

# Alterra Power Corp.

magma   
ENERGY CORP

Plutonic   
POWER CORPORATION™

March 7, 2011

# Forward-Looking Information

This Presentation contains certain “forward-looking information” within the meaning of Canadian securities laws, which may include, but is not limited to, statements with respect to future events or future performance, the timing and prospects for Magma shareholder and Plutonic shareholder approval of the merger, the implementation of the merger, the integration of Magma and Plutonic following the merger (including synergies), management’s expectations regarding Alterra’s production capacity, results of operations, cash flows, revenues and requirements for capital, future demand for and prices of electricity, and Alterra’s business prospects and opportunities.

These statements reflect the current views of Magma and Plutonic with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by Magma and Plutonic, are inherently subject to significant business, economic, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause Alterra’s actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements contained in this presentation, and Magma and Plutonic have made assumptions based on or related to many of these factors. Such factors include, without limitation: fluctuations in currency markets (particularly with respect to the Icelandic krona, the U.S. dollar and Canadian dollar); risks related to the technological and operational nature of Alterra’s business; changes in national or regional governments, legislation, regulation, permitting or taxation; political or economic developments in Canada, the United States, Iceland or other countries where Alterra may carry on business; risks and hazards associated with the business of renewable energy generation; risks relating to the creditworthiness and financial condition of suppliers and other parties which Alterra will deal with; inadequate insurance or inability to obtain insurance to cover these risks and hazards; employee relations; relationships with and claims by local communities and First Nations; availability and costs of equipment and labour; litigation; the success and timely completion of planned expansion and development programs; the growth rate in net electricity consumption; support and demand for renewable energy; government initiatives to support the development of renewable energy generation; the reliability of technical data and capital expenditure estimates; and availability of capital to fund development and expansion programs. Forward-looking information and statements are also based upon the assumption that none of the identified risk factors that could cause actual results to differ materially from the forward-looking information and statements will occur.

Although Magma and Plutonic have attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. There can be no assurance that the forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, prospective investors should not place undue reliance on forward-looking information. Other than as required by applicable securities laws, neither Magma nor Plutonic assumes any obligation to update or revise such forward-looking information to reflect new events or circumstances.



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## Transaction Rationale

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# Alterra Power Corp. – Canada’s Leading Renewable Developer

*The merger of Magma Energy with Plutonic Power creates a dominant renewable power developer in Canada*

## Improved Scale

- *Larger production base*
- *Expanded growth pipeline and growth potential*

## Geographic Diversification

- *Iceland, Canada, United States, Chile and Peru*

## Diverse Generation Base

- *Geothermal, Hydro, Wind, Solar*



## Lower Cost of Capital

- *Larger scale and enhanced liquidity*
- *Enhanced buy-side interest*

## Enhanced Operations

- *Complementary talent pool*
- *Organizational synergies (overheads, industry expertise, etc.) of ~\$2.2MM*
- *Optimization of partner relationships*



# Rationale for Plutonic Shareholders

## Attractive, Immediate Premium

- 32% over 20 day VWAP as of March 4, 2011

## Significant Ownership Interest

- Plutonic shareholders will own 34% of Alterra on a fully diluted basis

## Geographic Diversification

- Addition of operations and projects in Iceland, United States and South America

## Addition of Geothermal

- Cheapest source of base-load power
- Reduces risk profile through diversification

## Improved Financial Position & Shareholder Base

- At December 31, 2010 Magma had cash of ~\$50 million
- Magma's key shareholders have supported numerous recent financings
- Magma to bridge Plutonic's near-term cash needs



# Rationale for Magma Shareholders

## Additional Production and Development Projects

- Plutonic has two recently commercialized projects in hydro and wind and has numerous development projects in hydro, wind and solar, including potential expansions of existing projects

## Geographic Diversification

- Adds projects in BC and Ontario

## Diversification into Hydro, Wind, Solar

- While geothermal will remain a focus, hydro, wind and solar reduce risk profile and offer additional growth opportunities

## GE Relationship

- Plutonic's strategic relationship with GE potentially enhances financing of growth projects

## Strong Renewable Energy Management Team

- Plutonic brings key professionals with extensive experience in the North American renewables arena



# Transaction Summary Terms

- 
- Exchange Ratio:**
- 2.38 Magma shares for each Plutonic share
    - Implies 32% premium to 20-day VWAP
- 
- Pro Forma Ownership:**
- Magma 66% / Plutonic 34% (on a fully diluted basis)
  - Approximately 473 million shares (diluted) outstanding upon completion
- 
- Transaction Details:**
- Transaction recommended by directors of both Boards
  - Lock-up agreements representing approximately 20.2% of the common shares signed by management and directors
  - Plan of arrangement under the Business Corporations Act (British Columbia)
  - Break fees payable of \$5.7 million (~3%)
- 
- Conditions:**
- Shareholder vote (50% Magma and 66.7% Plutonic)
  - Other customary conditions and Court approval
- 
- Indicative Timeline:**
- Mailing of Notices and Joint Information Circular – by March 31, 2011
  - Shareholder meeting for Plutonic – by April 29, 2011
  - Shareholder meeting for Magma – by April 29, 2011
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- Closing:**
- May 23, 2011
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## Overview of Alterra Power Corp

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# Alterra – Capitalization

(in C\$MM unless indicated)

			
Share Price <sup>(1)</sup>	\$1.22	\$2.42	\$1.22
Diluted ITM shares O/S (MM)	314	67	473 <sup>(2)</sup>
<b>Market Capitalization</b>	<b>\$383</b>	<b>\$162</b>	<b>\$578</b>
Plus: Debt	\$320	\$277	\$598
Less: Cash <sup>(3)(4)</sup>	(\$48)	(\$5)	(\$53)
Add: Minority Interest	\$7		\$7
<b>Enterprise Value</b>	<b>\$663</b>	<b>\$434</b>	<b>\$1,130</b>
<i>Alterra Ownership</i> <sup>(2)</sup>	66%	34%	100%

Notes:

Assumes exchange rate of C\$0.973/US\$

(1) As of March 4, 2011; PCC share price expressed as closing MXY share price multiplied by 2.38 exchange ratio

(2) Reflects exchange ratio of 2.38 Magma shares per Plutonic share

(3) As of December 31, 2010 for Magma, management estimate for Plutonic

(4) Alterra Cash Position to be potentially augmented by ~\$70MM in proceeds from sell-down of minority interest in HS Orka and receipt of U.S. Treasury Grant



# Alterra – Asset Base

## Project Overview

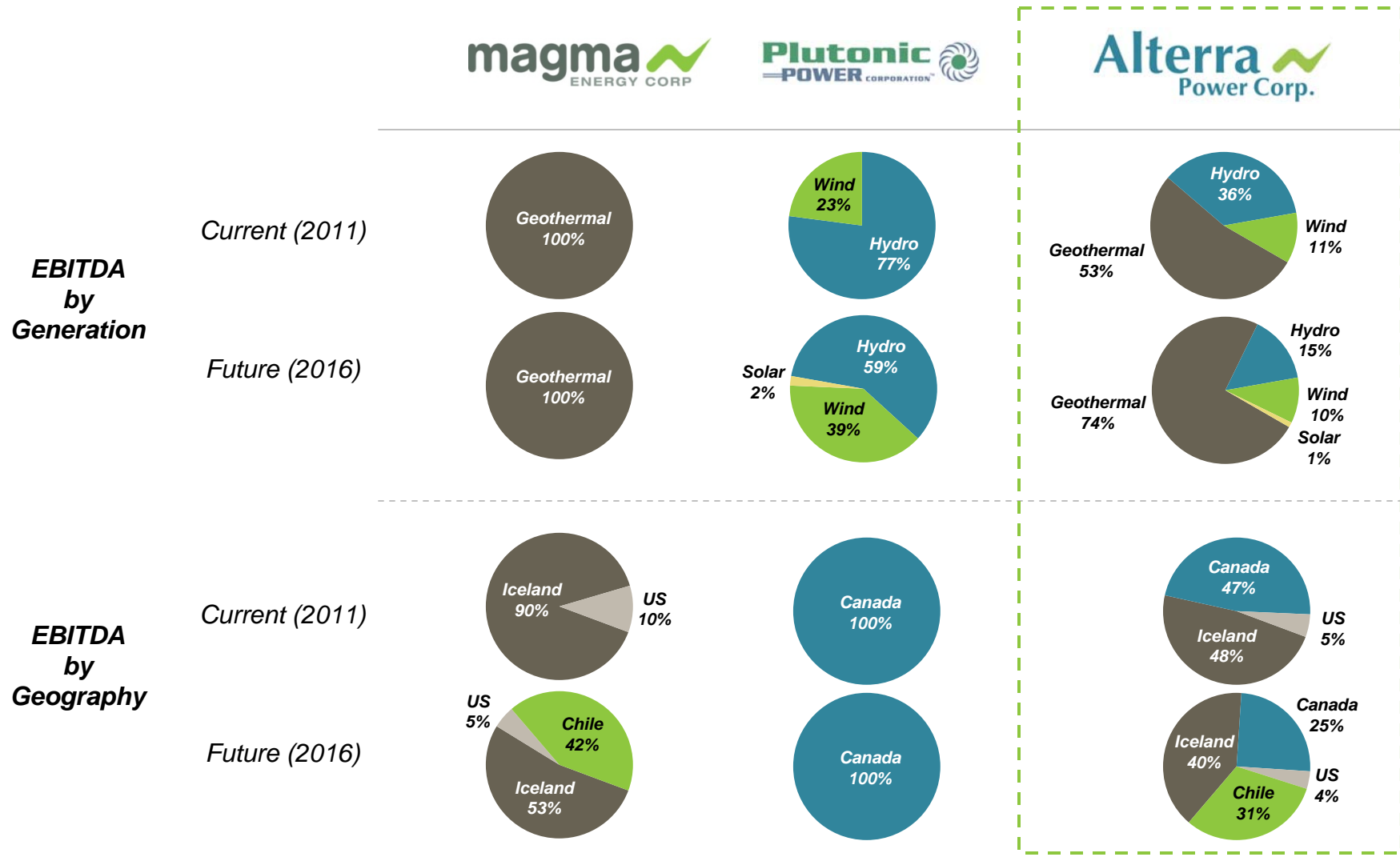


Project	MW	Technology
<b>Operating (2011)</b>		
Soda Lake	23 MW	Geothermal
Svartsengi	75 MW	Geothermal
Reykjanes	100 MW	Geothermal
Toba Montrose	94 MW	Run-of-River Hydro
Dokie 1	73 MW	Wind
<b>Total MW</b>	<b>366 MW</b>	<b>Various</b>
<i>Magma MW</i>	<i>198 MW</i>	
<i>Plutonic MW</i>	<i>168 MW</i>	
<b>Total Generation</b>	<b>1,800 GWh</b>	
<i>Magma GWh</i>	<i>1,340 GWh</i>	
<i>Plutonic GWh</i>	<i>460 GWh</i>	
<b>Operating Additions (2016)</b>		
Upper Toba	62 MW	Run-of-River Hydro
Ontario Solar	5 MW	Solar
Reykjanes Exp.	80 MW	Geothermal
Dokie Exp.	80 MW	Wind
McCoy	15 MW	Geothermal
Maule	50 MW	Geothermal
Eldvorp	50 MW	Geothermal
Other	200 MW	Geothermal
<b>Total MW</b>	<b>908 MW</b>	<b>Various</b>
<i>Magma MW</i>	<i>593 MW</i>	
<i>Plutonic MW</i>	<i>315 MW</i>	



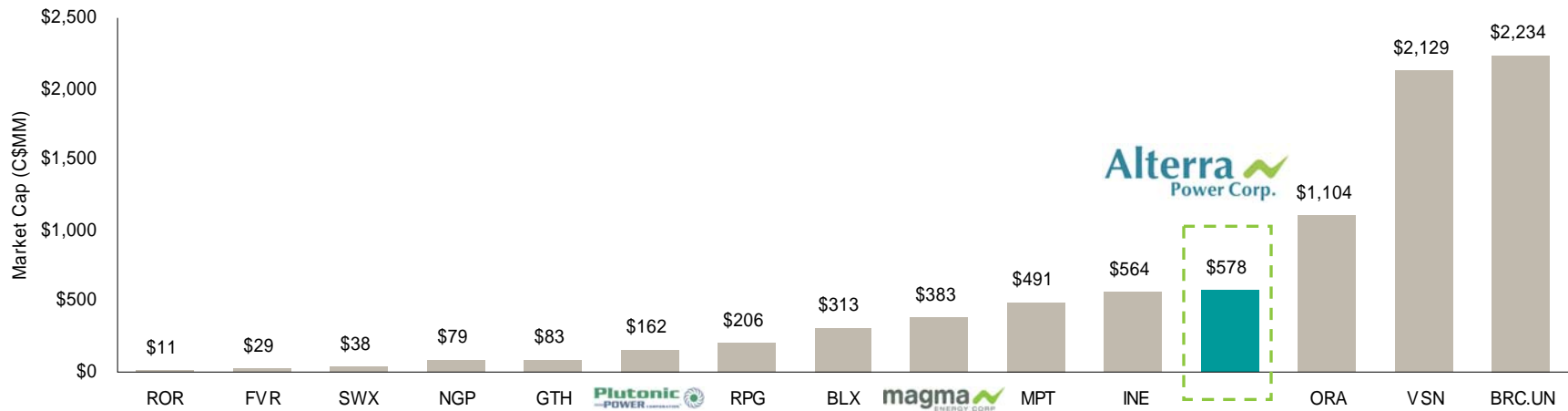
# Alterra – Improved Diversification

Alterra presents significant diversification by geographies and generation technology

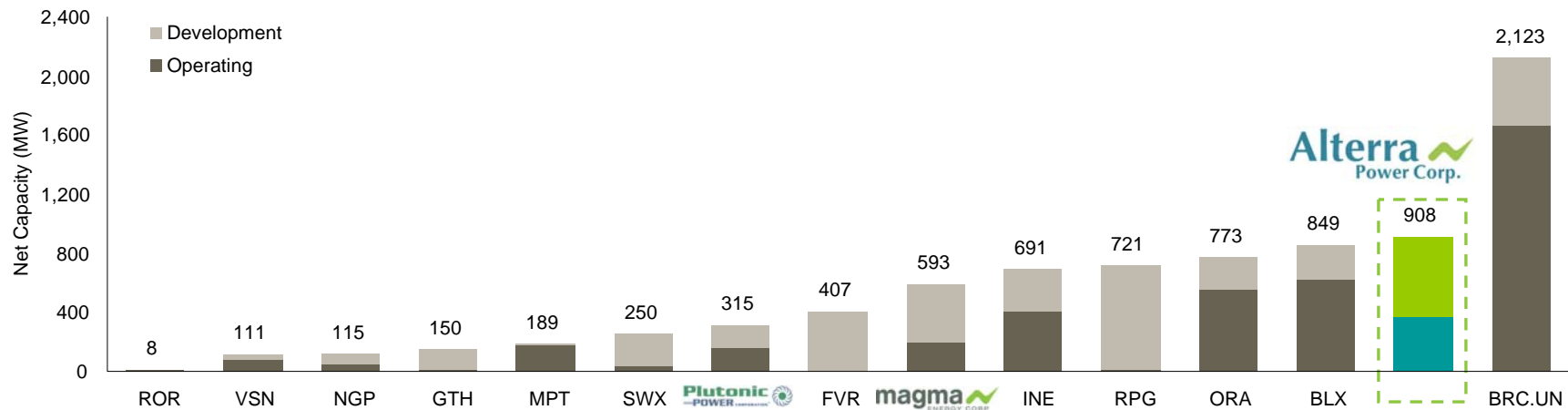


# Alterra vs. Comparables

## Market Capitalization

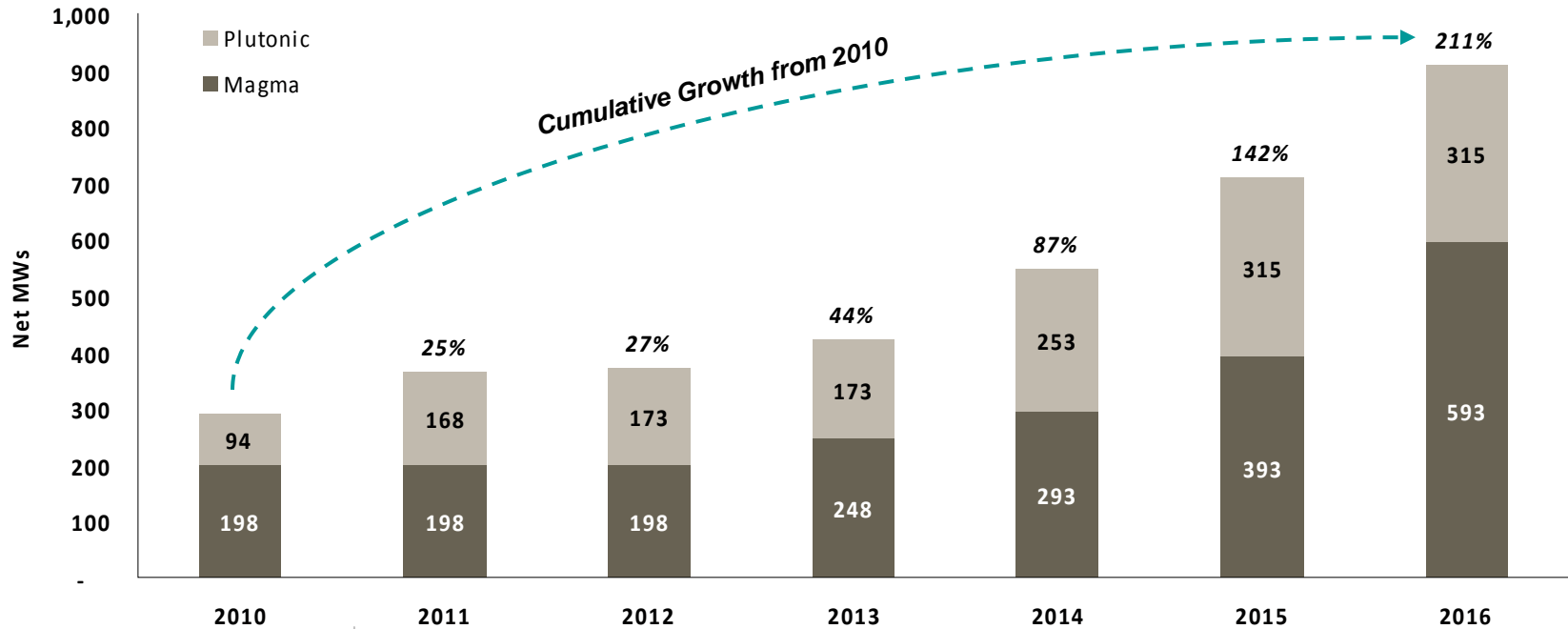


## Installed Renewable Capacity<sup>(1)</sup>



# Alterra – Leading Growth Profile

Alterra’s substantial pipeline potential represents meaningful additions to operating capacity



*Existing Generation*

*Capacity Additions*



Soda Lake  
HS Orka

Reykjanes 1

Reykjanes 2,  
McCoy

Eldvorp,  
Maule

Pipeline



Toba  
Montrose

Dokie 1

Solar

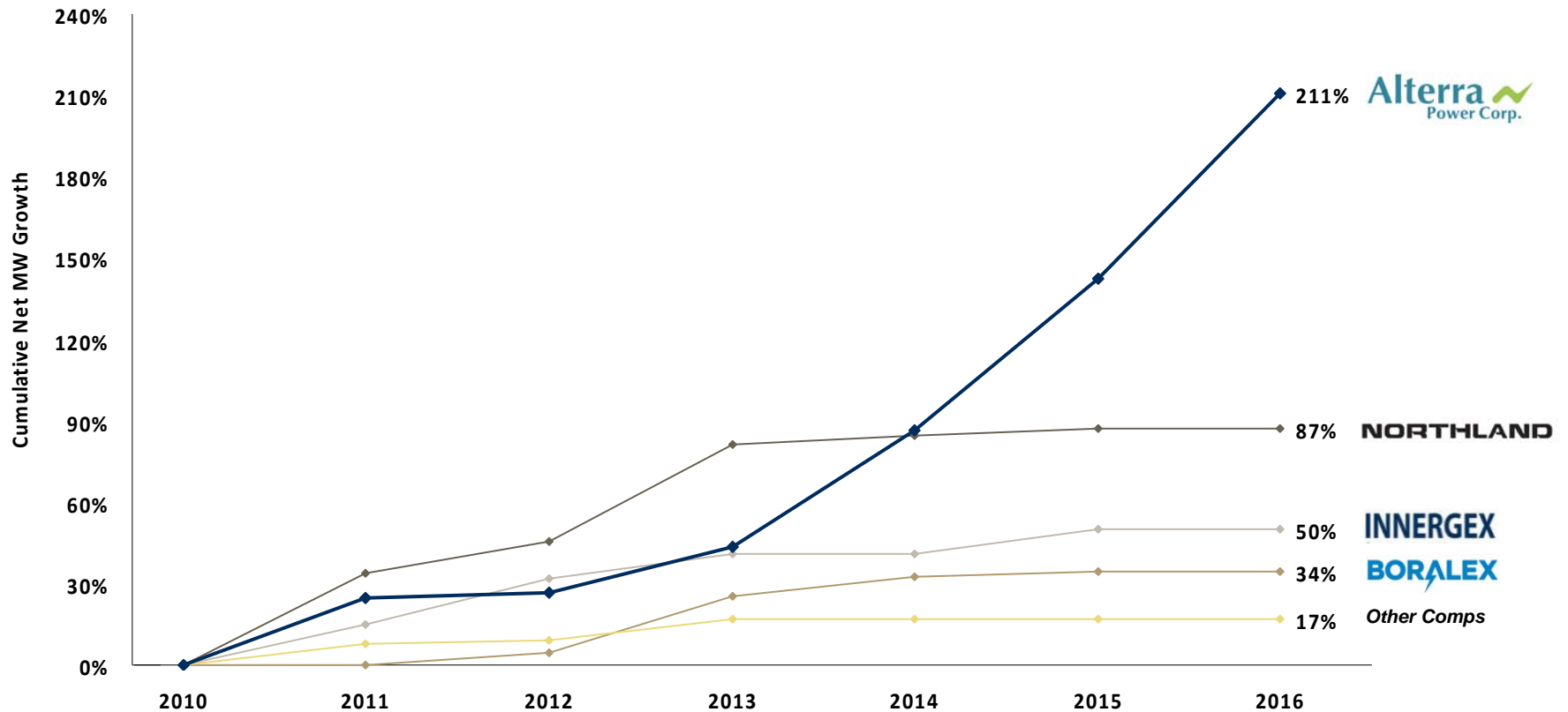
Dokie 2

Upper  
Toba



# Alterra Growth Profile vs. Comparables

*Alterra compares favourably to other power companies in terms of growth profile*



**Note:** Comparables growth trajectory represents additions from contracted and advanced development pipeline, as publicly disclosed.  
Other Comps include Algonquin Power & Utilities, Atlantic Power, Brookfield Renewable, Etrion, Macquarie Power and Infrastructure and Maxim Power.



# Alterra Near-Term Cash Sources and Uses

## Potential Sources:

Cash <sup>(1)</sup>	\$54
HS Orka Sell-Down	\$65
ITC Cash Grant	\$6
<b>Total Sources</b>	<b>\$125</b>



## Potential Uses:

Near-Term Plutonic Obligations	\$9
Repayment of Short-Term Loan	\$28
Overhead	\$10
Growth Capital	\$78
<b>Total Uses</b>	<b>\$125</b>



(1) Published Dec. 31, 2010 figure for Magma plus estimate for Plutonic. Includes approx. \$28MM currently subject to certain escrow provisions relating to Orka acquisition.



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## Appendix A

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*Overview of Magma Energy Corp.*

# Overview of Magma – Balanced Portfolio



## Iceland (98.5% owned):

- 2 power plants with 175 MW capacity
- 2010 EBITDA of ~\$25 million; near-term 80 MW expansion expected to increase EBITDA by ~50%
- 80 MW near-term expansion underway; equity portion substantially funded
  - Turbine for first 50 MW phase has already been purchased with equity funds
- Additional 150 MW of defined expansion plans, plus other expansion opportunities
- Aluminum participation feature in some PPAs and financials
- In discussions to sell down interest to Iceland pension funds for potential proceeds of \$65M

## United States (100% owned):

- 23 MW (gross) power plant with expansion potential plus 12 other exploration properties
- Targeting EBITDA of ~\$3 million per year
- Excellent governmental support for geothermal projects; applying for \$6 million Treasury grant

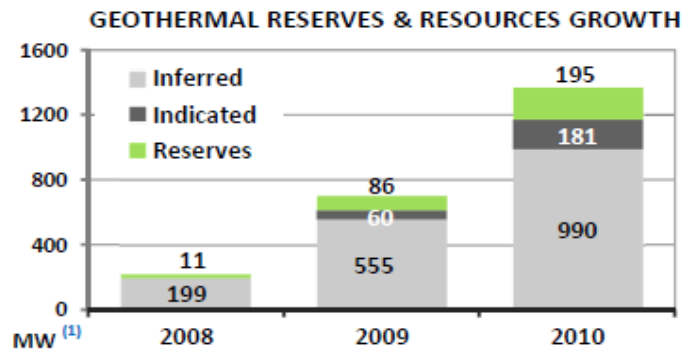
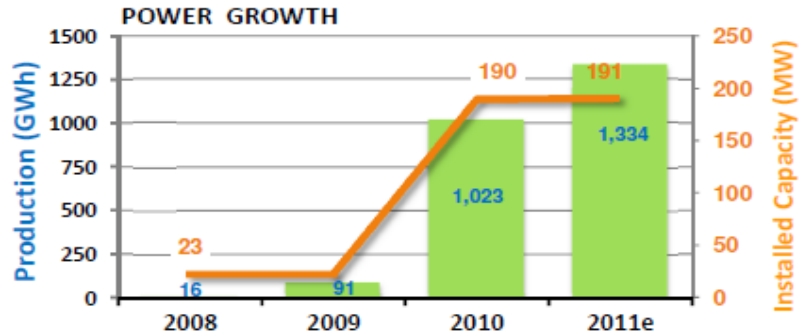
## Chile/Peru (100% owned):

- Huge (320MW) inferred resource discovered at low cost
- Emerging geothermal markets with world-class potential and strong government support
- Currently in partnering discussions for next exploration phase in Chile



# Overview of Magma – Growth Story

*Since its 2008 start-up, Magma has been the world's fastest growing geothermal power company*



## Overview of Magma – Consolidated Results

*Magma gained control of its Icelandic subsidiary, HS Orka during Q1 2011, and full consolidation of results occurred in Q2*

*(Expressed in thousands of US dollars, except for MWh)*

	ACTUAL		
	2011-Q2	2011- H1	Year End June 30-2010
<b>NET PRODUCTION (MWh)</b>	351,461	688,707	62,072
<b>TOTAL REVENUE</b>	18,751	26,795	5,056
<b>GROSS PROFIT</b>	5,485	6,295	625
<b>EBITDA <sup>(a)</sup></b>	6,155	13,050	(3,261)
<b>TOTAL ASSETS</b>	656,222	656,222	198,703
<b>TOTAL LIABILITIES</b>	427,093	427,093	56,633

**Notes:**

(a)EBITDA is defined by the Company as earnings before interest and other financing costs, taxes, depreciation and amortization, as well as before deductions for non-cash charges related to employee compensation, equity earnings/losses, loss on re-measurement of equity interest, NCI, gain on bargain purchase and changes to the balance sheet carrying value of long-term debt and derivatives. The Company discloses EBITDA as it is a measure used by analysts and by management to evaluate the Company's performance. As EBITDA is a non-GAAP measure, it may not be comparable to EBITDA calculated by others. In addition, as EBITDA is not a substitute for net earnings, and readers should consider net earnings in evaluating the Company's performance.



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## Appendix B

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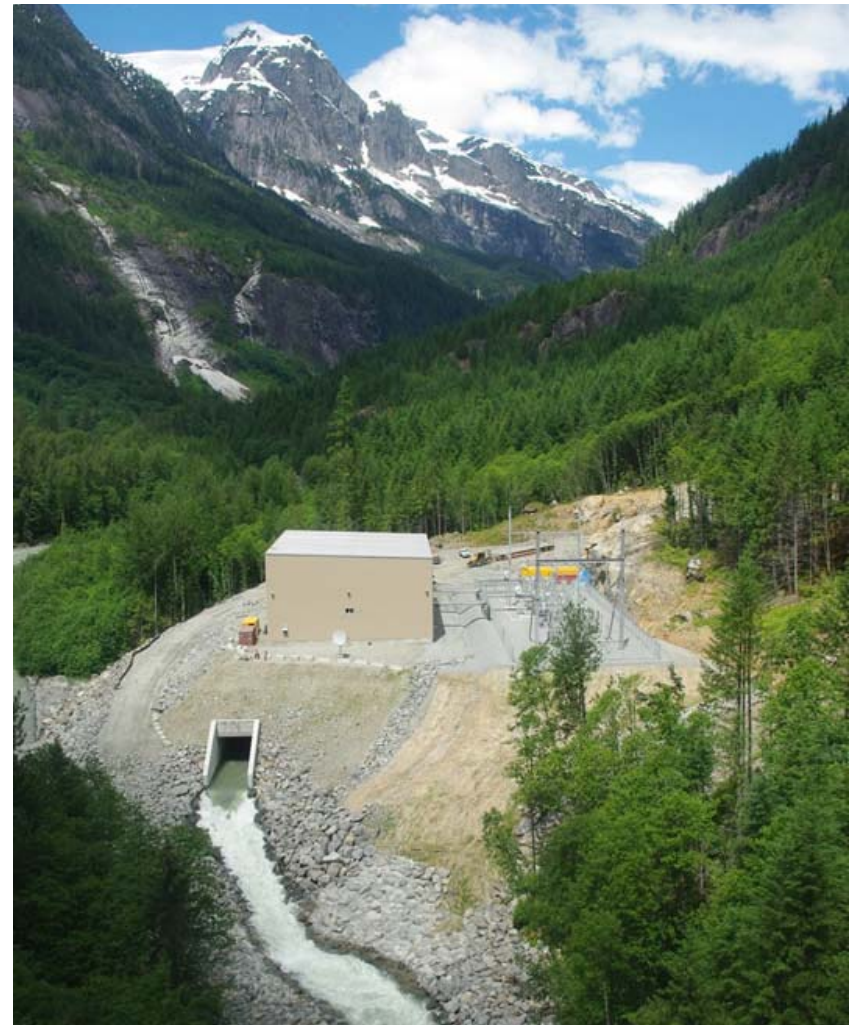


*Overview of Plutonic Power Corp.*

# Overview of Plutonic

*Plutonic Power identifies, develops and operates clean power projects in a safe, reliable and efficient manner*

- Development efforts to date have focused on run-of-river hydroelectric facilities and wind farms in British Columbia
- Focus on environmental sustainability, social license to exist, First Nations relationships
- Plutonic Power has 8 Impact Benefit Agreements (IBA) with 7 different First Nations
- Recently achieved commercialization of 236MW Toba Montrose Project (40% economic interest) and 144MW Dokie Wind Farm (51% economic interest)
- Facilities currently selling power to BC Hydro under long-term Electricity Purchase Agreements
- Strategic partnership with GE Energy Financial Services
- Robust development pipeline highlighted by expansions of existing facilities
- Recent acquisition of a 10% interest in a 50 MW portfolio of solar projects in Ontario; option concurrent with commercial operation in Q4 2011



# Overview of Plutonic – Toba Montrose Project

*Plutonic owns a 40% economic interest in two recently completed run-of-river hydroelectric generation facilities in south-western British Columbia*

Facilities	<ul style="list-style-type: none"> <li>▪ East Toba River and Montrose Creek</li> </ul>
Capacity	<ul style="list-style-type: none"> <li>▪ 236MW</li> </ul>
Ownership	<ul style="list-style-type: none"> <li>▪ GE – 60%</li> <li>▪ Plutonic – 40%</li> </ul>
COD	<ul style="list-style-type: none"> <li>▪ 2010</li> </ul>
Electricity Purchase Agreement	<ul style="list-style-type: none"> <li>▪ 35-year EPA with BC Hydro (710-730 GWh / year)</li> </ul>
Project Debt	<ul style="list-style-type: none"> <li>▪ \$470MM total project debt with 35 year amortization and 6.4% effective interest rate</li> </ul>
Revenue	<ul style="list-style-type: none"> <li>▪ 2011E project revenue of \$74MM                             <ul style="list-style-type: none"> <li>• Includes \$10/MWh ecoEnergy Program incentive</li> </ul> </li> </ul>
EBITDA	<ul style="list-style-type: none"> <li>▪ 2011E project EBITDA of ~\$60MM                             <ul style="list-style-type: none"> <li>• ~\$24MM net EBITDA to Plutonic</li> </ul> </li> </ul>



## Upper Toba Development Project:

*On April 30, 2010 Plutonic and GE EFS announced the signing of a 40 year EPA for the Upper Toba development site:*

- 2 sites located in vicinity to Toba Montrose facilities, projected to generate ~330 – 340 GWh annually
- Provincial and Federal EA in place
- Key infrastructure in place (roads, transmission line) through Toba Montrose construction
- Currently reviewing plans for permitting, financing and construction



# Overview of Plutonic – Dokie Wind Project / Solar Option

*Plutonic owns a 51% economic interest in the recently completed Dokie Wind Farm, located in northern British Columbia*

<b>Facility</b>	<ul style="list-style-type: none"> <li>▪ Dokie Wind Farm</li> </ul>
<b>Capacity</b>	<ul style="list-style-type: none"> <li>▪ 144MW</li> </ul>
<b>Ownership</b>	<ul style="list-style-type: none"> <li>▪ Plutonic – 51%</li> <li>▪ GE – 49%</li> </ul>
<b>COD</b>	<ul style="list-style-type: none"> <li>▪ March 2, 2011</li> </ul>
<b>Electricity Purchase Agreement</b>	<ul style="list-style-type: none"> <li>▪ 25-year EPA with BC Hydro (320-340 GWh / year)</li> </ul>
<b>Project Debt</b>	<ul style="list-style-type: none"> <li>▪ \$175MM total project debt with 20 year amortization and 7.2% effective interest rate</li> </ul>
<b>Revenue</b>	<ul style="list-style-type: none"> <li>▪ Run-Rate project revenue of \$35 - \$40MM                             <ul style="list-style-type: none"> <li>• Includes \$10/MWh ecoEnergy Program incentive</li> </ul> </li> </ul>
<b>EBITDA</b>	<ul style="list-style-type: none"> <li>▪ Run-Rate project EBITDA of ~\$27MM                             <ul style="list-style-type: none"> <li>• ~\$14MM net EBITDA to Plutonic</li> </ul> </li> </ul>
<b>Expansion</b>	<ul style="list-style-type: none"> <li>▪ Plutonic and GE own rights to expand the Dokie Wind Farm, subject to feasibility confirmation and a successful EPA negotiation with BC Hydro</li> <li>▪ Wind assessment, turbine layout, infrastructure and financial studies currently ongoing</li> </ul>

*Plutonic recently acquired a 10% interest in portfolio of solar facilities from First Solar, to be built in Ontario*

<b>Facility</b>	<ul style="list-style-type: none"> <li>▪ 3 solar facilities in southwestern Ontario</li> </ul>
<b>Capacity</b>	<ul style="list-style-type: none"> <li>▪ Amherstburg - 10MW</li> <li>▪ Belmont – 20MW</li> <li>▪ Walpole – 20MW</li> </ul>
<b>Ownership</b>	<ul style="list-style-type: none"> <li>▪ GE – 90%</li> <li>▪ Plutonic– 10%</li> </ul>
<b>COD</b>	<ul style="list-style-type: none"> <li>▪ Late 2011</li> <li>▪ Permitting is expected in spring 2011 with construction to start in mid-2011</li> </ul>
<b>Electricity Purchase Agreement</b>	<ul style="list-style-type: none"> <li>▪ 20 year EPA with Ontario Power Authority</li> </ul>
<b>Project Debt</b>	<ul style="list-style-type: none"> <li>▪ TBD</li> </ul>
<b>EBITDA</b>	<ul style="list-style-type: none"> <li>▪ ~\$3MM net EBITDA to Plutonic</li> </ul>



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## Appendix C

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*Alterra Board of Directors*

# Alterra – Board of Directors

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**Ross Beaty**

*Executive Chairman and  
CEO*

- Mr. Beaty is a geologist and resource company entrepreneur with more than 38 years of experience in the international minerals industry, Founder and chair of Magma Energy Corp and Pan American Silver (TSX: PAA, NASDAQ: PAAS) and several other resource companies that were successfully built and divested.

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**Donald A. McInnes**

*Executive Vice-Chairman*

- Mr. McInnes is the Founder, Vice Chair and CEO of Plutonic Power Corporation. He currently serves as Vice Chair of Clean Energy Association of British Columbia and is a director of Prostate Cancer Canada, the Powell River Economic Development Society, the Duke of Edinburgh's Award-British Columbia and Yukon Division and is a Governor of the British Columbia Business Council.

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**David Cornhill**

*Director*

- Mr. Cornhill is the founder, Chairman and Chief Executive Officer of AltaGas Income Trust, one of Canada's largest energy infrastructure groups, focused on gas and power infrastructure and renewable energy (wind and hydro). With more than 25 years of experience in the energy industry, Mr. Cornhill also sits on several private and public boards including AltaGas Utility Group and Ivey Business School.

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**David O'Brien**

*Director*

- Mr. O'Brien is retired as President and Chief Executive Officer, Toronto Hydro Corporation where he served between 2004-2009. Mr. O'Brien was previously with Ontario's Ministry of Energy initially as Associate Deputy Minister of Energy and subsequently Deputy Minister. Mr. O'Brien has also served as President and Chief Executive Officer of Enersource Corporation, the parent company of Hydro Mississauga. Mr. O'Brien is a member of the Board of OMERS, Apex Co-Vantage and the Summerhill Group, as well as a strategic advisor on energy matters to a number of other companies.

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**Donald Shumka**

*Director*

- Mr. Shumka is Managing Director of Walden Management Ltd., a financial consulting firm. Mr. Shumka received a Master of Business Administration from Harvard University. From 1966 to 1979 he worked in a variety of positions in the forest industry, from 1979 to 1989 he was Vice President and Chief Financial Officer of West Fraser Timber Co. Ltd. and from 1989 to 2004 he headed the Forest Products Group for two Canadian investment banks. Other public company boards include Eldorado Gold Corp and Paladin Energy Ltd.

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**Paul Sweeney**

*Director*

- Mr. Sweeney has over 30 years experience in financial management of mining and renewable energy companies. From 2007-2010, he was Executive Vice-President, Corporate Development, of Plutonic Power Corporation, and continues today with Plutonic in a part-time role. He has served as CFO of a number of successful mineral resource companies including Canico Resources, Sutton Resources and Gibraltar Mines and is a Director of several resource companies including Magma Energy Corp. and Pan American Silver Corp. where he chairs the audit committee.

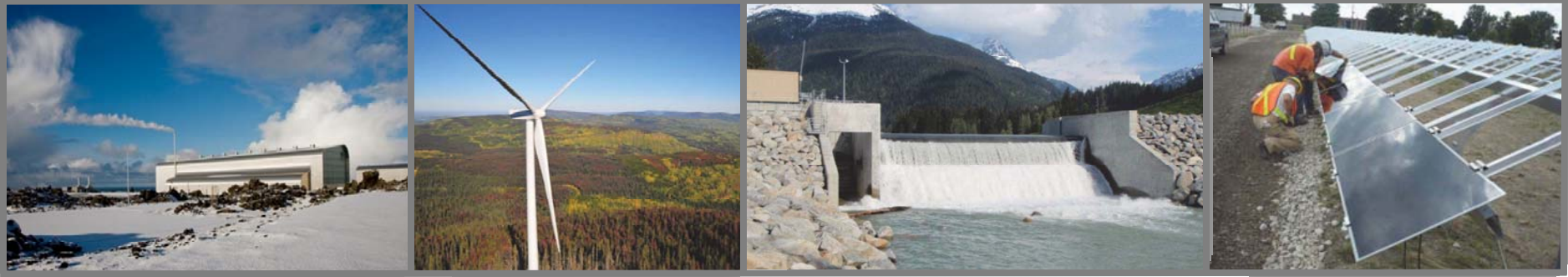
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**Walter Segsworth**

*Director*

- Mr. Segsworth currently serves as Chairman of Plutonic Power Corporation. He is past President and Director of Westmin Resources. Upon the takeover of Westmin by Boliden in 1998, Mr. Segsworth joined Homestake Mining Company of California where he was subsequently appointed President, Director and Chief Operating Officer and served until the merger with Barrick in early 2002. He is past Chairman of both the Mining Associations of BC and Canada and was named BC's Mining Person of the year in 1996.





*Announcing...*



<i>Technology</i>	<i>Capacity (2011)</i>	<i>Production (2011)</i>
<i>Geothermal Power</i>	<i>198 MW</i>	<i>1,340 GWh</i>
<i>Hydro Power</i>	<i>94 MW</i>	<i>290 GWh</i>
<i>Wind Power</i>	<i>73 MW</i>	<i>170 GWh</i>
<i>Solar Power</i>	<i>TBD (2011)</i>	<i>TBD (2011)</i>
<b>Total</b>	<b>366 MW</b>	<b>1,800 GWh</b>

- Diverse Renewable Technology*
- Proven Management Expertise*
- Lower Cost of Capital*
- Premier Global Resources*
- Enhanced Growth Opportunities*
- Broaden Corporate Capabilities*
- Optimize Partner Relationships*
- Cost Savings (Corp. Overhead)*

