Financing Program for Geothermal Projects.

GLOBAL GEOTHERMAL DEVELOPMENT PLAN
OCTOBER 23-24, 2014
UN CTY COPENHAGEN FN BYEN, MARMORVEJ 51
DENMARK
Geothermal Energy.

Advantages.

- **Viable**: Is a Proven Technology and economically feasible.
- **Efficient**: Sufficient Supply (base load power).
- **Clean**: Avoids CO₂ Emissions (positive externality).
- **Economic**: Low levelized cost (US$0.04 – 0.10/kWh).
- **Possible**: México occupies the 4th Global position with a 840MW of installed capacity. Only behind the EEUU, Filipinas and Indonesia.

**Mexico’s Potential**: 10 to 11 GW.

North – Center, the best sites.

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Risks.

<table>
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<tr>
<th>Project Stage</th>
<th>Risk Level</th>
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<tbody>
<tr>
<td>Surface Studies</td>
<td>LOW</td>
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<tr>
<td>Early exploration</td>
<td>VERY HIGH</td>
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<tr>
<td>Site development and production tests</td>
<td>HIGH</td>
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<tr>
<td>Construction and plant operation</td>
<td>MEDIUM-HIGH</td>
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There may be Power generation from 150 °C.

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VIDEO
Financing scheme proposed.

- **SOURCE OF FUNDS**
  - IDB
  - Munich RE
  - Clean Technology Fund
- **PROGRAM'S INSTRUMENT**
  - Secure Grant Equity
  - Secure Secured Loan
- **PROJECT PHASES**
  - Surface Studies
  - Early Exploration
  - Site Development and Production
  - Plant Construction and Operation
- **PROMOTER**
  - Clean Technology Fund
- **PROJECT RISK**
  - Debt Ordinary/Soft Subordinated Debt Guaranties Contingent Lines of Credit
Scheme's diagram of flow.

**Early Exploration**

- Drilling (well 1)
- Drilling (well 2)
- Drilling (well 3)

**Drill and production**

- Drilling (well 4)
- Drilling (well 5)
- Drilling (well 6)

**Plant Construction and Operation**

- Financing I, for exploration
- Refinance (Financing II)
- Refinance (Financing III)

**Loan Repayment**

- Munich RE
- CLEAN TECHNOLOGY FUND
- SENER

**NAFIN / IDB / CTF**
# Program's Sources and applications of Funds.

## Millions US dollar figures.

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<tbody>
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<td>CTF</td>
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<td>SENER</td>
<td>11.5</td>
<td>BID</td>
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<tr>
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<td>31.5</td>
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<tr>
<td>TOTAL</td>
<td>2.8</td>
<td>TOTAL</td>
<td>31.5</td>
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<td>85.8</td>
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<td>NON-REFUNDABLE SUPPORT</td>
<td>28.6%</td>
<td>LOANS</td>
<td>71.4%</td>
<td>TOTAL</td>
<td>120.1</td>
<td>100.0</td>
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- Technical Assistance
- Early Exploration
- Productive Exploration
- Program's Total

Millions US dollar figures.
The Act provides for three stages: prospecting, exploration and exploitation.

Exploration permits and exploitation concessions may be granted to individuals of Mexican nationality or companies incorporated under Mexican Law.

The record of survey shall be resolved by SENER in a period not exceeding 10 working days.

The term of registration is 8 months and SENER may decide if the holder is eligible to obtain an exploration permit for 3 years, extendable for 3 years, for the only time.

Through the figure of concession, CFE, other productive state enterprises and individuals, shall work to exploit geothermal areas.

The titles of concession, given the nature and maturity needed projects will have a term of 30 years and may be extended in the opinion of the Secretariat of Energy.

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**Exploration, by individuals, CFE and other productive state enterprises, require prior permission granted by SENER.**