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14 UNITED STATES DISTRICT COURT
15 DISTRICT OF NEVADA

16 JOHN J. CURTIS, Individually and on)
17 Behalf of All Others Similarly Situated,)
18 Plaintiff,) Case No.
19 vs.)
20 ORMAT TECHNOLOGIES, INC.,)
21 YEHUDI BRONICKI; and JOSEPH)
22 TENNE,)
23 Defendants.)

24 **CLASS ACTION COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES**
25 **LAWS**

26 Plaintiff John J. Curtis, by and through his attorneys, alleges the following upon
27 information and belief, except as to those allegations concerning Plaintiff, which are alleged
28 upon personal knowledge. Plaintiff's information and belief is based upon, among other things,
his counsel's investigation, which includes, without limitation, (a) review and analysis of

1 regulatory filings made by Ormat Technologies, Inc. (“Ormat” or the “Company”) with the
2 United States Securities and Exchange Commission (“SEC”); (b) review and analysis of press
3 releases and media reports issued by and disseminated by Ormat; and (c) review of other
4 publicly available information concerning Ormat.

5 **JURISDICTION AND VENUE**

6 1. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange
7 Act (15 U.S.C. §§78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17
8 C.F.R. § 240.10b-5).

9 2. This Court has jurisdiction over the subject matter of this action pursuant to 28
10 U.S.C. §1331 and Section 27 of the Exchange Act (15 U.S.C. §78aa).

11 3. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and
12 Section 27 of the Exchange Act (15 U.S.C. §78aa(c)).

13 4. Substantial acts in furtherance of the alleged fraud or the effects of the fraud
14 have occurred in this Judicial District. Many of the acts charged herein, including the
15 preparation and dissemination of materially false and/or misleading information, occurred in
16 substantial part in this District. Additionally, Ormat maintains its principal executive offices
17 within this Judicial District.

18 5. In connection with the acts, transactions, and conduct alleged herein, Defendants
19 directly and indirectly used the means and instrumentalities of interstate commerce, including the
20 United States mail, interstate telephone communications, and the facilities of a national securities
21 exchange.

22 **NATURE OF THE ACTION AND OVERVIEW**

23 6. This is a federal class action on behalf of purchasers (the “Class”) of Ormat’s
24 securities between May 6, 2008 and February 24, 2010, inclusive (the “Class Period”), seeking to
25 pursue remedies under the Securities Exchange Act of 1934 (the “Exchange Act”).

26 7. Ormat and its subsidiaries engage in the geothermal and recovered energy power
27 business in the United States and internationally. The company operates in two segments,
28 Electricity and Products. The Electricity segment develops, builds, owns, and operates

1 geothermal and recovered energy-based power plants, and sells electricity. The Products
2 segment designs, manufactures, and sells equipment for geothermal and recovered energy-based
3 electricity generation; and remote power units and other power generators, including fossil fuel
4 powered turbo-generators and heavy duty direct current generators.

5 8. On February 24, 2010, the Company disclosed that the Board of Directors and
6 Audit Committee of the Company, upon recommendation of management, had concluded that
7 the Company's financial statements for the year ended December 31, 2008 (the "2008 Financial
8 Statements") contained in its Annual Report on Form 10-K for the year then ended require
9 restatement and should no longer be relied upon, and additionally, that the Company's prior
10 related earnings and news releases and similar communications should also no longer be relied
11 on to the extent they related to the 2008 Financial Statements. The Company announced that the
12 restatement would show a change in the Company's accounting treatment for certain exploration
13 and development costs. According to Ormat, these costs were capitalized on an area-of-interest
14 basis using an accounting method that is analogous to the full cost method, and upon review of
15 this accounting treatment in response to comment letters from the Staff of the SEC, the Company
16 concluded that this accounting treatment was inappropriate in certain respects. Specifically, the
17 Company disclosed that it will no longer continue to capitalize these costs for any individual
18 project after it decides to abandon further exploration and development of that project, and will
19 instead expense those costs in the period in which any such determination is made. Ormat
20 additionally indicated that as a result, the Company also planned to revise its consolidated
21 financial statements as of and for the three and nine months ended September 30, 2009.

22 9. On this news, shares of Ormat declined \$1.28 per share, nearly 4%, to close on
23 February 24, 2010, at \$31.90 per share, on heavy volume, and further declined an additional
24 \$0.89 per share, nearly 3%, to close on February 25, 2010, at \$31.01 per share, on heavy volume,
25 and continued to decline an additional \$2.08 per share, more than 6.5%, to close on February 26,
26 2010, at \$28.93 per share, on heavy volume. Over the course of these three days of trading,
27 shares of Ormat declined a total of \$4.25 per share, or 12.81%.

1 SEC, press releases and presentations to securities analysts, money and portfolio managers and
2 institutional investors, i.e., the market. Each defendant was provided with copies of the
3 Company's reports and press releases alleged herein to be misleading prior to, or shortly after,
4 their issuance and had the ability and opportunity to prevent their issuance or cause them to be
5 corrected. Because of their positions and access to material, non-public information available to
6 them, each of these defendants knew that the adverse facts specified herein had not been
7 disclosed to, and were being concealed from, the public, and that the positive representations
8 which were being made were then materially false and/or misleading. The Individual
9 Defendants are liable for the false statements pleaded herein, as those statements were each
10 "group-published" information, the result of the collective actions of the Individual Defendants.

11 SUBSTANTIVE ALLEGATIONS

12 Background

13 17. Ormat and its subsidiaries engage in the geothermal and recovered energy power
14 business in the United States and internationally. The company operates in two segments,
15 Electricity and Products. The Electricity segment develops, builds, owns, and operates
16 geothermal and recovered energy-based power plants, and sells electricity. The Products
17 segment designs, manufactures, and sells equipment for geothermal and recovered energy-based
18 electricity generation; and remote power units and other power generators, including fossil fuel
19 powered turbo-generators and heavy duty direct current generators.

20 Statements Issued Before the Class Period

21 18. On March 5, 2008, Ormat filed its Annual Report with the SEC on Form 10-K for
22 the 2007 fiscal year. The Company's Form 10-K was signed by Defendant Bronicki. Therein,
23 the Company, in relevant part, stated:

24 We capitalize costs incurred in connection with the exploration and development
25 of geothermal resources on an "area-of-interest" basis. All such costs, which
26 include dry hole costs and the cost of drilling and equipping production wells and
27 other directly attributable costs, are capitalized and amortized over their estimated
28 useful lives when production commences. *Although we do not commence
exploration activities until feasibility studies have determined that the project is
capable of commercial production, it is possible that economically recoverable
reserves will not be found in an "area of interest" and exploration activities will*

1 *be abandoned. In this case, capitalized exploration costs would be expensed.* To
2 date, we have not abandoned any exploration projects.

3 (Emphasis added).

4 **Materially False and Misleading Statements Issued During the Class Period**

5 19. The Class Period begins on May 6, 2008. On this day, Ormat issued a press
6 release entitled, "Ormat Technologies, Inc. Reports First Quarter 2008 Results Q1 total revenue
7 increased 12.4% to \$69.4 million Q1 net income of \$10.1 million." Therein, the Company, in
8 relevant part, stated:

9 RENO, Nevada, May 6, 2008 - Ormat Technologies, Inc. (NYSE: ORA) today
10 announced financial results for the first quarter of 2008. Total revenues for the
11 first quarter were \$69.4 million, versus \$61.7 million for the first quarter of 2007,
12 an increase of 12.4%, consisting of an increase of 36.3% in revenues from the
13 Company's Electricity Segment, offset in part by a reduction in revenues from the
14 Products Segment.

15 The Company reported net income of \$10.1 million, or \$0.24 per share of
16 common stock (basic and diluted), as compared to a net loss of \$5.8 million, or
17 \$0.15 per share of common stock (basic and diluted), for the first quarter of 2007.
18 The increase in net income is due primarily to an increase in generating capacity
19 and energy generation, as well as an increase in energy rates in the United States,
20 which offset a decline in the Products Segment. In addition, the Company
21 reduced cost of revenues by 16.0% on a year over year basis.

22 Commenting on the quarter's results, Dita Bronicki, Chief Executive Officer of
23 Ormat, stated: "The first quarter performance was in line with our expectations
24 for 2008 and highlighted our improved operating performance, increase in our
25 overall generating capacity and improvement in power prices in certain projects.

26 "Since the beginning of the first quarter, we declared commercial operation for
27 the Galena 3 and Heber South projects and continued to make progress on our
28 exploration work to secure geothermal resources for 2010 and beyond. Also
during the quarter, we strengthened our products backlog signing three EPC
agreements for a total amount of over \$100 million, consisting of one geothermal
and two recovered energy generation power plants, out of which approximately
\$50 million are still subject to a Notice to Proceed. We expect to add an
additional 174 MW by the end of 2009 from projects that are currently under
construction, including Olkaria and Brawley", Ms. Bronicki continued.

Electricity revenues for the quarter ended March 31, 2008 were \$59.5 million, an
increase of 36.3% from \$43.7 million in the first quarter of 2007, and an increase
of 7.2% from \$55.5 million in the fourth quarter of 2007. This increase is
primarily attributable to the increase in energy generation in the United States to

1 572,488 MWh for the three month period, from 437,126 MWh in the comparable
2 period last year. Such increased generation resulted from additional power plants
3 placed in service, enhanced performance of our existing power plants; as well as
4 revenue from the Amatitlan project in Guatemala which came online in March of
5 2007. Also adding to the revenue increase was an increase in the energy rates in
6 the Puna project (due to higher oil prices) and in our Standard Offer #4 power
7 purchase agreements with Southern California Edison.

8 Products Segment revenues for the quarter were \$9.9 million, compared to \$18.1
9 million in the first quarter of 2007, a decrease of 45.4%. The gross margin of the
10 Products Segment was increased from 12% to 18%. The decrease in product
11 revenue is principally attributable to last year's lower products backlog, and the
12 timing of revenue recognition in accordance with the percentage of completion
13 method for each of our geothermal and recovered energy generation products.
14 Our manufacturing and construction activities were not reduced, as we increased
15 the amount of our manufacturing and construction activities for our own projects.

16 Adjusted EBITDA for the first quarter of 2008 was \$27.5 million, as compared to
17 \$13.4 million in the same quarter last year, an increase of 105.9%. Adjusted
18 EBITDA includes operating income and depreciation and amortization totaling
19 \$1.5 million and \$4.1 million for the quarters ended March 31, 2008 and 2007,
20 respectively, related to the Company's unconsolidated investment interest of 50%
21 in the Mammoth Project in California and in the first quarter of 2007, 80% in the
22 Leyte Project in the Philippines. The reconciliation of GAAP net income or loss
23 to Adjusted EBITDA is set forth below in this release.

24 Cash, cash equivalents and marketable securities as of March 31, 2008 decreased
25 to \$30.7 million from \$60.7 million as of December 31, 2007. In addition, in
26 April 2008 we received \$64 million from the second closing of a tax monetization
27 transaction and have bank lines of credits aggregating \$160 million as of today.

28 On May 6, 2008, Ormat's Board of Directors approved the payment of a quarterly
cash 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, subject to Board approval. The dividend will be paid on May 27, 2008 to
shareholders of record as of the close of business on May 20, 2008. The
Company expects to pay a dividend of \$0.05 per share in the next two quarters as
well.

Commenting on the outlook for 2008, Ms. Bronicki said, "Following our first
quarter earnings results, we maintain our guidance for 2008 and expect our 2008
Electricity Segment revenues to be approximately \$245 million. We also expect
an additional approximately \$9 million of revenues from our share of electricity
revenues generated by Mammoth that is accounted for under the equity method.
With regard to our Products Segment, we maintain our guidance for 2008
revenues and expect them to be between \$70 million and \$80 million".

1 Ms. Bronicki concluded, "We are excited with the progress we have made this
2 quarter, especially in recovered energy generation, which has experienced
3 increasing interest as the need for energy efficiency begins to play a greater role
in combating global warming".

4 20. On May 7, 2008, Ormat filed its Quarterly Report with the SEC on Form 10-Q for
5 the 2008 fiscal first quarter. The Company's Form 10-Q was signed by Defendant Tenne and
6 reaffirmed the Company's financial results previously announced on May 6, 2008. The
7 Company's Form 10-Q also contained Sarbanes-Oxley required certifications, signed by
8 Defendants Bronicki and Tenne, who certified:

- 9 1. I have reviewed this quarterly report on Form 10-Q of Ormat
10 Technologies, Inc.;
- 11 2. Based on my knowledge, this report does not contain any untrue
12 statement of a material fact or omit to state a material fact, necessary to
13 make the statements made, in light of the circumstances under which
14 such statements were made, not misleading with respect to the period
15 covered by this report;
- 16 3. Based on my knowledge, the financial statements, and other financial
17 information included in this report, fairly present in all material
18 respects the financial condition, results of operations and cash flows of
19 the registrant as of, and for, the periods presented in this report;
- 20 4. The registrant's other certifying officer and I are responsible for
21 establishing and maintaining disclosure controls and procedures (as
22 defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal
23 control over financial reporting (as defined in Exchange Act Rules 13a-
24 15(f) and 15d-15(f)) for the registrant and have:
 - 25 (a) Designed such disclosure controls and procedures, or caused such
26 disclosure controls and procedures to be designed under our
27 supervision, to ensure that material information relating to the
28 registrant, including its consolidated subsidiaries, is made known
to us by others within those entities, particularly during the period
in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused
such internal control over financial reporting to be designed under
his/her supervision, to provide reasonable assurance regarding the
reliability of financial reporting and the preparation of financial
statements for external purposes in accordance with generally
accepted accounting principles;

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(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors, and the audit committee of the registrant's Board of Directors (or persons performing the equivalent function):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

21. On August 5, 2008, Ormat issued a press release entitled, "Ormat Technologies, Inc. Reports Second Quarter 2008 Results Q2 net income increased 42.3% to \$12.2 million; Products Backlog Increased \$144 million to \$186 million." Therein, the Company, in relevant part, stated:

RENO, Nevada, August 5, 2008 -- Ormat Technologies, Inc. (NYSE: ORA) today announced financial results for the second quarter of 2008.

Second Quarter Results

Electricity revenues for the second quarter increased by 11.6% to \$61.8 million and product revenues decreased by 35.7% to \$18.4 million. Total revenues for the second quarter were \$80.2 million compared to \$84.1 million for the second quarter of 2007, a decrease of 4.6%.

For the second quarter, the Company reported net income of \$12.2 million, or \$0.28 per share of common stock (basic and diluted), as compared to net income of \$8.5 million, or \$0.22 per share of common stock (basic and diluted), for the second quarter of 2007.

1 Commenting on the quarter's results, Dita Bronicki, Chief Executive Officer of
2 Ormat, stated: "We remain on track with projects scheduled to come online over
3 the next two years with expected contribution of 101 MW by year's end and 73
4 MW in 2009.

5 "Generating capacity for both the quarter and six-months increased even as
6 scheduled maintenance reduced production at several projects. We also built a
7 solid product backlog that added \$176 million of new orders since the beginning
8 of the year, out of which \$66 million are still subject to a Notice to Proceed.
9 These orders were geographically diverse with projects from New Zealand,
10 Turkey and the United States."

11 "The results confirm confidence in our growth goals. We secured additional
12 leases and raised approximately \$246 million in capital by completing two stock
13 placements and the second leg of our tax monetization transaction. The funding
14 received from these activities provides us with ample capital as we continue to
15 advance our growth strategy," Ms. Bronicki continued.

16 Electricity revenues for the three-month period ended June 30, 2008 were \$61.8
17 million compared to \$55.4 million in the year ago period, an increase of 11.6%.
18 The increase in electricity revenues is primarily attributable to a net increase in
19 domestic generating capacity of 3.6% to 539,966 MWh for the second quarter of
20 2008, as well as increased rates from the Puna Project due to higher oil prices. In
21 addition, revenue increased from energy generated from the Amatitlan Project in
22 Guatemala and the Momotombo project in Nicaragua.

23 Revenues from the Products Segment totaled \$18.4 million for the quarter,
24 compared to \$28.7 million in 2007, a decrease of 35.7%. While revenues in the
25 segment decreased, manufacturing and construction activities were not reduced,
26 as manufacturing and construction activities for the Company's internal projects
27 increased.

28 Adjusted EBITDA for the second quarter of 2008 was \$29.2 million, as compared
to \$30.6 million in the same quarter last year. Adjusted EBITDA includes
consolidated EBITDA and the Company's share in the operating income and
depreciation and amortization totaling \$1.3 million and \$4.0 million for the
quarters ended June 30, 2008 and 2007, respectively, related to the Company's
unconsolidated investments. The reconciliation of GAAP net income to Adjusted
EBITDA is set forth below in this release.

Cash, cash equivalents and marketable securities as of June 30, 2008 increased to
\$137.8 million from \$60.7 million as of December 31, 2007. In addition, we have
unused bank lines of credits aggregating \$160 million.

On August 5, 2008, Ormat's Board of Directors approved the payment of a
quarterly cash 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

1 income, subject to Board approval. The dividend will be paid on August 29, 2008
2 to shareholders of record as of the close of business on August 19, 2008. The
3 Company expects to pay a dividend of \$0.05 per share in the next quarter as well.

4 Commenting on the outlook for 2008, Ms. Bronicki said, "Following our second
5 quarter earnings results, we expect our 2008 Electricity Segment revenues to be
6 approximately \$250 million. We also expect additional revenues of
7 approximately \$9 million from our share of electricity revenues generated by
8 Mammoth that is accounted for under the equity method. With regard to our
9 Products Segment, we maintain our guidance for 2008 revenues and expect them
10 to be between \$70 million and \$80 million".

11 Ms. Bronicki concluded, "The first half of 2008 yielded both top and bottom line
12 growth that we expect will continue in the years to come, Ormat is well
13 positioned to contribute to the mitigation of harmful effects of greenhouse gasses.
14 We are pleased at the way in which both of our business segments are prepared
15 for future growth, and look forward to the coming quarters."

16 Six Month Results

17 For the six month-period ended June 30, 2008, total revenues were \$149.6
18 million, an increase of 2.6% from \$145.8 million in the same period last year.
19 Net income for the period was \$22.2 million, or \$0.52 per share, compared to \$2.7
20 million, or \$0.07 per share, in the first half of 2007.

21 Electricity Segment revenues for the six-month period were \$121.3 million, an
22 increase of 22.5% from \$99.0 million in the same period a year ago. Products
23 segment revenues for the first half of 2008 were \$28.3 million, a decrease of
24 39.5% from \$46.8 million in the same period in 2007.

25 Adjusted EBITDA for the six-month period was \$56.7 million, compared to \$44.0
26 million in the same period a year ago. Adjusted EBITDA includes consolidated
27 EBITDA and the Company's share in the operating income and depreciation and
28 amortization totaling \$2.8 million and \$8.2 million for the six months ended June
30, 2008 and 2007, respectively, related to the Company's unconsolidated
investments. The reconciliation of GAAP net income to Adjusted EBITDA is set
forth below in the release.

22. On August 6, 2008, Ormat filed its Quarterly Report with the SEC on Form 10-Q
for the 2008 fiscal second quarter. The Company's Form 10-Q was signed by Defendant Tenne
and reaffirmed the Company's financial results previously announced on August 5, 2008. The
Company's Form 10-Q also contained Sarbanes-Oxley required certifications, signed by
Defendants Bronicki and Tenne, substantially similar to the certifications contained in ¶20,
supra.

1 23. On November 5, 2008, Ormat issued a press release entitled, "Ormat
2 Technologies, Inc. Reports Third Quarter 2008 Results Q3 Revenues Increased 25.5% to \$99.7
3 million; Q3 Products Segment Revenues of \$30.9 million." Therein, the Company, in relevant
4 part, stated:

5 RENO, Nevada, November 5, 2008 -Ormat Technologies, Inc. (NYSE: ORA)
6 today announced financial results for the third quarter of 2008.

7 Third Quarter Results

8 For the three month period ended September 30, 2008, total revenues were \$99.7
9 million, an increase of 25.5% from \$79.5 million in the third quarter of 2007,
10 consisting of a 12.1% increase in revenues from the Electricity Segment and a
11 71.0% increase in the Products Segment.

12 For the quarter, the Company reported net income of \$15.9 million, or \$0.35
13 per share of common stock (basic and diluted), as compared to net income of
14 \$15.8 million, or \$0.41 per share of common stock (basic and diluted), for the
15 same period a year ago. There were 45.5 million weighted average shares used in
16 the computation of diluted earnings per share in the third quarter of 2008 and 38.3
17 million weighted average shares for the same quarter in 2007. Despite the
18 significant increase in revenues, net income remained at a level similar to last
19 year's primarily due to two factors: the weakening of the US dollar impacting
20 activity outside the U.S. and non-recurring consulting and legal expenses related
21 to an acquisition which did not materialize.

22 Commenting on the quarter's results, Dita Bronicki, Chief Executive Officer of
23 Ormat, stated: "The increase in total revenue of 25.5% for the quarter reflects the
24 continued growth of our company. Revenue from the Products Segment in the
25 third quarter increased 71% in line with our expectation for the year. We also
26 continued to increase our energy generation and moved closer to commercial
27 operation of Phase II of the Olkaria III and North Brawley power plants. We
28 expect to end the year with approximately 500 MW in our operating portfolio, an
increase of approximately 100 MW for the year. For 2009 we expect an
additional increase of approximately 70 MW, for which we have committed
financing in place."

"The predictable cash flow from our fully contracted capacity, together with
existing committed credit lines, allows us to continue executing on our growth
plans despite the turbulent times within the global economic system."

Electricity revenues for the third quarter of 2008 were \$68.8 million, an increase
of 12.1% as compared to \$61.4 million in the third quarter of 2007. The increase
in electricity revenues is primarily attributable to a net increase in domestic
generating capacity to 508,141 MWh for the quarter, up from 501,389 MWh in
the same period of 2007. The increase in revenues is a result of new plants placed

1 into service, but was partially offset by a generator failure in the Ormesa complex,
2 the expected expiration of an "adder" paid under the Heber 2 power purchase
3 agreement, and the shutdown of Steamboat 2/3 due to the replacement of its
4 turbines with new turbines manufactured by us. Increased energy rates at the
Puna project due to higher oil prices and increased generation in the Amatitlan
and Momotombo projects also helped boost electricity revenues.

5 Revenues from the Products Segment for the three-month period ended
6 September 30, 2008 were \$30.9 million, compared to \$18.1 million in the same
7 period in 2007, an increase of 71.0%. The increase in product revenues was
8 primarily attributable to the timing of the receipt of purchase orders, and the
timing of revenue recognition.

9 Adjusted EBITDA for the third quarter of 2008 was \$36.6 million, as compared to
10 \$38.0 million in the same quarter last year. Adjusted EBITDA includes operating
11 income and depreciation and amortization totaling \$1.3 million and \$4.5 million
12 for the quarters ended September 30, 2008 and 2007, respectively, related to the
Company's unconsolidated investments. The reconciliation of GAAP net income
to Adjusted EBITDA is set forth below in this release.

13 Cash, cash equivalents and marketable securities as of September 30, 2008
14 decreased to \$38.1 million from \$60.7 million as of December 31, 2007. In
15 addition, we have committed bank lines of credits aggregating \$310 million as of
today.

16 On November 5, 2008, Ormat's Board of Directors approved the payment of a
17 quarterly cash dividend of \$0.05 per share pursuant to the Company's dividend
18 policy, which targets an annual payout ratio of at least 20% of the Company's net
19 income, subject to Board approval. The dividend will be paid on December 1,
2008 to shareholders of record as of the close of business on November 19, 2008.

20 Commenting on the outlook for 2008, Ms. Bronicki said, "With regard to our
21 Electricity Segment, following our third quarter earnings results, we maintain our
22 guidance for 2008 and expect electricity segment revenues for 2008 to be
23 approximately \$250 million. We also expect additional revenues of
24 approximately \$9 million from our share of electricity revenues generated by the
Mammoth plant, the investment in which is accounted for under the equity
method. Given our Products Segment results for the third quarter, we now
anticipate revenues in this segment of between \$75 and \$80 million for the year
being at the high end of previous guidance."

25 Nine-Month Results

26 For the nine-month period ended September 30, 2008, total revenues were \$249.3
27 million, an increase of 10.7% from \$225.3 million in the same period last year.
28 Net income for the period was \$38.1 million, or \$0.87 per share, compared to
\$18.5 million, or \$0.48 per share, in the same period in 2007. There were 43.9

1 million weighted average shares used in the computation of diluted earnings per
2 share in the first nine months of 2008 and 38.2 million weighted average shares in
3 the same period in 2007.

4 Electricity Segment revenues for the nine-month period ended September 30,
5 2008 were \$190.1 million, an increase of 18.5% from \$160.4 million in the same
6 period a year ago. Products Segment revenues for the period were \$59.2 million,
7 a decrease of 8.7% from \$64.8 million in the same period in 2007.

8 Adjusted EBITDA for the nine month period ended September 30, 2008 was
9 \$93.3 million dollars, as compared to \$82.0 million in the same period a year ago.
10 Adjusted EBITDA includes consolidated EBITDA and the Company's share in
11 the operating income and depreciation and amortization totaling \$4.1 million and
12 \$12.6 million for the nine months ended September 30, 2008 and 2007,
13 respectively, related to the Company's unconsolidated investments. The
14 reconciliation of GAAP net income to Adjusted EBITDA is set forth below in the
15 release.

16 24. On November 6, 2008, Ormat filed its Quarterly Report with the SEC on Form
17 10-Q for the 2008 fiscal third quarter. The Company's Form 10-Q was signed by Defendant
18 Tenne and reaffirmed the Company's financial results previously announced on November 5,
19 2008. The Company's Form 10-Q also contained Sarbanes-Oxley required certifications, signed
20 by Defendants Bronicki and Tenne, substantially similar to the certifications contained in ¶20,
21 supra.

22 25. On February 24, 2009, Ormat issued a press release entitled, "ORMAT
23 TECHNOLOGIES REPORTS RECORD FOURTH QUARTER 2008 AND YEAR-END
24 RESULTS." Therein, the Company, in relevant part, stated:

25 RENO, Nevada, February 24, 2009-Ormat Technologies, Inc. (NYSE: ORA)
26 today announced results for the fourth quarter and full year ended December 31,
27 2008.

28 Highlights of the company performance include:

- Revenues increased 35.2% for the quarter to \$95.5 million and 16.5% for the year to \$344.8 million.
- Net income increased 31.3% to \$11.7 million in the quarter and 82.0% to \$49.8 million for the year.
- Earnings per share increased 18.2% to \$0.26 in the quarter and 60% to \$1.12 for the year.

- 1 • Product backlog reached a record high of \$194.0 million.
- 2 • Ormat-owned generating capacity increased by 109 MW, an increase of over 25%
- 3 during 2008.

4 Commenting on the results, Dita Bronicki, Chief Executive Officer of Ormat,
5 stated: "It was a good year and quarter for Ormat, as reflected in our financial
6 results. The fundamental business of the Company is in excellent condition and
7 the benefits of the new Stimulus Act will further improve our future results. We
8 substantially grew and improved the profitability of our Electricity and Products
9 Segments, significantly increased the generating capacity in our Electricity
10 Segment and ended the year with a record backlog in the Products Segment.

11 In our Electricity Segment, we have substantially completed the construction of
12 several projects that have increased our generating portfolio by 109 MW to 505
13 MW.

14 This organic growth includes:

- 15 • phase II of the Olkaria III project in Kenya, which was completed during the
16 fourth quarter of 2008 and is now in commercial operation;
- 17 • the 50 MW North Brawley project, which reached the start up phase and will
18 ramp up gradually with full capacity expected in the second quarter of 2009; 18
19 MW in 2 different geothermal projects; and
- 20 • 5.5 MW in the first of four OREG 2 recovered energy generation (REG)
21 projects".

22 Ms. Bronicki continued, "Looking ahead to 2009, in our Electricity Segment we
23 expect to add approximately 34 MW to our generating portfolio. We had hoped
24 to complete the 30 MW East Brawley project in 2009, but this project has been
25 pushed back to 2010 due to permitting delays".

26 "In support of future growth we have added 150,000 acres of new leases to our
27 development inventory during 2008, a large acreage for future exploration
28 activity. We have in place the capital resources to fund our CapEx requirement of
about \$250 million for our present growth plans in 2009", Ms. Bronicki
concluded.

Electricity revenues for the fourth quarter of 2008 were \$62.1 million, an increase
of 11.8%, compared to \$55.5 million in the fourth quarter of 2007. The increase
in electricity revenues is primarily attributable to a net increase in domestic
electricity generation to 645,826 MWh for the quarter, up from 533,110 MWh in
the same period of 2007 as a result of new plants coming on line and enhanced
performance of existing plants. In addition, increased energy rates at the Puna

1 project due to higher oil prices also helped boost electricity revenues. Current
2 lower oil prices will reduce our revenues from the Puna project in 2009.

3 Revenues from the Products Segment for the three-month period ended December
4 31, 2008 were \$33.4 million, compared to \$15.1 million in the same period in
5 2007, an increase of 120.9%. Most of the increase in revenues was derived from
6 two large geothermal projects, the Blue Mountain project in Nevada and the
7 Centennial Binary Plant in New Zealand.

8 Adjusted EBITDA for the fourth quarter of 2008 was \$31.5 million, compared to
9 \$25.2 million in the same quarter last year. Adjusted EBITDA includes operating
10 income and depreciation and amortization totaling \$1.3 million and \$2.0 million
11 for the quarters ended December 31, 2008 and 2007, respectively, related to the
12 Company's unconsolidated investments. The reconciliation of GAAP net income
13 to Adjusted EBITDA is set forth below in this release.

14 Cash, cash equivalents and marketable securities as of December 31, 2008
15 decreased to \$34.4 million from \$60.7 million as of December 31, 2007. In
16 addition, we have unutilized committed bank lines of credits aggregating \$222.5
17 million.

18 On February 24, 2009, Ormat's Board of Directors approved the payment of a
19 quarterly cash dividend of \$0.07 per share pursuant to the Company's dividend
20 policy, which targets an annual payout ratio of at least 20% of the Company's net
21 income, subject to Board approval. The dividend will be paid on March 26, 2009,
22 to shareholders of record as of the close of business on March 16, 2009. The
23 Company expects to pay a dividend of \$0.06 per share in the next three quarters,
24 compared to \$0.05 per quarter in 2008.

25 Annual Results

26 For the year ended December 31, 2008, total revenues were \$344.8 million, an
27 increase of 16.5% from \$296.0 million for the year ended December 31, 2007.
28 Net income for the year ended December 31, 2008 was \$49.8 million, or \$1.12
per share (diluted), compared to \$27.4 million, or \$0.70 per share (diluted), for the
year ended December 31, 2007. There were 44.3 million weighted average shares
used in the computation of diluted earnings per share in the year ended December
31, 2008 and 38.9 million weighted average shares in the year ended December
31, 2007.

Electricity Segment revenues for the year ended December 31, 2008, were \$252.3
million, an increase of 16.8% from \$216.0 million for the year ended December
31, 2007. Products Segment revenues for the year ended December 31, 2008
were \$92.6 million, an increase of 15.8% from \$80.0 million in the year ended
December 31, 2007.

For the year ended December 31, 2008, the Company's gross margin was 29.6%,
compared to 26.8% for the year ended December 31, 2007. Operating income for

1 the year ended December 31, 2008 was \$60.6 million, compared with \$43.5
2 million for the year ended December 31, 2007, an increase of 39.5%. The
3 increase in operating income is primarily attributable to increased revenues in
both our Electricity and Products Segments as well as increased gross margins.

4 Adjusted EBITDA for the year ended December 31, 2008, was \$124.7 million
5 dollars, compared to \$107.2 million for the year ended December 31, 2007.
6 Adjusted EBITDA includes consolidated EBITDA and the Company's share in
7 the operating income and depreciation and amortization totaling \$5.4 million and
\$14.6 million for the year ended December 31, 2008 and 2007, respectively,
related to the Company's unconsolidated investments.

8 Commenting on the outlook for 2009, Ms. Bronicki said, "We expect our 2009
9 Electricity Segment revenues to be between \$280 million and \$290 million. We
10 also expect an additional \$9 million of revenues from our share of electricity
11 revenue generated by a subsidiary, which is accounted for under the equity
method. With regard to our Products Segment, we expect that our 2009 revenues
will be between \$100 million and \$120 million".

12 26. On March 2, 2009, Ormat filed its Annual Report with the SEC on Form 10-K for
13 the 2008 fiscal year. The Company's Form 10-K was signed by Defendant Bronicki and
14 reaffirmed the Company's financial results previously announced on February 24, 2009. The
15 Company's Form 10-K also contained Sarbanes-Oxley required certifications, signed by
16 Defendants Bronicki and Tenne, substantially similar to the certifications contained in ¶20,
17 supra. Additionally, the Company's Form 10-K, in relevant part, stated:

- 18 • *Property, Plant and Equipment.* All costs associated with the acquisition,
19 development and construction of power plant facilities are capitalized. Major
20 improvements are capitalized and repairs and maintenance (including major
21 maintenance) costs are expensed. We estimate the useful life of our power plants
22 to range between 25 and 30 years. Such estimates are made by management
23 based on factors such as prior operations, the terms of the underlying power
24 purchase agreements, geothermal resources, the location of the assets and specific
25 project characteristics and designs. Changes in such estimates could result in
useful lives which are either longer or shorter than the depreciable lives of such
assets. We periodically re-evaluate the estimated useful life of our power plants
and revise the remaining depreciable life on a prospective basis.

26 We capitalize costs incurred in connection with the exploration and
27 development of geothermal resources on an "area-of-interest" basis. All
28 such costs, which include dry hole costs and the cost of drilling and
equipping production wells and other directly attributable costs, are
capitalized and amortized over their estimated useful lives when
production commences. *Although we do not commence exploration*

1 *activities until feasibility studies have determined that the project is*
2 *capable of commercial production, it is possible that economically*
3 *recoverable reserves will not be found in an "area of interest and*
4 *exploration activities will be abandoned. In this case, capitalized*
5 *exploration costs would be expensed.*

6 * * *

7 **Exploration and drilling costs**

8 The Company capitalizes costs incurred in connection with the, exploration and
9 development of geothermal resources on an "area-of-interest" basis. All such
10 costs, which include dry hole costs and the cost of drilling and equipping
11 production wells and other directly attributable costs, are capitalized and
12 amortized over their estimated useful lives when production commences.
13 Exploration and drilling costs related to uncompleted projects are included as
14 construction-in-process in the consolidated balance sheets and totaled
15 \$52,345,000 and \$16,677,000 at December 31, 2008 and 2007, respectively.

16 (Emphasis added).

17 27. On May 11, 2009, Ormat issued a press release entitled, "Ormat Technologies,
18 Inc. Reports Record First Quarter 2009 Results." Therein, the Company, in relevant part, stated:

19 Q1 net income increased 45.2% to \$14.5 million;
20 Q1 total revenues increased 44.0% to \$99.9 million with record Products
21 Segment revenues of \$37.3 million.

22 RENO, Nevada, May 11, 2009 - Ormat Technologies, Inc. (NYSE: ORA) today
23 announced financial results for the first quarter 2009.

24 For the three month period ended March 31, 2009, total revenues were \$99.9
25 million, an increase of 44.0% from \$69.4 million in the first quarter of 2008,
26 consisting of a \$3.1 million increase in revenues from the Electricity Segment,
27 and a \$27.4 million increase in revenues from the Products Segment.

28 For the quarter, the Company reported net income of \$14.5 million or \$0.32 per
share (basic and diluted), as compared to net income of \$10.0 million, or \$0.24
per share (basic and diluted), for the same period a year ago. The increase in net
income is primarily attributable to an increase in sales within the Products
Segment primarily derived from EPC contracts for the construction of two large
geothermal projects and additional energy generated year-over-year in our
Electricity Segment.

Commenting on the quarter's results, Dita Bronicki, Chief Executive Officer of
Ormat, stated: "Growth continued during the quarter with improvements in both
our revenues and net income. Revenue from our Products Segment accounted for
a significant portion of this quarter's growth. Revenues from our Products

1 Segment are expected to continue to grow throughout the year with an expected
2 increase of 20% to 30% compared to last year. An increase in generation in our
3 Electricity Segment compared to last year also contributed to our record results
4 but its impact was not fully reflected, primarily because of lower energy rates at
5 our Puna facility, the only facility which is sensitive to oil prices. While North
6 Brawley has not yet reached commercial operation, the 35 MW expansion of our
7 Olkaria III power plant in Kenya, is operating as planned.

8 “In March 2009, we received the first \$90.0 million out of a \$105 million project
9 financing loan for the Olkaria III power plants. This additional capital, when
10 combined with operating cash flow and \$241.1 million of unutilized secured lines
11 of credit with banks, will fund our growth plans that are expected to add 72 MW
12 to 84 MW over the next two years, and to include approximately \$30 million for
13 exploration in 2009 alone, to support projects beyond 2010.”

14 Electricity revenues for the first quarter of 2009 were \$62.6 million, an increase
15 of 5.2% as compared to \$59.5 million in the first quarter of 2008. The increase in
16 electricity revenues is primarily attributable to a net increase in the U.S. and
17 international generation to 889,693 MWh for the quarter, up from 732,266 MWh
18 in the same period of 2008, an increase of 21.5%. Revenues, however, increased
19 at a lower percentage due to the decline in the energy rate in Puna and the
20 expiration of the “adder” payment in Heber 1.

21 Revenues from the Products Segment for the three-month period ended March 31,
22 2009 were \$37.3 million, compared to \$9.9 million in 2008. The increase in the
23 Products Segment revenues was primarily derived from EPC contracts for the
24 construction of two large geothermal projects.

25 Adjusted EBITDA for the first quarter of 2009 was \$35.9 million, as compared to
26 \$27.5 million in the same quarter last year. Adjusted EBITDA includes operating
27 income and depreciation and amortization totaling \$1.5 million for each of the
28 quarters ended March 31, 2009 and 2008 related to the Company’s
unconsolidated investment interest of 50% in the Mammoth complex in
California. The reconciliation of GAAP net income to Adjusted EBITDA is set
forth below in this release.

Cash and cash equivalents as of March 31, 2009 increased to \$42.7 million from
\$34.4 million as of December 31, 2008. In addition, we have unutilized
committed bank lines of credits aggregating \$241.1 million.

On May 8, 2009, Ormat’s Board of Directors approved the payment of a quarterly
cash dividend of \$0.06 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 27, 2009 to shareholders of record as
of the close of business on May 20, 2009. The Company expects to pay a
dividend of \$0.06 per share in the next two quarters.

1 Commenting on the outlook for 2009, Ms. Bronicki said, "With regard to our
2 Electricity Segment, due to the delays in the commercial operation of North
3 Brawley we expect electricity revenues for 2009 to be between \$265 million and
\$275 million.

4 We also expect additional revenues of approximately \$9 million from our share of
5 electricity revenues generated by the Mammoth complex, the investment in which
6 is accounted for under the equity method. With respect to our Products Segment,
7 we currently expect that our 2009 revenue will be between \$110 million and \$120
8 million."

9 Ms. Bronicki concluded, "These excellent results reflect the strong fundamentals
10 of our development and enhancement activities as well as customer support for
11 our proven technology. Our already strong capital base positions us well for the
12 future as we continue to invest in our growth."

13 28. On May 11, 2009, Ormat filed its Quarterly Report with the SEC on Form 10-Q
14 for the 2009 fiscal first quarter. The Company's Form 10-Q was signed by Defendant Tenne and
15 reaffirmed the Company's financial results announced that day. The Company's Form 10-Q also
16 contained Sarbanes-Oxley required certifications, signed by Defendants Bronicki and Tenne,
17 substantially similar to the certifications contained in ¶20, supra.

18 29. On August 5, 2009, Ormat issued a press release entitled, "Ormat Technologies,
19 Inc. Reports Second Quarter 2009 Results." Therein, the Company, in relevant part, stated:

20 Q2 net income increased 32.3% to \$16.0 million;
21 Q2 revenues increased 24.9% to \$100.2 million;

22 RENO, Nevada, August 5, 2009 -'Ormat Technologies, Inc. (NYSE: ORA) today
23 announced record financial results for the second quarter of 2009.

24 Second Quarter Results

25 Total revenues for the second quarter were \$100.2 million, compared to \$80.2
26 million for the second quarter of 2008, an increase of 24.9%, which consisted of a
27 115.1% increase in revenues from the Product Segment, and a decline of 2.0% in
28 revenue in the Electricity Segment.

For the quarter, the Company reported net income of \$16.0 million, or \$0.35 per
share (basic and diluted), compared to net income of \$12.1 million, or \$0.28 per
share (basic and diluted), for the second quarter of 2008. The increase in net
income is primarily attributable to our Product Segment and some foreign
currency translation gains.

1 Commenting on the quarter's results, Dita Bronicki, Chief Executive Officer of
2 Ormat, stated: "We are pleased with the growth of our business and the record
3 revenues of \$100.2 million in this quarter. Total generation for the quarter was
4 strong, up 14% from the 2008 quarter. We produced 811,000 megawatt hours and
5 1,701,000 megawatt hours for the quarter and first six months, respectively, up
6 from 712,000 megawatt hours and 1,444,000 megawatt hours, respectively, last
7 year. Notwithstanding the strong growth in generation, total revenues in the
8 Electricity Segment declined slightly due to the expected reduction in Puna
9 revenues resulting from lower oil prices and the ongoing construction at Puna.
10 Our Product Segment delivered another solid quarter which more than offset the
11 reduction in the Electricity Segment."

12 "During the quarter, we continued to make selective investments in land
13 acquisition, which is fundamental to building a sustainable growth company with
14 profitable results. Our strategy is to continue to invest in high potential land. Our
15 growth initiatives continue moving forward, with new exploration occurring at
16 several sites within the United States," Ms. Bronicki continued.

17 Electricity revenues for the three-month period ended June 30, 2009 were \$60.6
18 million compared to \$61.8 million in the year ago period, a decrease of 2.0%.
19 The decrease in electricity revenues is primarily attributable to lower energy rates
20 at Puna, due to lower oil prices and to the expiration of the "adder", an additional
21 energy rate paid to us under the Heber 2 power purchase agreement.

22 Revenues from the Product Segment totaled \$39.7 million for the quarter,
23 compared to \$18.4 million in 2008.

24 Adjusted EBITDA for the second quarter of 2009 was \$32.3 million, compared to
25 \$29.2 million in the same quarter last year. Adjusted EBITDA includes operating
26 income and depreciation and amortization totaling \$1.2 million and \$1.3 million
27 for the quarters ended June 30, 2009 and 2008, respectively, related to the
28 Company's unconsolidated investment interest of 50% in the Mammoth Project in
California. The reconciliation of GAAP net income to Adjusted EBITDA is set
forth below in this release. Cash and cash equivalents as of June 30, 2009
increased to \$46.0 million from \$34.4 million as of December 31, 2008.

On August 5, 2009, Ormat's Board of Directors approved the payment of a
quarterly cash dividend of \$0.06 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, subject to Board approval. The dividend will be paid on August 27, 2009
to shareholders of record as of the close of business on August 18, 2009. The
Company expects to pay a dividend of \$0.06 per share in the next quarter as well.

Commenting on the outlook for 2009, Ms. Bronicki, said, "Following our second
quarter earnings results, we are increasing our guidance for 2009. We expect our
total revenues to increase to between \$382 million and \$400 million. With the
delay in the commercial operation of North Brawley, we expect our 2009

1 Electricity Segment revenues to be between \$252 million and \$260 million. We
2 also expect additional revenues of approximately \$9 million from our share of
3 electricity revenues generated by Mammoth that is accounted for under the equity
4 method. With regard to our Product Segment, we are increasing our guidance for
5 2009 revenues and expect them to now be between \$130 million and \$140
6 million.”

7 Ms. Bronicki concluded, “This has been another good quarter for Ormat. During
8 the quarter and subsequently, we were able to raise additional project financing
9 and corporate loans of over \$80 million to fund our growth. In addition, the
10 recently announced regulations for the ITC cash grant and the expected
11 regulations for the U.S. Department of Energy loan guaranty reflect a further
12 increase in governmental support for the renewable energy industry, and Ormat is
13 well positioned to take advantage of it.”

14 Six-Month Results

15 For the six-month period ended June 30, 2009, total revenues were \$200.1
16 million, an increase of 33.8% from \$149.6 million in the same, period last year.
17 Net income for the period was \$30.5 million, an increase of 38.1% from \$22.1
18 million in the same period last year. Earnings per share (diluted) for the first half
19 of 2009 was \$0.67, compared to \$0.52 in the first half of 2008.

20 Electricity Segment revenues for the six-month period ended June 30, 2009 were
21 \$123.2 million, compared to \$121.3 million in the same period a year ago.
22 Product Segment revenues for the first half of 2009 were \$76.9 million, compared
23 to \$28.3 million in the same period in 2008.

24 Adjusted EBITDA for the six-month period was \$68.2 million, compared to \$56.7
25 million in the same period a year ago. Adjusted EBITDA includes consolidated
26 EBITDA and the Company’s share in the operating income and depreciation and
27 amortization totaling \$2.7 million and \$2.8 million for the six months ended June
28 30, 2009 and 2008, respectively, related to the Company’s unconsolidated
investment interest of 50% in the Mammoth project in California.. The
reconciliation of GAAP net income to Adjusted EBITDA is set forth below in this
release.

30. On August 6, 2009, Ormat filed its Quarterly Report with the SEC on Form 10-Q
for the 2009 fiscal second quarter. The Company’s Form 10-Q was signed by Defendant Tenne
and reaffirmed the Company’s financial results previously announced on August 5, 2009. The
Company’s Form 10-Q also contained Sarbanes-Oxley required certifications, signed by
Defendants Bronicki and Tenne, substantially similar to the certifications contained in ¶20,
supra.

1 31. On November 4, 2009, Ormat issued a press release entitled, "Technologies, Inc.
2 Reports Third Quarter 2009 Results." Therein, the Company, in relevant part, stated:

3 Q3 Net Income increased 48% to \$23.4 million
4 Q3 Revenue increased 20% to \$119.8 million

5 RENO, Nevada, November 4, 2009 -Ormat Technologies, Inc. (NYSE: ORA)
6 today announced financial results for the third quarter of 2009.

7 Third Quarter Results

8 For the three-month period ended September 30, 2009, total revenues were \$119.8
9 million, an increase of 20.2% from \$99.7 million in the third quarter of 2008,
10 consisting of a 65.5% increase in Product Segment revenues and flat Electricity
11 Segment revenues.

12 For the quarter, the Company reported net income of \$23.4 million, or \$0.52 per
13 share of common stock (basic and diluted), compared to \$15.8 million, or \$0.35
14 per share of common stock (basic and diluted), for the same period a year ago,
15 which represents an increase of 48.1%. The increase in net income is primarily
16 attributable to our Product Segment.

17 Commenting on the quarter's results, Dita Bronicki, Chief Executive Officer of
18 Ormat, stated: "As in previous quarters of this year, we continued to benefit from
19 the significant increase in revenue from our Product Segment resulting from the
20 record backlog that we had at the beginning of 2009. We expect revenue from
21 this segment to return to previous levels in 2010 with a corresponding reduction
22 in margins.

23 Generation in our Electricity Segment continued to grow. Year-over-year our
24 total U.S. and international generation for the quarter was up 19% to about
25 799,000 MWh. We continued to add land to our exploration portfolio and
26 secured new lease agreements covering approximately 2,300 acres in California
27 and Nevada."

28 Electricity revenues for the third quarter of 2009 were \$68.7 million, consistent
with the third quarter of 2008. Revenues in our electricity segment this quarter
were impacted by a decline in the average revenue rate from \$103 to \$86 per
MWh due to the effect of lower oil prices on the Puna power plant's energy rates.

Revenues from the Product Segment for the three-month period ended September
30, 009 were \$51.1 million, compared to \$30.9 million in the same quarter in
2008, an increase of 65.5%. The increase in product sales was primarily
attributable to EPC contracts for the construction of three large binary geothermal
projects in Nevada, New Zealand and Costa Rica.

Adjusted EBITDA in the third quarter of 2009 increased 30.8% to \$50.3 million
compared to \$38.5 million in the same quarter last year. Adjusted EBITDA

1 includes consolidated EBITDA and the Company's share in the interest, taxes,
2 depreciation and amortization related to the Company's unconsolidated 50%
3 interest in the Mammoth complex in California. As further described in
4 "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.

5 Cash and cash equivalents as of September 30, 2009 decreased to \$20.3 million
6 from \$34.4 million as of December 31, 2008. In addition, as of November 4,
7 2009, we have available unused bank lines of credit and other borrowing capacity
aggregating \$412.5 million of which \$218.7 million is unused.

8 On November 4, 2009, Ormat's Board of Directors approved the payment of a
9 quarterly cash dividend of \$0.06 per share pursuant to the Company's dividend
10 policy, which targets an annual payout ratio of at least 20% of the Company's net
11 income, subject to Board approval. The dividend will be paid on December 1,
2009 to shareholders of record as of the close of business on November 18, 2009.

12 Commenting on the outlook for 2009, Ms. Bronicki said, "With regard to our
13 Electricity Segment, following our third quarter earnings results, we are narrowing
14 the range as we currently expect electricity segment revenues for 2009 to be
15 between \$254 and \$258 million. We also expect an additional \$9 million of
16 revenue from our share of electricity revenue generated by a subsidiary, which is
accounted for under the equity method. Given our Product Segment results for
the third quarter, we are increasing our guidance and expect revenues in this
segment to be approximately \$150 million."

17 Ms. Bronicki concluded, "It has been a productive quarter and year thus far for
18 Ormat. We have weathered the economic uncertainty with sound results and
19 substantial liquidity, and we are encouraged by our position over the long term.
20 Our priority going forward remains on investing for the long-term, moving
forward with our exploration activities and continuing to add the land and funding
necessary to continue to our growth."

21 Nine-Month Results

22 For the nine-month period ended September 30, 2009, total revenues increased
23 8.3% to \$320.0 million, compared to \$249.3 million for the nine months ended
24 September 30, 2008. Net income for the period was \$53.9 million, or \$1.19 per
25 share of common stock (basic and diluted), compared to \$37.9 million, or \$0.87
per share of common stock (basic and diluted) for the same period last year,
26 which represents an increase of 42.3% in net income.

27 Revenues attributable to our Electricity Segment for the nine months ended
28 September 30, 2009 were \$191.9 million, consistent with the same period last
year. Product Segment revenues for the nine months ended September 30, 2009

1 were \$128.0 million, an increase of 116.3%, compared to \$59.2 million for the
2 nine months ended September 30, 2008.

3 Adjusted EBITDA for the nine month period ended September 30, 2008 increased
4 25.2% to \$127.5 million compared to \$101.8 million in same period last year.
5 Adjusted EBITDA includes consolidated EBITDA and the Company's share in
6 the interest, taxes, depreciation and amortization related to the Company's
7 unconsolidated 50% interest in the Mammoth complex in California. As further
8 described in "Reconciliation of EBITDA and Adjusted EBITDA and Additional
9 Cash Flows Information" below, we changed the method for calculating EBITDA
10 and adjusted EBITDA beginning in the third quarter of 2009.

11 32. On November 4, 2009, Ormat filed its Quarterly Report with the SEC on Form
12 10-Q for the 2009 fiscal third quarter. The Company's Form 10-Q was signed by Defendant
13 Tenne and reaffirmed the Company's financial results announced that day. The Company's
14 Form 10-Q also contained Sarbanes-Oxley required certifications, signed by Defendants
15 Bronicki and Tenne, substantially similar to the certifications contained in ¶20, supra.

16 33. The statements contained in ¶¶19-32 were materially false and/or misleading
17 when made because defendants failed to disclose or indicate the following: (1) that the Company
18 was improperly continuing to capitalize costs for individual projects after Ormat had decided to
19 abandon further exploration and development of individual projects instead of expensing those
20 costs in the period in which any such determination was made; (2) that, as a result, the
21 Company's financial results were overstated during the Class Period; (3) that the Company's
22 financial results were not prepared in accordance with GAAP; (4) that the Company lacked
23 adequate internal and financial controls; and (5) that, as a result of the above, the Company's
24 financial statements were materially false and misleading at all relevant times.

25 **The Truth Begins To Emerge**

26 34. On February 24, 2010, Ormat issued a press release entitled, "ORMAT
27 TECHNOLOGIES REPORTS RECORD 2009 YEAR END AND FOURTH QUARTER
28 RESULTS." Therein, the Company, in relevant part, stated:

2008 Restatement

Through the third quarter of 2009, we accounted for exploration and development costs using an accounting method that is analogous to the full cost method used in the oil and gas industry. Under that method, we capitalized costs incurred in

1 connection with the exploration and development of geothermal resources on an
2 "area-of-interest" basis. Each area of interest included a number of potential
3 projects in the state of Nevada that were planned to be operated together with the
4 same operation and maintenance team. Impairment tests were performed on an
5 area-of-interest basis rather than at a single site. Under this methodology, costs
associated with projects that we have determined are not economically feasible
remained capitalized as long as the area-of-interest was not subject to impairment.

6 Following a periodic review performed by the Securities and Exchange
7 Commission ("SEC") Staff, we concluded that this accounting treatment was
8 inappropriate in certain respects. Accordingly, on February 23, 2010, our Audit
9 Committee and Board of Directors, based on management recommendations,
concluded that our financial statements contained in our Annual Report on Form
10-K for the year ended December 31, 2008 require restatement and should no
longer be relied upon.

10 The impact of the restatement is a decrease of approximately \$6.2 million in net
11 income (or \$0.14 per share) during the year end and the fourth quarter ended
12 December 31, 2008. This decrease represents a reduction of 12.6% from our
13 originally reported net income of \$49.5 million in 2008 and a reduction of 53.6%
14 from our originally reported net income of \$11.6 million in the fourth quarter of
15 2008. The Company is filing a Report on Form 8-K and intends to effect the
16 above mentioned restatement in its annual report on Form 10-K for the year ended
17 December 31, 2009. The Company also plans to revise its financial statements as
18 of and for the three and nine months ended September 30, 2009 to reduce net
19 income by approximately \$1.5 million (or \$0.03 per share). In connection with
the filing of its Annual Report on Form 10-K for the year ended December 31,
2009, the Company will revise the third quarter unaudited financial information
included in the notes to the financial statements to reflect the expensing of such
costs in that interim period.

20 35. On February 24, 2010, Ormat filed a Current Report with the SEC on Form 8-K.
21 Therein, the Company, in relevant part, stated:

22 **Item 4.02(a). Non-Reliance on Previously Issued Financial Statements or a**
23 **Related Audit Report or Completed Interim Review**

24 On February 23, 2010, the Board of Directors and Audit Committee of the
25 Company, upon recommendation of management, concluded that the Company's
26 financial statements for the year ended December 31, 2008 (the "2008 Financial
27 Statements") contained in its Annual Report on Form 10-K for the year then
28 ended require restatement and should no longer be relied upon. In addition, the
Company's prior related earnings and news releases and similar communications
should no longer be relied on to the extent they related to the 2008 Financial
Statements.

1 The Company plans to include the restatement of the 2008 Financial Statements
 2 in its Annual Report on Form 10-K for the year ended December 31, 2009. The
 3 restatement will show a change in the Company's accounting treatment for certain
 4 exploration and development costs. These costs were capitalized on an area-of-
 5 interest basis as described in Note 1 of the 2008 Financial Statements using an
 6 accounting method that is analogous to the full cost method. In reviewing this
 7 accounting treatment in response to comment letters from the Staff of the
 8 Securities and Exchange Commission ("SEC") as part of its periodic review of the
 9 reports the Company files with the SEC, the Company concluded that this
 10 accounting treatment was inappropriate in certain respects. *As a result, the
 11 Company will no longer continue to capitalize these costs for any individual
 12 project after it decides to abandon further exploration and development of that
 13 project, and will instead expense those costs in the period in which any such
 14 determination is made. The 2008 Financial Statements will be restated to write-
 15 off unsuccessful exploration and development costs for sites where we
 16 determined not to pursue further development during 2008.*

17 The effect of this restatement on the 2008 Financial Statements is as follows:

18 (U.S. dollars in millions)

19 Consolidated balance sheet as of December 31, 2008:

20	Decrease in construction-in-process	\$9.8
21	Decrease in deferred tax liability	\$3.6
22	Decrease in equity	\$6.2

23 Consolidated statement of operations and comprehensive

24 income for the year ended December 31, 2008:

25	Decrease in net income	\$6.2
26	Decrease in comprehensive income	\$6.2

27 The Company also plans to revise its consolidated financial statements as of and
 28 for the three and nine months ended September 30, 2009 to reduce net income by
 approximately \$1.5 million to expense previously capitalized exploration and
 development costs related to a project for which the Company determined it
 would abandon further exploration and development during the third quarter of
 2009. In connection with the filing of its Annual Report on Form 10-K for the
 year ended December 31, 2009, the Company will revise the third quarter
 unaudited financial information included in the notes to the financial statements
 included therein to reflect the expensing of such costs in that interim period.

The Company's management, Audit Committee and Board of Directors have
 discussed the matters disclosed in this Item 4.02(a) filing on Form 8-K with the