

# Power generation sources

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## ORMAT TECHNOLOGIES REPORTS FIRST QUARTER 2010 RESULTS

### Q1 NET INCOME OF \$1.8 MILLION; Q1 TOTAL REVENUES OF \$82.7 MILLION

**RENO, Nevada, May 5, 2010** -- Ormat Technologies, Inc. (NYSE: ORA) today announced financial results for the first quarter 2010.

For the three months ended March 31, 2010, total revenues were \$82.7 million, compared to \$99.3 million in the first quarter of 2009. Revenues from the Electricity Segment rose 6.5% from the first quarter of last year, and, as previously noted, revenues from the Product Segment were down from last year's exceptional highs.

For the quarter, the Company reported net income of \$1.8 million or \$0.04 per share (basic and diluted), compared to net income of \$14.5 million, or \$0.32 per share (basic and diluted), for the same period a year ago. The decrease is principally attributable to a reduction in our Product Segment revenues and gross margins, and a decrease in our Electricity Segment gross margins.

Commenting on the results, Dita Bronicki, Chief Executive Officer, stated: "Electricity Segment revenue increased 6.5% as a result of an increase in generation to approximately 917,000 MWh from 875,000 MWh last year. The increase in generation is the result of additional capacity and solid performance from all facilities other than North Brawley and Puna."

"From an earnings perspective, we expected the first half of the year to be challenging due to a decrease from very high revenues and gross margins in our Product Segment in 2009, lower revenues from Puna and lower revenues and high operating costs from North Brawley. Based on the progress that was made in repair work in Puna, we expect revenues to improve in the second quarter. In North Brawley, we expect generation to ramp up towards the end of the year."

"While these known challenges impacted our financials, our growth strategy remains the same. Last week we announced that we made significant progress in our negotiations to revise the Energy Sales Contract (ESC) at the Sarulla project in Indonesia. We have agreed on a levelized power price of \$68 per MWh, and we expect to sign an amended ESC within the next three months.

"Additionally, we acquired several properties that we believe present strong prospects for growth. The Hot Sulphur Springs acquisition closed in mid-March, allowing us to move forward with development of the Tuscarora project. We also leased new land for development in the U.S. that is near existing prospects, which brings our total leases for exploration to approximately 300,000 acres. Earlier in the quarter, we signed a letter of intent to increase the capacity of the Olkaria complex in Kenya by up to 52 MW. Electricity revenues for the first quarter of 2010 were \$66.1 million, an increase of 6.5% from \$62.1 million in the first quarter of 2009. Excluding Puna, we saw an increase in electricity generation at all of our power plants. The single most significant contributor to our electricity generation was the placement in service of our North Brawley plant in January 2010. The increase in our electricity segment revenues is also attributable to a slight increase in the average revenue rate of our electricity portfolio from \$71 per MWh in the first quarter of 2009 to \$72 per MWh in the first quarter of 2010.

Revenues from the Product Segment for the three-month period ended March 31, 2010 were \$16.5 million, compared to \$37.3 million in 2009. As we noted in our 2010 guidance, we expect this reduction to affect

revenues from our Product Segment throughout this year.

Loss from continuing operations for the first quarter of 2010 was \$2.0 million, compared to income from continuing operations of \$14.4 million in the same period in 2009. Such decrease in income from continuing operations is principally attributable to the decrease in our gross margin resulting from both a decrease in our Product revenues and the high costs associated with the operation of the North Brawley power plant. Adjusted EBITDA for the first quarter of 2010 was \$29.5 million, as compared to \$37.3 million in the same quarter last year. Adjusted EBITDA includes consolidated EBITDA and the Company's share in the interest, taxes, depreciation and amortization related to the Company's unconsolidated 50% interest in the Mammoth complex in California. As further described in "Reconciliation of EBITDA and Adjusted EBITDA and Additional Cash Flows Information" below, we changed the method for calculating EBITDA and adjusted EBITDA beginning in the third quarter of 2009.

As of March 31, 2010, our cash and cash equivalents were \$43.1 million and we have available committed lines of credit with commercial banks aggregating \$362.5 million, of which \$141.6 million is unused. On May 5, 2010, Ormat's Board of Directors approved the payment of a quarterly dividend of \$0.05 per share pursuant to the Company's dividend policy, which targets an annual payout ratio of at least 20% of the Company's net income. The dividend will be paid on May 25, 2010 to shareholders of record as of the close of business on May 18, 2010. The Company expects to pay a dividend of \$0.05 per share in the next two quarters.

Commenting on the outlook for 2010, Ms. Bronicki said, "We continue to expect 2010 Electricity Segment revenues of \$275 million to \$285 million. We also expect an additional \$9 million of revenues from our share of electricity revenue generated by a subsidiary, which is accounted for under the equity method. 2010 Product Segment revenues are expected to be between \$75 million and \$85 million."

### **Conference Call Details**

Ormat will host a conference call to discuss its financial results and other matters discussed in this press release at 9:00 a.m. U.S. EDT on Thursday, May 6, 2010. The call will be available as a live, listen-only webcast at [www.ormat.com](http://www.ormat.com) [1]. During the webcast, management will refer to slides that will be posted on the web site. The slides and accompanying webcast can be accessed through the Webcast and Presentation in the Investor Relations section of Ormat's website.

A 30-day archive of the webcast will be available approximately 2 hours after the conclusion of the live call. A replay will be available from 11 a.m. EDT on May 6, 2010 through 11:59 p.m. EDT, May 13, 2010. Please call: (888) 562-3356 (U.S. and Canada) or (973) 582-2700 (International) and enter the code 70933863.

### **About Ormat Technologies**

Ormat Technologies, Inc. is the only vertically-integrated company primarily engaged in the geothermal and recovered energy power business. The Company designs, develops, owns and operates geothermal and recovered energy-based power plants around the world. Additionally, the Company designs, manufactures and sells geothermal and recovered energy power units and other power-generating equipment, and provides related services. The Company has more than four decades of experience in the development of environmentally-sound power, primarily in geothermal and recovered-energy generation. Ormat products and systems are covered by 75 U.S. patents. Ormat has engineered and built power plants, that it currently owns or has supplied to utilities and developers worldwide, totaling approximately 1300 MW of gross capacity. Ormat's current generating portfolio includes the following geothermal and recovered energy-based power plants: in the United States - Brady, North Brawley, Heber, Mammoth, Ormesa, Puna, Steamboat, OREG 1, OREG 2 and Peetz; in Guatemala - Zunil and Amatitlan; in Kenya - Olkaria III; and, in Nicaragua - Momotombo.

### **Ormat's Safe Harbor Statement**

Information provided in this press release may contain statements relating to current expectations, estimates, forecasts and projections about future events that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally relate to Ormat's plans, objectives and expectations for future operations and are based upon its management's current estimates and projections of future results or trends. Actual future results may differ materially from those projected as a result of certain risks and uncertainties. For a discussion of such risks and uncertainties, see "Risk Factors" as described in Ormat Technologies, Inc.'s Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 8, 2010.

These forward-looking statements are made only as of the date hereof, and we undertake no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

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