



*Tuscarora, Geothermal Power Plant, Nevada*

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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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# Renewable Energy Market

## ■ Investments in Renewable Energy continue

- **2011 worldwide investments were approx. \$260 Billion**
- Most of the investments:
  - In the Solar Sector
  - In USA, China and Europe

## ■ Renewables were approximately 6% of global electricity generation in 2011

Source: U.S. Energy Information Administration, Net Generation by Energy Source Report No.: DOE/EIA-0226 July 2010)



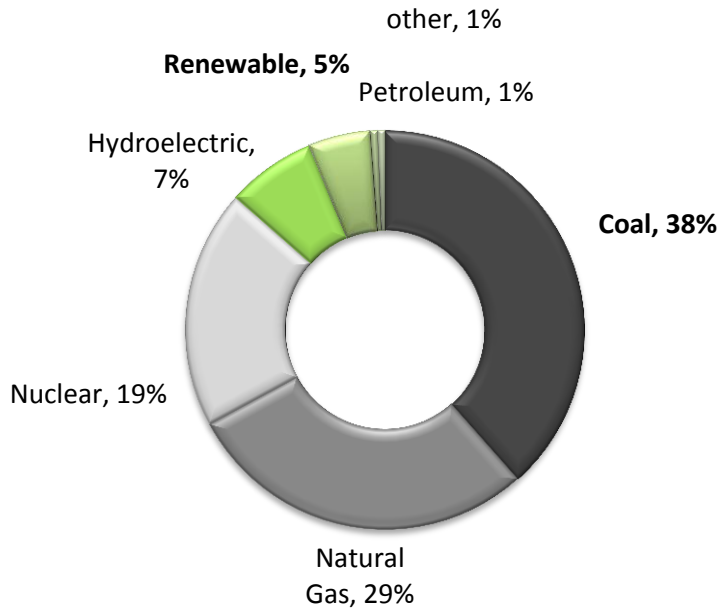
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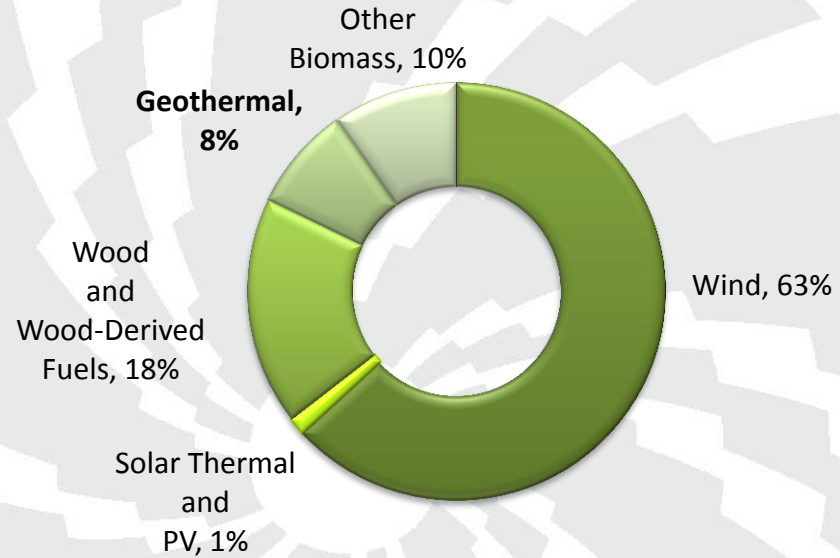


# US – Lead Investor in the Renewable Energy

**U.S. Electricity Generation by Energy Source**  
Rolling 12 Months Ending in June 2012



**Renewable Energy Generation by Type**  
Rolling 12 Months Ending in June 2012



Source: U.S. Energy Information Administration, Net Generation by Energy Source: Total (All Sectors), 2002-June 2012



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# Introduction to Ormat

## Market leaders with proven track record:

- Over four decades of experience
- Established renewable pure-play
- Owns 586 MW of installed capacity in 18 complexes and power plants
- Fully contracted, base load generation with strong free cash flow
- Vertically integrated
- Global operation with a strong presence in the U.S.
- Technology leader with over 82 US patents

NYSE	ORA
Share Price:	\$17.43
52wk Range:	\$16.01 - \$22.24
Div & Yield:	0.16 (0.90%)
Avg. Vol. (3m):	75,010 shares
Market Cap:	\$792 M

Share data source: Yahoo Finance, as of November 26, 2012; Number of patent as disclosed in 2011 10K filed on February 29, 2012.

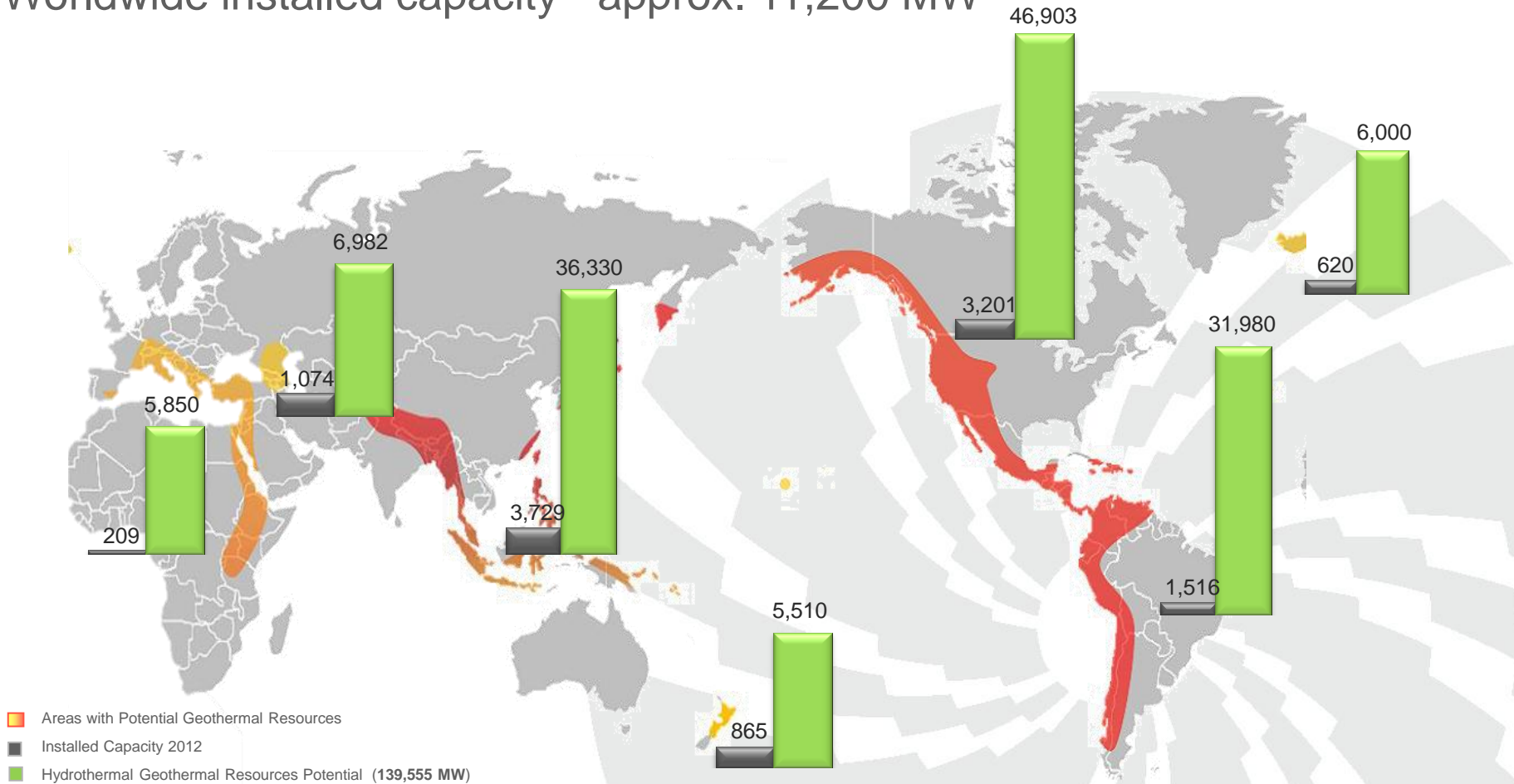


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# Global Geothermal Potential (MW)

Worldwide installed capacity - approx. 11,200 MW



Source: Hydrothermal Geothermal Resources Potential, EMERGING ENERGY RESEARCH, LLC. Global "Geothermal Markets and Strategies: 2009–2020", May 2009. "Geothermal Power Generation in the World 2005–2010 Update Report" Ruggero Bertani Enel Green Power, via Dalmazia 15 – 00198 Roma (Italy) April 2010. Geothermal: International Market Overview Report, GEA May 2012.



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# Supportive Legislation - U.S.

## Creates Demand

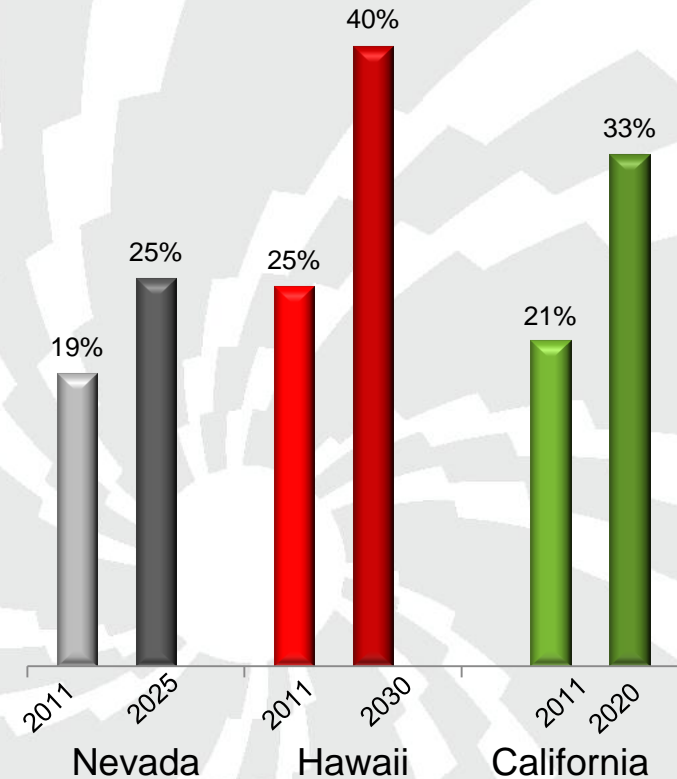
### Renewable Portfolio Standard (RPS)

- Adopted by 37 U.S. States and DC as a mandatory law or as a goal

## Supports Economics

- Tax incentives; choose between:
  - Production Tax Credit (PTC)
  - 30% Investment Tax Credit (ITC)
  - 30% ITC grant
  - 10% Investment Tax Credit (ITC)
- Accelerated depreciation

RPS- State Requirements for Renewable Energy as a % of Total



Source: [www.pewclimate.org](http://www.pewclimate.org) , [www.cpuc.ca.gov](http://www.cpuc.ca.gov) , [www.dsireusa.org](http://www.dsireusa.org) , [www.ferc.gov](http://www.ferc.gov)



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# Business Overview

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### Power Generation



- 69% of Revenue<sup>1</sup>
- In operation: 586 MW
- Expected by 2013: 648 MW
- Exploration: 43 prospects

### Products



- 31% of Revenue<sup>1</sup>
- Backlog of approx. \$192 million
- Supplied over 1,500 MW to 24 countries



<sup>1</sup> Average of annual revenues for the years 2009-2011 and for the first 9 months of 2012.

<sup>2</sup> All figures are updated as of Nov 6, 2012

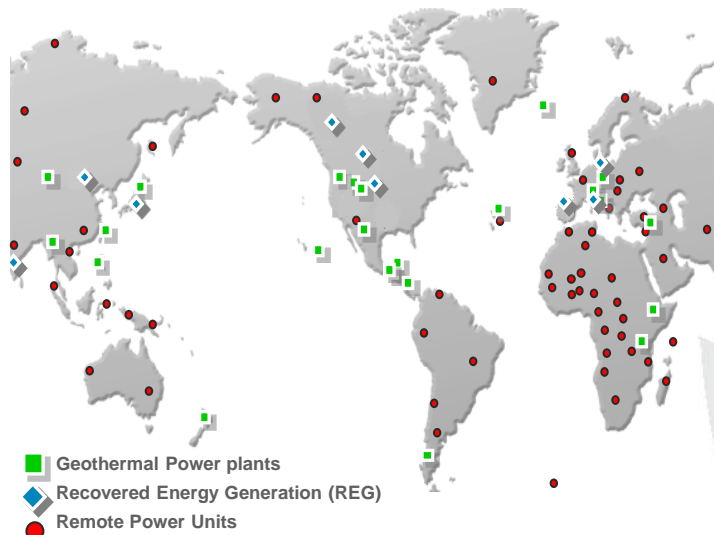
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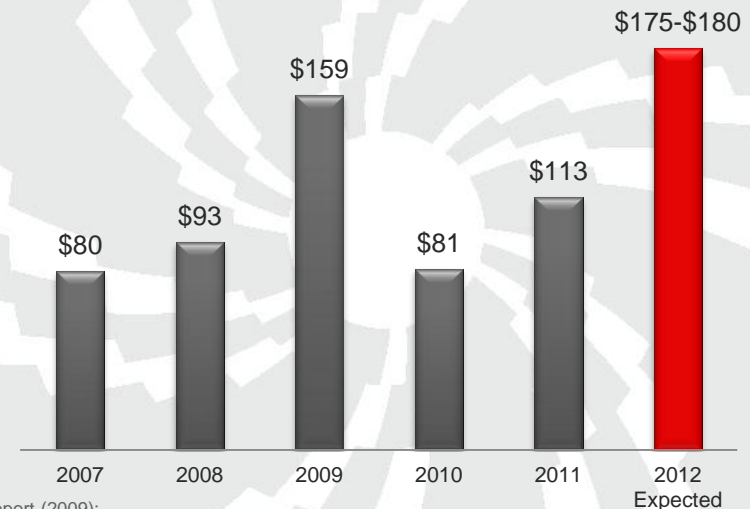


# Products - Technology Leader

- 92% Market share in Organic Rankine Cycle units
- By far the most successful track record of all non steam solutions
- Technology leader for today's resource needs
- Over 25 years of experience in developing unique engineering solutions for a wide range of geothermal resource conditions
- **Strong backlog to deliver high revenues in 2012 and 2013**
- **Backlog\*: \$192 million**



Revenue (\$million)

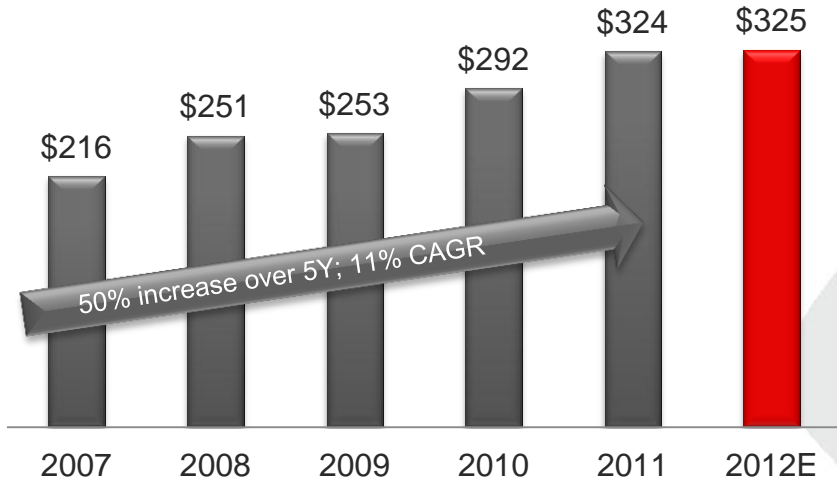


Market share is based on EER Global Geothermal Markets and Strategies report (2009);  
Revenues in million of US\$; Backlog is as of Nov. 6, 2012

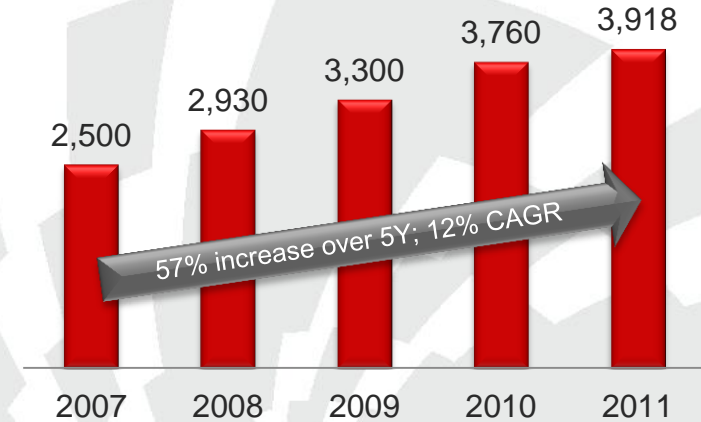
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# Power Generation - 2<sup>nd</sup> Largest Geothermal Owner in the U.S

Revenues (\$million)

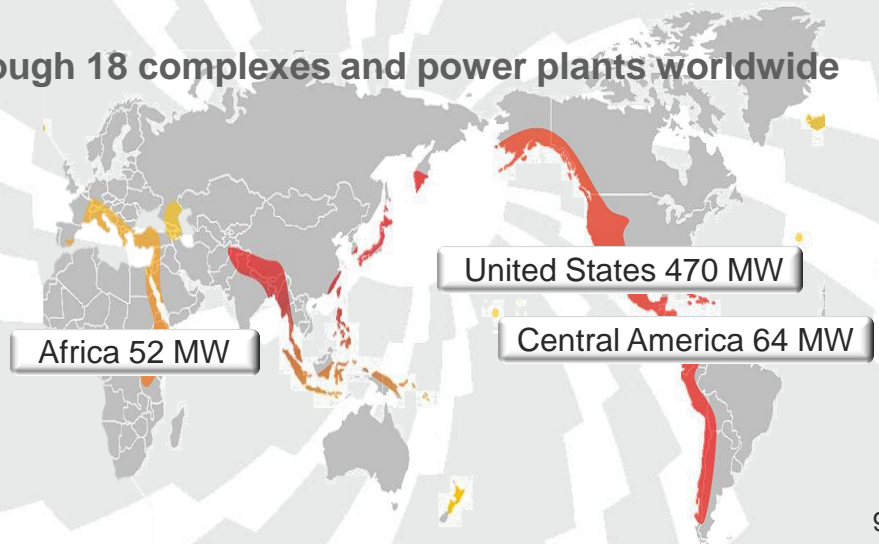


Portfolio Production (GWh)



Own and operate 586 MW of generating capacity through 18 complexes and power plants worldwide

- Diversified Portfolio
- Weighted average remaining contractual life-13 yrs.
- Average capacity factor approximately 90%



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# Geothermal Green Field Development Process



- Identification of site
- Lease agreement
- Permitting
- Exploration
- Initial field development & well testing

- PPA
- Plant design
- Completion field development and equipment manufacturing
- Plant permits
- Gathering system and plant construction

- Testing and start up
- Acceptance test
- Commercial operation



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# Most Successful Geothermal Developer

## Development Inventory

- ▶ Strong land position
- ▶ Prospects are prioritized by probability for success

## Successful Exploration

- ▶ Exploration activity in multiple sites
- ▶ In-house drilling capabilities & established resource group

## PPA & Permits

- ▶ Strong skill set, the company with the highest number of prospects that were turned into operating plants

## Successful Development & Construction

- ▶ Experienced development & construction team
- ▶ Cash from existing operation & Strong balance sheet



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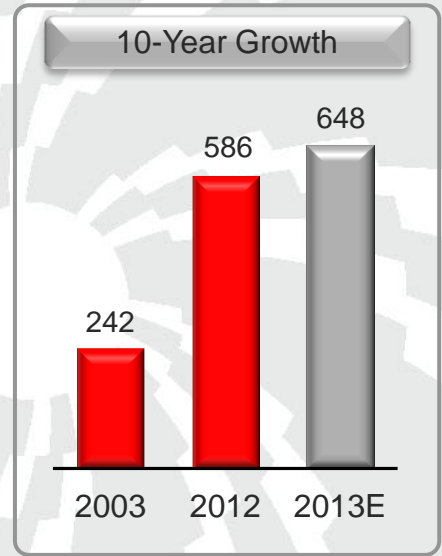


# Near- Term Development Pipeline

Completed four power plants with total capacity of 68 MW since 2011;  
Additional 62 MW are expected by 2013



Project	Location	Projected Generating Capacity (MW)	Projected Completion	Power Purchase Agreement	May Qualify for ITC Cash Grant
Olkaria III - Phase 3	Kenya	36	Mid 2013	✓	NA
Heber Solar	California	10	2013	✓	✓
Wild Rose	Nevada	16	2013	-	✓
<b>Total</b>		<b>62 MW</b>			



Expected Related CapEx: \$48 million(Q4 2012) and additional \$122 million in 2013



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# Projects under Various Stages of Development

#	Project	Location	Projected Generating Capacity (MW)	Power Purchase Agreement
1	Carson Lake	Nevada	20	-
2	CD4 (Mammoth Complex)	California	30	-
3	Crump Geysers	Oregon	10 <sup>1</sup>	-
4	Wister	California	30 <sup>2</sup>	✓
5	Olkaria III, Phase IV	Kenya	16	✓
6	Sarulla	Indonesia	42 <sup>3</sup>	✓
<b>Total</b>			<b>148 MW</b>	

<sup>1</sup> Ormat has signed a 50:50 Joint Venture with Nevada Geothermal Power to develop a binary geothermal power plant, approx., 20 MW, at Crump Geysers in Oregon.

<sup>2</sup> Considering termination of the PPA with the offtaker as Wister PPA milestones.

<sup>3</sup> Ormat owns 12.75% interest in the Sarulla consortium that plan to develop the 330 MW net project to be constructed in three phases over five years.



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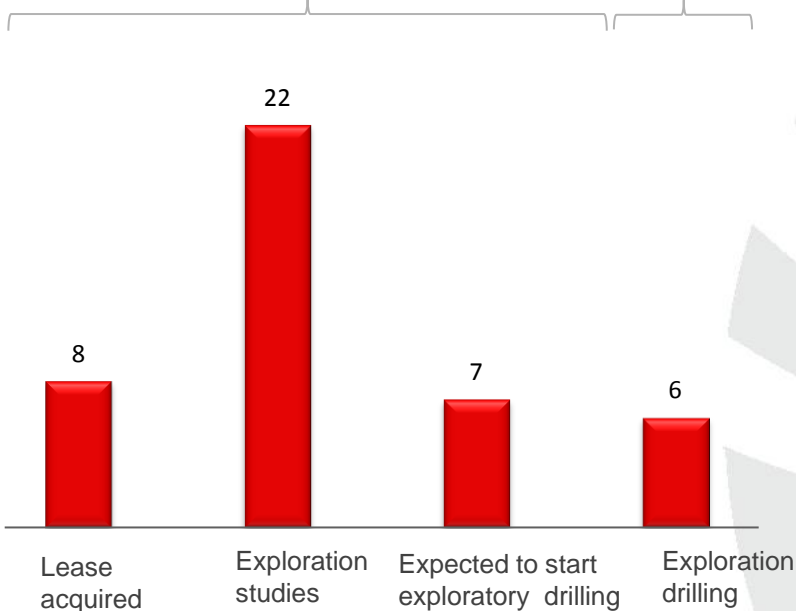
# Exploration Activity

- Ormat's growth profile beyond 2013 will depend on the success in exploration efforts
- Strong land position to support future growth; 43 prospects
- Recent acquisition of late stage development project in Honduras

## Q3 2012 Status

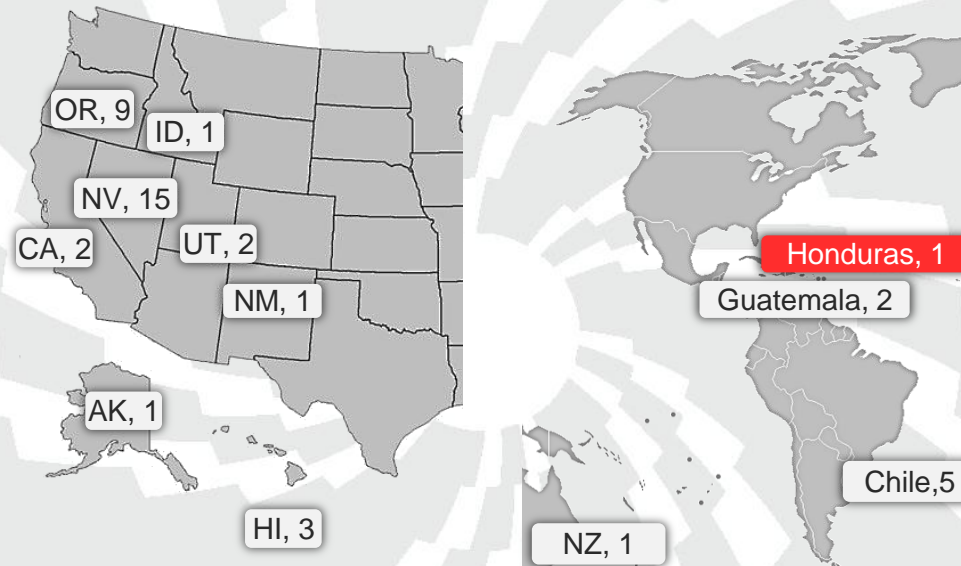
Less than \$1 million

Between \$6-12 million



U.S., 34 prospects

ROW, 9 prospects



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# Financial Highlights

- Financial capabilities to support expansion plans
- Solid revenue stream
- Solid liquidity position
- Profitable operations
- Year over year growth

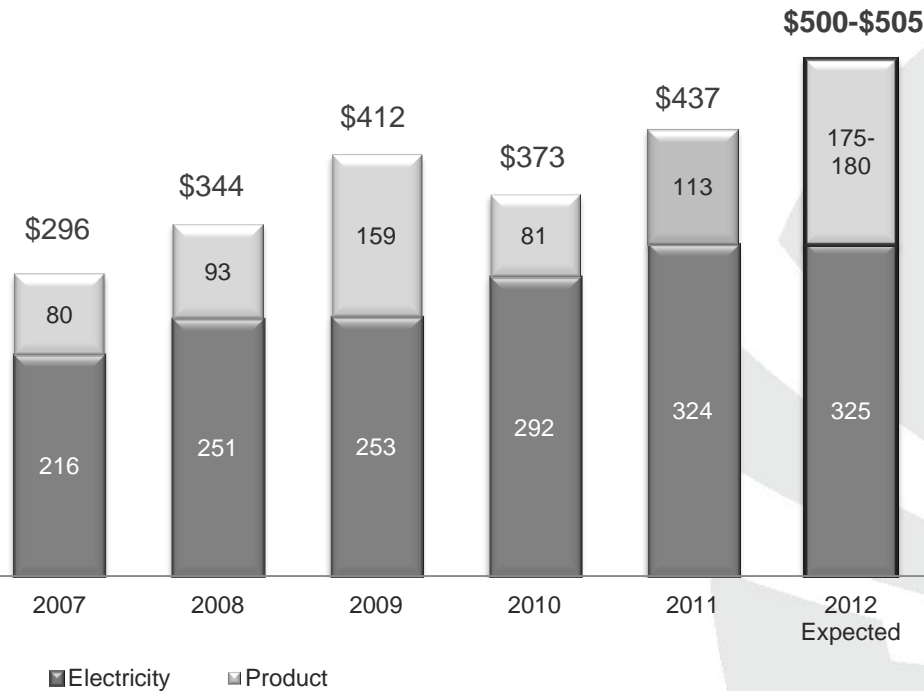


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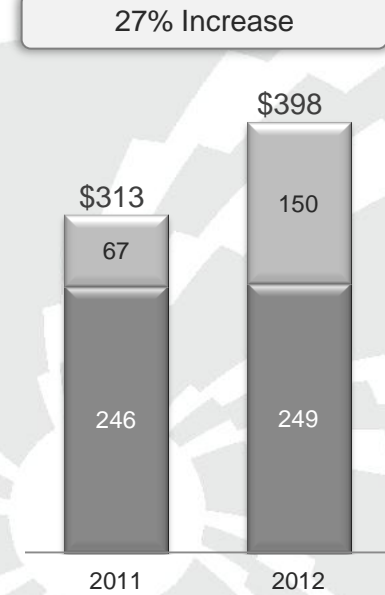


# Financials

## Annual Revenues



## Nine Months Ended September 30



(in millions of USD)

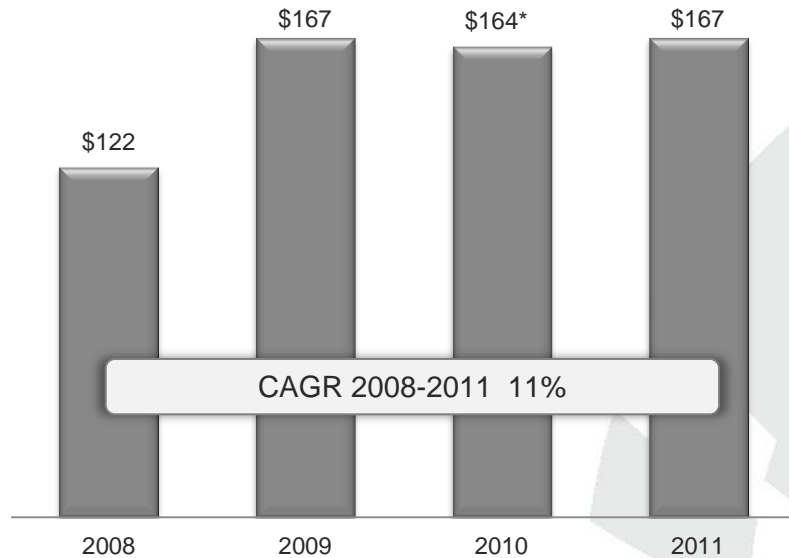


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# Financials

Annual EBITDA & Adjusted EBITDA



Adjusted EBITDA for the Nine Months Ended September 30



Earnings (Loss) per Share	2008	2009	2010	2011
	0.98	1.51	0.82	(0.95)

	2011	2012
	0	0.35

In millions of USD except per share amounts

\* 2010 EBITDA includes a \$36.9 million gain from the acquisition of the controlling interest of the Mammoth complex in California

For reconciliation of EBITDA, Adjusted EBITDA and additional Cash Flows Information see Appendix

\*2011 Net income included \$61.5 million non-cash-related valuation allowance; Net income excluding valuation allowance was \$18.8 million



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# Strong Balance Sheet

As of September 30, 2012 (in millions of USD)

Total Cash (Incl. restricted cash of \$76 million and Short-term bank deposit of \$3 million)	\$117
Property, plant and equipment, net and construction in process (\$368M)	1,859
Total assets	2,258
Total liabilities	1,335
Total equity	923
Net Debt	853
Debt to Capitalization (%)	51%

Unused corporate lines of credit- approx. \$85 million

\$220 million - First draw received on Nov. 9 under the long-term debt financing with OPIC



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# Investment Highlights

- Strong demand for renewable energy
- Federal and state regulations support
- Geothermal is a base load energy that optimizes grid utilization
- Technology leader with proven track record
- Two business segments: Electricity & Products
- Limited exposure to gas prices
  - Only 27% of 2012 portfolio
  - 2013 revenues are fully hedged
- Strong balance sheet
- Access to additional sources of capital
- Positive cash flow from operation
- Vertical Integration
- Typical power plant economics:
  - EBITDA margin of over 50%
  - Typical threshold IRR of a power plant: 12%-15%



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# The Power of Experience



## Thank you

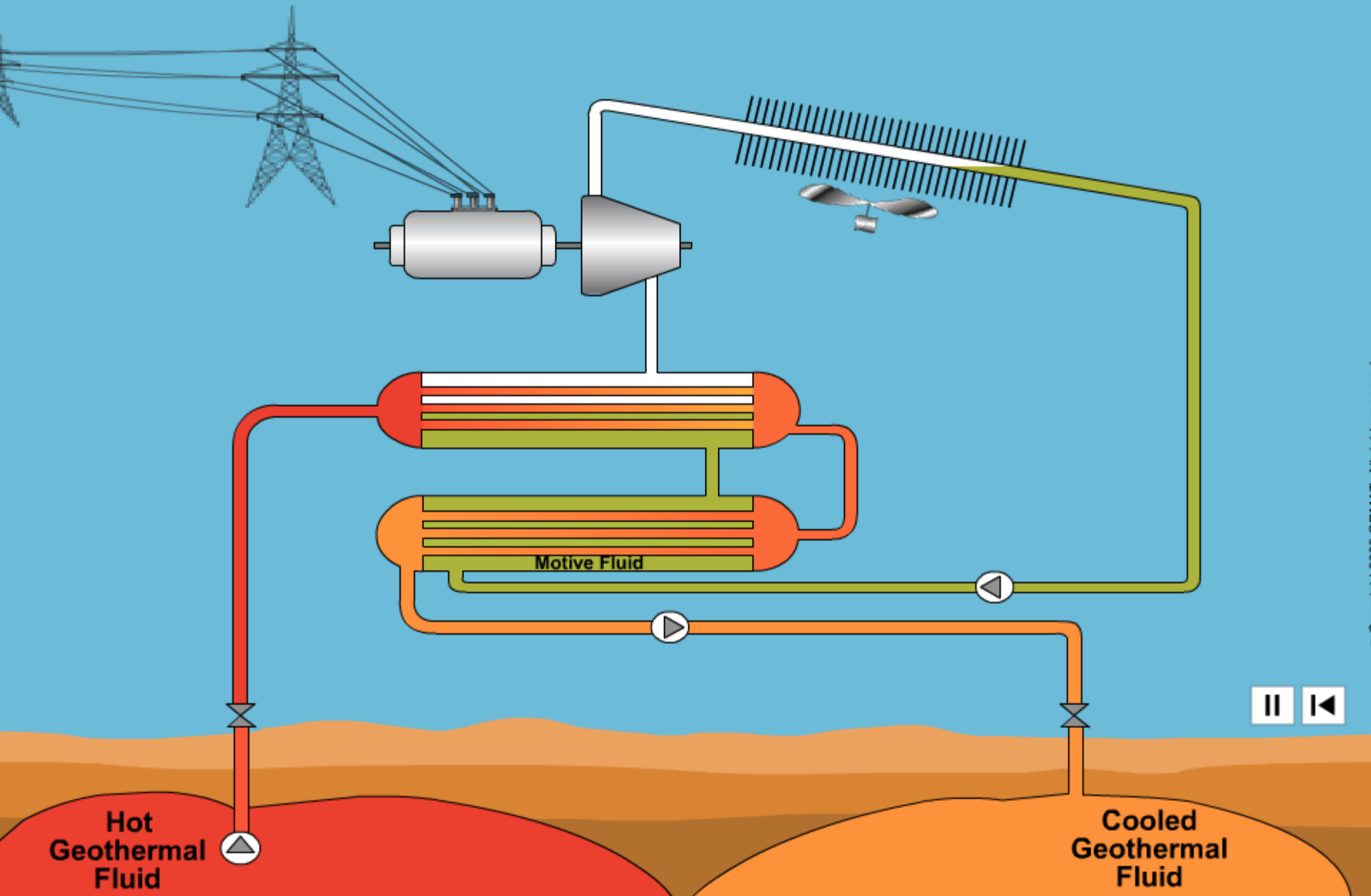
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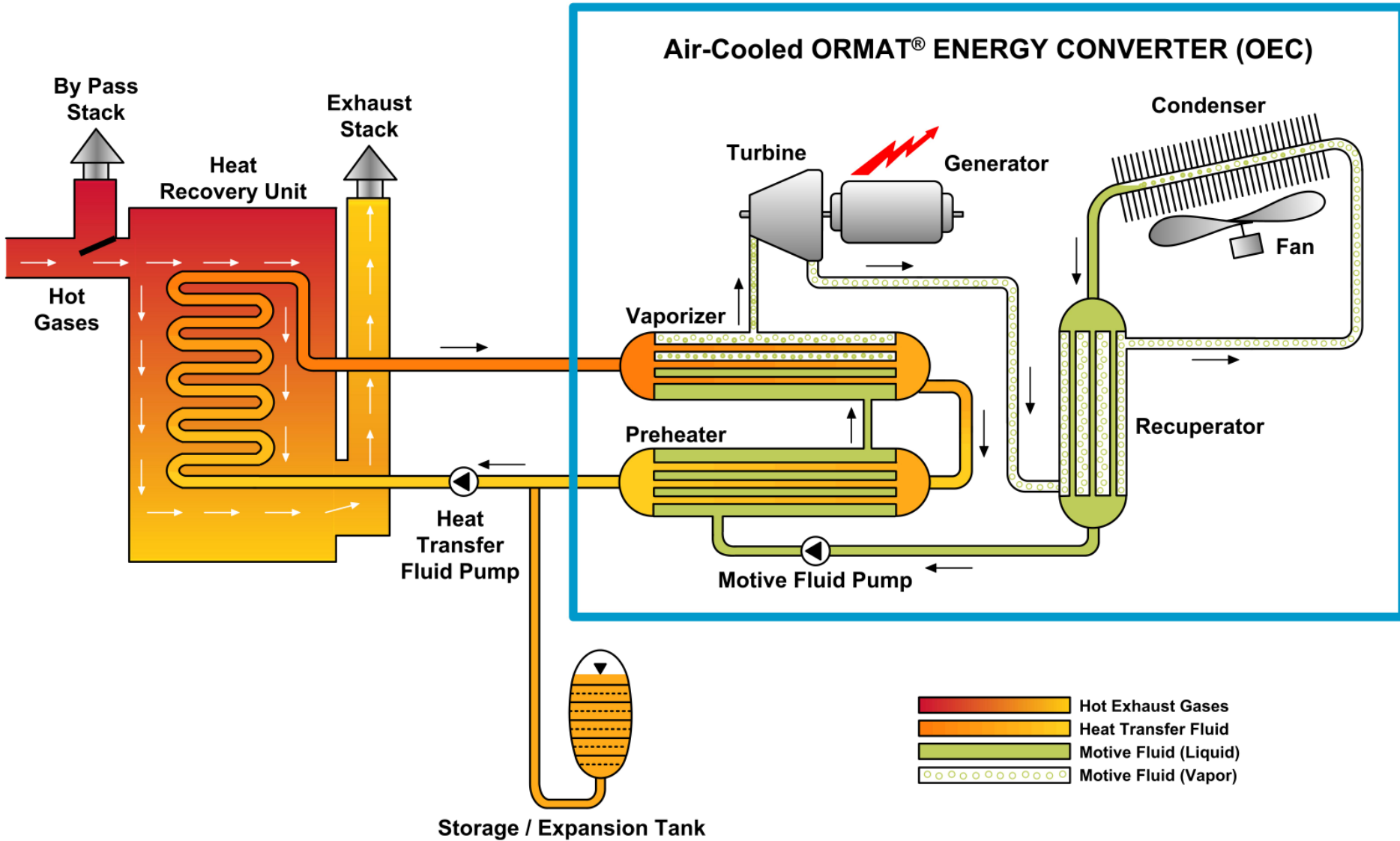
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# Air-Cooled Binary Geothermal Power Plant



# Recovered Energy Generation (REG) System



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# Reconciliation of Adjusted EBITDA and Additional Cash Flows Information

We calculate EBITDA as net income before interest, taxes, depreciation and amortization. We calculate adjusted EBITDA as net income before interest, taxes, depreciation and amortization, excluding impairment of long-lived assets. EBITDA and adjusted EBITDA are not measurements of financial performance or liquidity under accounting principles generally accepted in the United States of America and should not be considered as an alternative to cash flow from operating activities or as a measure of liquidity or an alternative to net earnings as indicators of our operating performance or any other measures of performance derived in accordance with accounting principles generally accepted in the United States of America. EBITDA and adjusted EBITDA are presented because we believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of a company's ability to service and/or incur debt. However, other companies in our industry may calculate EBITDA and adjusted EBITDA differently than we do. The following table reconciles net cash provided by or used in operating activities to EBITDA and Adjusted EBITDA for the three and nine-month periods ended September 30, 2012 and 2011:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
	(in thousands)		(in thousands)	
Net cash provided by (used in) operating activities.....	\$ (9,695)	\$ 59,008	\$ 62,384	\$ 98,514
Adjusted for:				
Interest expense, net (excluding amortization of deferred financing costs).....	14,202	23,222	40,931	52,046
Interest income.....	(280)	(438)	(1,004)	(1,289)
Income tax provision (benefit).....	1,779	(305)	11,545	(726)
Adjustments to reconcile net income or loss to net cash provided by operating activities (excluding depreciation and amortization).....	34,936	(34,749)	29,361	(26,977)
EBITDA.....	40,942	46,738	143,217	121,568
Impairment charge.....	7,264	—	7,264	—
Adjusted EBITDA.....	<u>\$ 48,206</u>	<u>\$ 46,738</u>	<u>\$ 150,481</u>	<u>\$ 121,568</u>
Net cash used in investing activities.....	<u>\$ 13,417</u>	<u>\$ (102,445)</u>	<u>\$ (53,611)</u>	<u>\$ (238,186)</u>
Net cash provided by financing activities.....	<u>\$ (32,882)</u>	<u>\$ 58,176</u>	<u>\$ (71,135)</u>	<u>\$ 115,934</u>
Depreciation and amortization.....	<u>\$ 26,056</u>	<u>\$ 23,256</u>	<u>\$ 75,813</u>	<u>\$ 71,261</u>



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