



***U.S. Geothermal***

**THE MOST RELIABLE RENEWABLE**

**Q2 2017 Earnings  
Call August 11, 2017**



# FORWARD-LOOKING STATEMENTS

We would like to remind you that the information provided during this call, and in this presentation, may contain forward-looking statements relating to current expectations, estimates, forecasts and projections about future events that are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally relate to the company's plans, objectives and expectations for future operations and are based on 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. Such statements are based on management's expectations as of August 11, 2017 and involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements. Important factors that could cause actual results to differ materially from the company's expectations are set in our most recent Form 10-K filed with the SEC at [www.sec.gov](http://www.sec.gov).

During the call, and in this presentation, we will present non-GAAP financial measures such as EBITDA, adjusted EBITDA, and adjusted Net Income. Reconciliation to the most directly comparable GAAP measures and management's reasons for presenting such information is set forth in the press release that was issued last night. Because these measures are not calculated in accordance with U.S. GAAP, it should not be considered in isolation from our financial statements prepared in accordance with GAAP. All share numbers have been adjusted for the 1-for-6 share consolidation in November 2016.

*The company does not assume the obligation to update any forward-looking statement.*

*All financial information presented in U.S. dollars unless otherwise indicated.*



# AGENDA



**INTRODUCTION: DOUGLAS GLASPEY, INTERIM CEO**

**FINANCIAL SUMMARY: KERRY HAWKLEY, CFO**

**OPS/DEVELOPMENT UPDATE: DOUGLAS GLASPEY, INTERIM CEO**

**SUMMARY & GUIDANCE: DOUGLAS GLASPEY, INTERIM CEO**

**Q&A**

# MAJOR HIGHLIGHTS



**19<sup>TH</sup> QUARTER OF POSITIVE CASH FLOW FROM OPERATIONS & EBITDA**

**INCREASED OPERATING REVENUE ON A YEAR-OVER-YEAR BASIS**

**INCREASED OUTPUT AT RAFT RIVER WITH NEW PRODUCTION WELL**

**DEEPENED 3 WELLS AT SE II AND UPDATED RESOURCE ESTIMATE**

**ANNOUNCED CEO UPDATE AND FORMATION OF EXECUTIVE COMMITTEE**

**COMPANY REAFFIRMS FULL-YEAR 2017 GUIDANCE**



# FINANCIAL SUMMARY

# BALANCE SHEET



	June 30, 2017	December 31, 2016
TOTAL ASSETS	\$239,901,351	\$243,424,332
TOTAL LIABILITIES	\$109,225,605	\$111,866,294
NET STOCKHOLDERS' EQUITY	\$105,724,926	\$104,978,048
NON-CONTROLLING INTERESTS	\$24,950,820	\$26,579,990
SHARES OUTSTANDING	19,123,018	18,970,445

# STATEMENT OF OPERATIONS



	6 Months Ended June 30, 2017	6 Months Ended June 30, 2016
REVENUE	\$14,748,181	\$14,167,556
PLANT OPERATING EXPENSES	\$9,075,770	\$7,781,423
PROFESSIONAL AND MGMT. FEES	\$294,349	\$1,212,160
INTEREST EXPENSE	\$2,396,328	\$1,976,495
NET INCOME BEFORE TAXES	\$565,317	\$593,128
INCOME TAX EXPENSE	\$37,000	\$(206,000)
NET INCOME ATTRIBUTABLE TO USG	\$(180,964)	\$(342,325)

# STATEMENT OF CASH FLOWS



6 Months Ended June 30

2017

2016

BEGINNING CASH BALANCE	\$15,287,144	\$8,654,375
CASH GENERATED BY OPERATIONS	\$4,972,370	\$5,744,324
INVESTING ACTIVITIES	(\$2,461,813)	(\$10,516,180)
FINANCING ACTIVITIES	(\$4,344,726)	\$14,423,018
ENDING CASH BALANCE	\$13,452,975	\$18,305,537



# OPERATING POWER PLANTS



# ALL OPERATING PLANTS

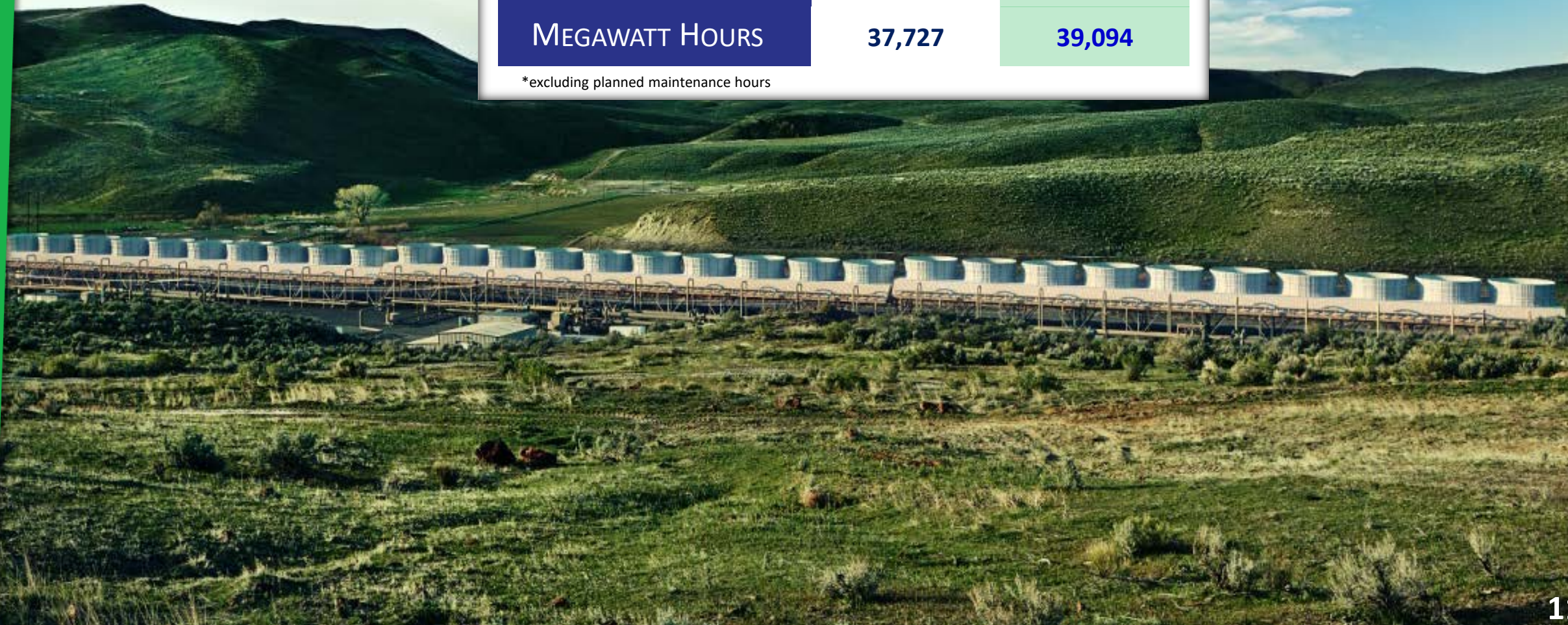
<b>Fleet-wide Total</b>	<b>3 Months Ending June 30</b>	
	<b>2017</b>	<b>2016</b>
<b>AVAILABILITY*</b>	<b>96.0%</b>	<b>93.8%</b>
<b>MEGAWATT HOURS</b>	<b>76,101</b>	<b>68,879</b>

\*excluding planned maintenance hours

# NEAL HOT SPRINGS PLANT

	3 Months Ending June 30	
	2017	2016
<b>AVAILABILITY*</b>	<b>91.6%</b>	<b>99.0%</b>
<b>MEGAWATT HOURS</b>	<b>37,727</b>	<b>39,094</b>

\*excluding planned maintenance hours



# SAN EMIDIO PLANT

	3 Months Ending June 30	
	2017	2016
<b>AVAILABILITY*</b>	<b>97.9%</b>	<b>84.7%</b>
<b>MEGAWATT HOURS</b>	<b>17,695</b>	<b>14,139</b>

\*excluding planned maintenance hours



# RAFT RIVER PLANT

	3 Months Ending June 30	
	2017	2016
<b>AVAILABILITY*</b>	<b>98.5%</b>	<b>100%</b>
<b>MEGAWATT HOURS</b>	<b>20,680</b>	<b>15,647</b>

\*excluding planned maintenance hours



# GROWTH UPDATE

San Emidio II Project

San Emidio I in background

# ADVANCED STAGE DEVELOPMENT PROJECTS



## WGP GEYSERS

- Submitted PPA proposal to San Francisco PUC in July
- Detailed plant engineering continuing.
- Engineering and construction contractors selected.
- Transmission right of way under negotiation

## SAN EMIDIO II

- Completed deepening 3 wells in Q2. Flow testing planned for Q3.
- Updated resource report 25.9MW at P90.
- Submitted 25MW proposal to NV Energy in July
- BLM permitting process for new facility continuing
- Filed application for LGIA with NV Energy in June

## EL CEIBILLO

- Submitted EOI to German Development Fund for drilling grant
- Submitted USTDA grant application for feasibility study
- RFP for power expected in late 2017
- Further drilling dependent upon RFP

# MARKET EVOLUTION

## New Buyer Examples

### Previous Buyer Examples

#### Public Utilities



#### Community Choice Aggregators



#### Large Industrials





# POWER PURCHASE AGREEMENT UPDATE



## SAN EMIDIO II: 25-35 MW:

## GEYSERS: 30 MW:

- **NV Energy RFO**
  - RFO issued on June 14, 2017
  - 25 MW Bid Submitted on July 6, 2017
  - Missed shortlist announced August 10th
- **SCPPA RFO (LADWP and 11 other Municipalities)**
  - RFO for 2017 Open
  - Preparing 25-35 MW bid submittal

- **San Francisco PUC RFO**
  - RFO issued on June 22, 2017
  - 30 MW Bid Submitted on July 26, 2017
  - Shortlist announcement scheduled for late-August
- **SCPPA RFO**
  - Preparing Bid Submittal

# EXPAND OPERATING PROJECTS

## RAFT RIVER:

- Converted idle injection well RRG-5 to production in Q1 = .71 MW net increase
- Upgrade injection pump mid Q3: pump on site
- Target generation increase 1.5 to 2 MW for this phase of work
- Review further wellfield modifications in Q3
- 3MW annual average available under PPA
- Increase revenue by \$1.0-\$1.8 million/year

## NEAL HOT SPRINGS:

- Hybrid Cooling for summer months
- Water from 2 wells = 250 gpm, enough for 1 unit.
- Engineering design progressing
- Pursuing surface water rights
- Pilot unit for treatment of injection brine continuing
- 3 MW annual average available under PPA
- Increase revenue by \$2.5-\$3.0 million/year
- Target Phase 1 complete: Q2-2018

TOTAL OF UP TO 6 MW FROM EXPANDING EXISTING PROJECTS

# FINANCIAL SUMMARY



**\$ Millions** (except per share amounts)

**3 Months Ending June 30**

	<b>2017</b>	<b>2016</b>
REVENUE	<b>\$6.31</b>	<b>\$5.66</b>
GROSS PROFIT	<b>\$1.81</b>	<b>\$1.86</b>
NET INCOME, ATTRIBUTABLE TO USG	<b>\$(0.44)</b>	<b>\$(0.49)</b>
PER SHARE	<b>\$(0.02)</b>	<b>\$(0.03)</b>
EBITDA* (CONSOLIDATED)	<b>\$2.15</b>	<b>\$1.94</b>
EBITDA* (USG PORTION)	<b>\$1.32</b>	<b>\$0.91</b>

\*Refer to Appendix of August 10, 2017 News Release for explanation of EBITDA.

# CONSOLIDATED FINANCIAL SUMMARY AND 2017 GUIDANCE



\$ Millions	2014	2015	2016	2017 CONSOLIDATED GUIDANCE (AS OF 1/23/17)	2017 USG PORTION GUIDANCE (AS OF 1/23/17)
REVENUE	31.0	31.2	31.5	30-34	18-22
EBITDA ADJUSTED*	17.2	17.6	17.1	15-19	9-12
EBITDA	14.9	16.4	15.0	14-18	8-10
NET INCOME, AS ADJUSTED**	4.6	6.3	5.2	4-8	1-4

\*Adjusted to exclude discretionary exploration costs, non-cash stock compensation, write-off of discontinued development projects and other large non-recurring items

\*\*As Adjusted reflects Net Income before Tax and other large non-recurring items and is provided to support year over comparisons.

Refer to Appendix of May 10, 2017 News Release for definition of Net Income, As Adjusted and Adjusted EBITDA.

# SUMMARY



**115 MW ADVANCE STAGE DEVELOPMENT & EXPANSION PROJECTS**

**STRONG QUARTERLY PERFORMANCE**

**OUTLOOK FOR RENEWABLE ENERGY DEMAND INCREASING**

**ACTIVE RFOs AND BID SUBMITTALS PENDING**

**Q & A**



# *U.S. Geothermal*

THE MOST RELIABLE RENEWABLE

NYSE MKT:HTM

WGP Geysers Project