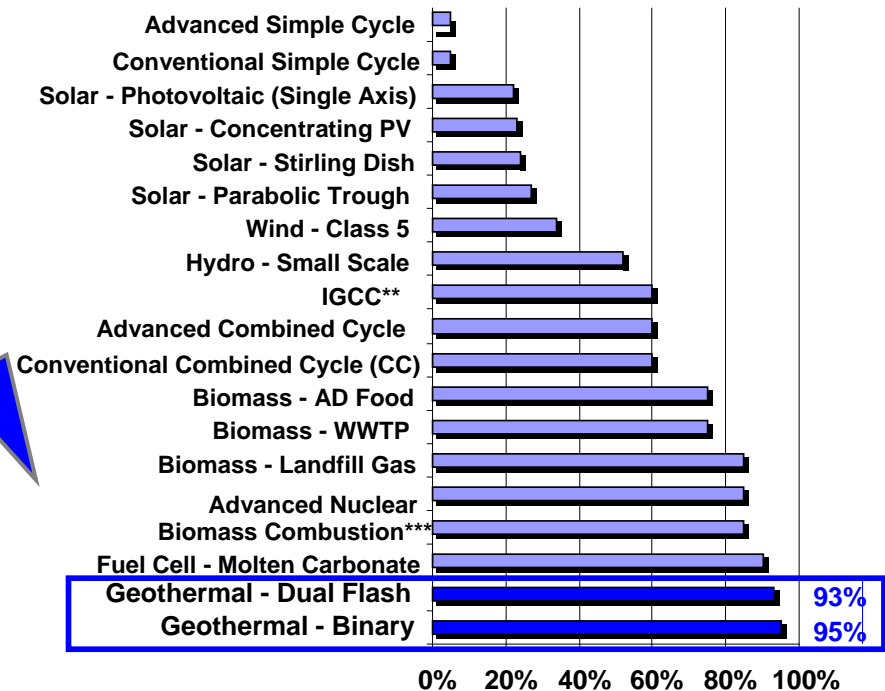
Why Are We All Here ??

2. **Geothermal Capacity factors** are the highest available from new power sources.

Why does this matter to investors?

- ✓ **More Revenues:** produces more electrons in its lifetime.
- ✓ **Predictability of Cash Flows:** Geothermal's seasonality easier to predict than how the wind blows, or how volatile gas prices will be.
- ✓ **Reliability:** Geothermal offers something of value to the utility which strengthens its prospects of securing a PPA.

Capacity Factors for Generation Technologies
%



The Challenge: Accessing Capital

Geothermal developers who need capital to grow their businesses must meet several investor requirements:

Management Team

- Investors gain comfort from strong development teams with successful track records of development and exploration.

Resource

- Exactly how strong are the prospects at each of your development sites?

They Need a Plan

- Investors need thorough understanding of the developer's "Game Plan" for development to gain comfort with risks.

Some Diversity Helps

- Developers with concentration in only one or two projects give less protection to investors at the holding company level.

- It's all about risk, and how you will manage it while moving your projects to completion.
- Investors demand experience, which is rare in this nascent industry

The Solution: Match the Developer with Necessary Resources

Exploration stage: Equity is expensive at this stage because of the risk profile – need to tap the right sources

- “*Cheap*” capital can be found with DOE, family & friends, public equity offerings
- *More costly capital* is private equity, but it is often accompanied by expertise



The Solution: Match the Developer with Necessary Resources

Confirmation stage: Equity is still the primary source of capital for developers. Again, need to tap the right sources

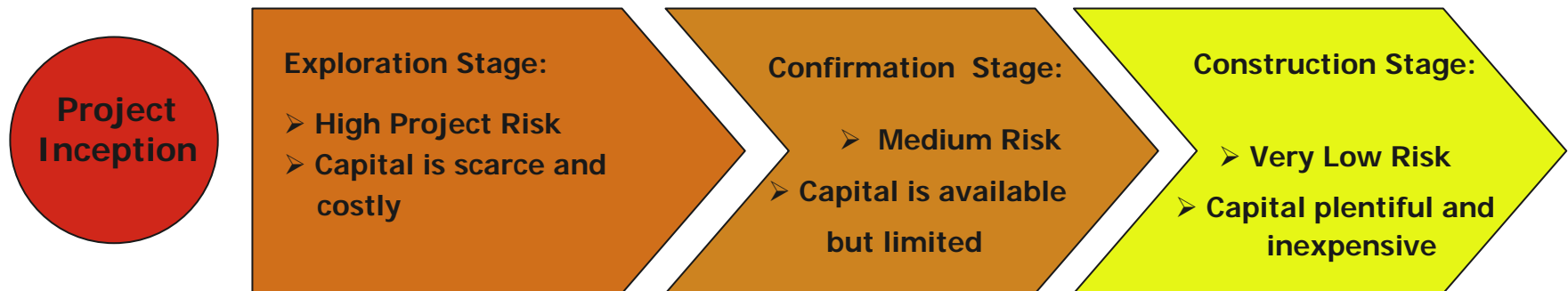
- *Public equity* offers.... Shorter fundraising timeframe, liquidity / tangible rewards for milestone achievements
- *Private equity* offers... Smart, experienced investor, financial discipline



The Solution: Match the Developer with Necessary Resources

Construction stage: Risk is almost entirely eliminated, so developers tap project finance (debt / tax equity)

- Construction financing, which converts to term once project is completed. Power/infrastructure financiers active at this stage
- Leverage available, also PTC tax equity flip structure, accelerated depreciation to raise funding



The Solution: Match the Developer with Necessary Resources

Dundee Provides Developers with the Right Resources – Including Seed Capital.

- ***When a developer has not yet satisfied investor requirements, we connect them with the appropriate:***
 - *Seed Capital*
 - *Resource Professionals*
 - *Project Development Team*

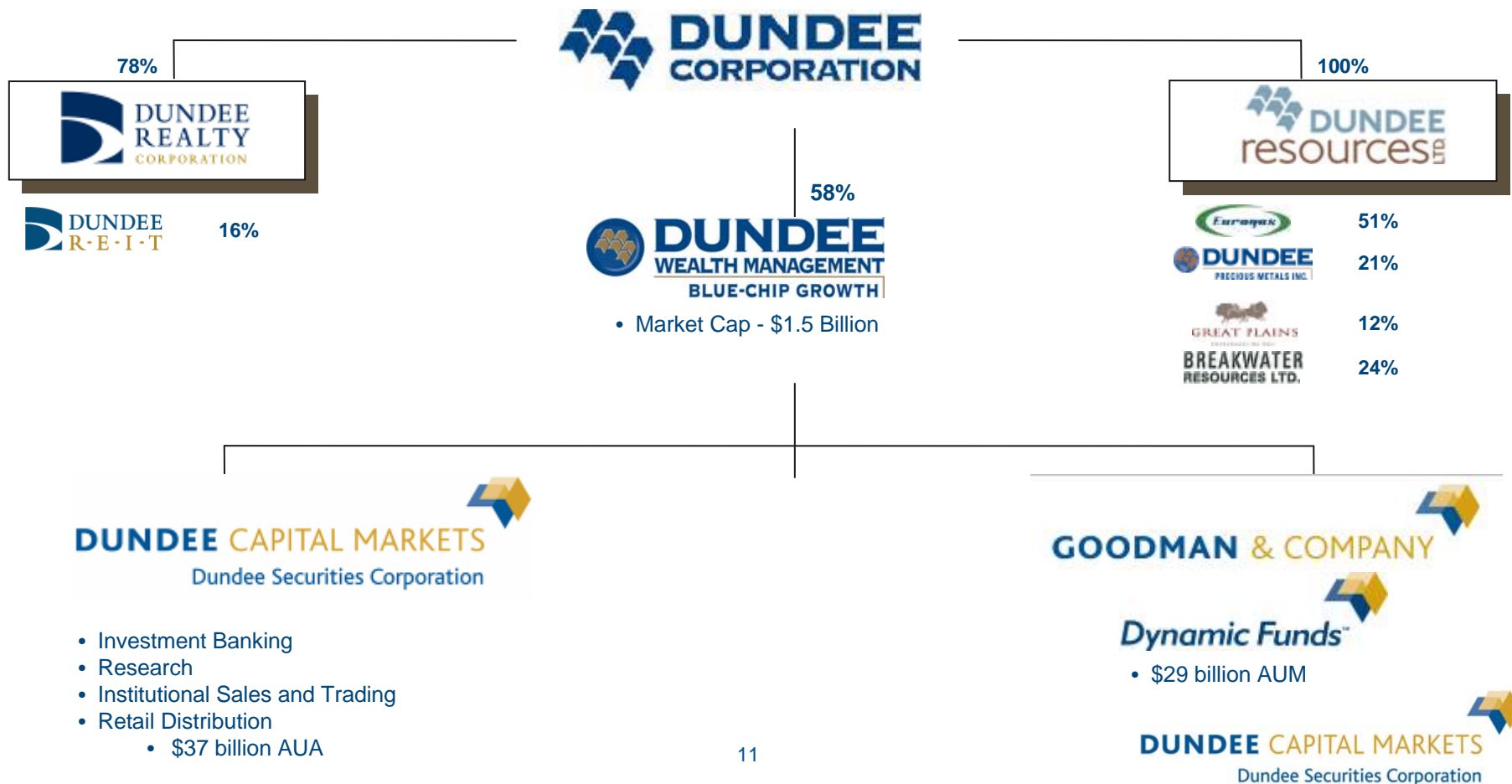
The Solution: Match the Developer with Necessary Resources

Dundee Draws on its Unique Market Experience.

- ***Uniquely qualified to connect developers and investors thanks to our:***
 - *Unparalleled relationships with and access to institutional investors focused on geothermal financing*
 - *Industry expertise*
 - *History of success in leading financings*

The Solution: Dundee Matches Developers with Resources

Our firm has the necessary scale and assets to structure financings.



The Solution: Dundee Matches Developers with Resources

Draw on Dundee's Unique Market Expertise

- ***Our firm has the necessary scale and assets to structure financings:***
 - Current market capitalization is approximately \$1.5 billion
 - 2005 – 2007: Dundee has been the lead underwriter for over \$250 million and a syndicate member for in excess of \$1.1 billion in capital transactions within the Renewable Energy sector
 - Dundee has a focused mandate to provide aftermarket support for its Renewable Energy universe

**Bottom line: \$150 MILLION OF CAPITAL RAISED FOR
GEOHERMAL POWER PROJECT DEVELOPERS**

Dundee is uniquely positioned to help geothermal developers gain access to capital.



Photo courtesy of CANWEA



Photo courtesy of NREL - Renner, Joel

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Thank you

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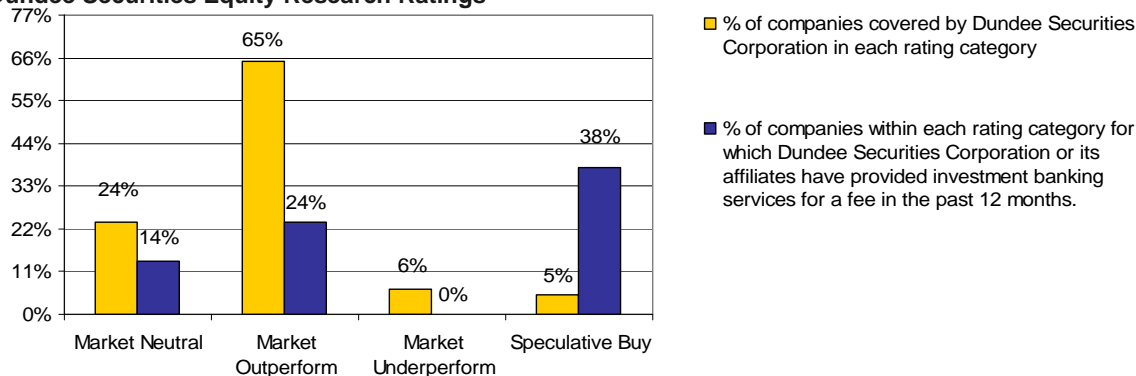
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Dundee Securities Equity Research Ratings



As at October 31, 2007

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