Iceland's Geothermal Value Proposition

Hot Water – Steam – Electricity – Fresh Water – Carbon dioxide – Minerals

A geothermal power plant provides multiple energy and chemical streams. Multi-year fixed-price contracts are available for competitively priced electricity. Abundance of geothermal fluid, fresh cold water and availability of pure carbon dioxide make geothermal areas attractive for a number of businesses; including controlled and pesticide free greenhouse production, algae production, aquaculture, cogeneration, etc.

Business Environment

Iceland's government welcomes new investments. Competitive taxes, efficient incentives for investments, a young and educated workforce and ready to build locations, make Iceland a great place for business.

Experience in geothermal utilization

Icelandic expertise in sustainable uses of geothermal resources, has become valuable export service. With decades of experience, in designing and building power plants and production facilities, based on geothermal energy, Iceland boasts world-leading experts. The Geothermal Training Program of the United Nations University is located in Iceland.

Resources and infrastructure

Iceland has an area of 103,000 square kilometers (39,769 square miles) with 348,000 inhabitants. Most of the geothermal power plants have scalable industrial sites adjacent, often zoned. All necessary infrastructure, such as state of the art electric transmission, is nearby.

Labour force

The country has a skilled and well educated workforce, ranked highly for Technological readiness and Higher education and training in the Global Competitiveness Report 2017-2018 published by the World Economic Forum. English is very widely spoken.

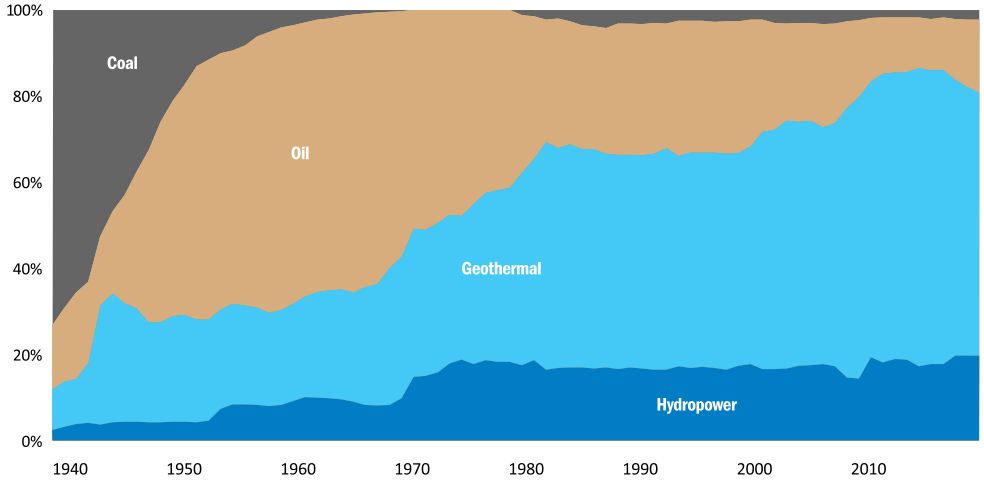
Encouraging Multiple Usage

In addition to the incentives for new direct investment in Iceland, companies that connect directly to geothermal power plants, and use more than one energy/chemical stream, get financial benefits in the form of reduced transmission fees.

100% Renewable energy

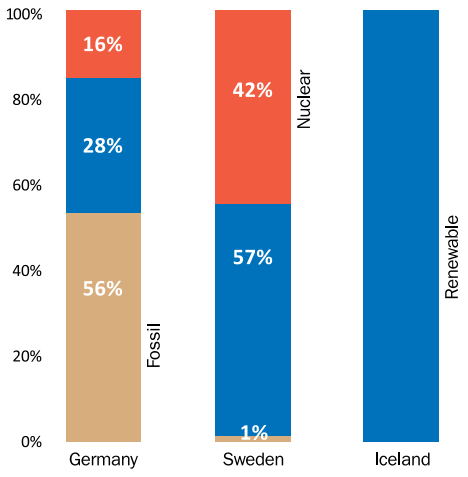
All electricity on the Icelandic grid is produced using renewable hydro- and geothermal energy. In 2017 the total electricity production was 19.2 TWh, 73% from hydro and 27% from geothermal resources.

Primary energy use in Iceland



Source: Orkustofnun (2018). OS-2018-T009-01: Primary Energy Use in Iceland 1940-2017

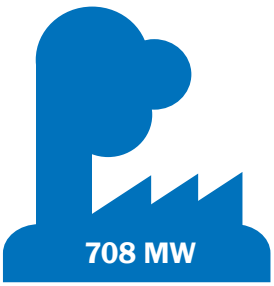
Electricity by source



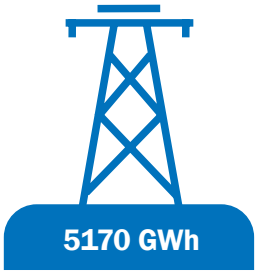
Source: International Energy Authority, National Energy Authority of Iceland

100% RENEWABLE ENERGY

All electricity on the Icelandic grid is produced using renewable hydro- and geothermal energy. In 2017 the total electricity production was 19.2 TWh, 73% from hydro and 27% from geothermal resources.



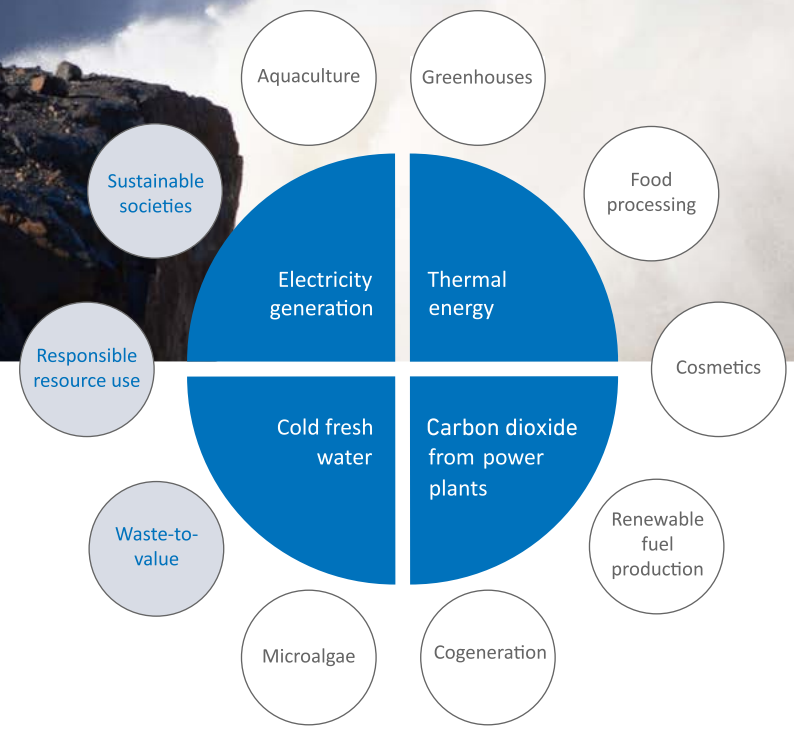
Installed electrical capacity



Electricity generation

Source: Orkustofnun (2018). OS-2018-T005-01: Installed Electrical Capacity and Electricity Generation of Geothermal Power Plants in Iceland 1969-2017.

The power of nature



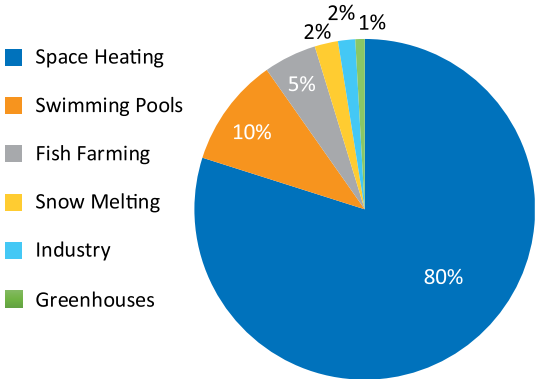
Multiple Value Streams

The combination of multiple value streams from geothermal powerplants provide the opportunity to create unique sustainable inputs to diverse processes.

- **Microalgae cultivation utilizing electricity, thermal energy and carbon dioxide**
- **Waste-to-value food processing based on geothermal heat**
- **Liquid fuel production using electricity and carbon dioxide**
- **Algae based cosmetic production**

These are all examples of ways to fully utilize geothermal resources in the production of high value products.

Geothermal Utilization 2017



Source: Orkustofnun (2018). OS-2018-T008-01:
Final Heat Use in Iceland 2017 by District Heating Area.

The electricity grid

Iceland has a top tier energy infrastructure in the world according to IMD's World Competitiveness Yearbook 2016. Iceland's electricity transmission grid is circular and with redundant routes to ensure high uptimes.

Invest in Iceland is a one stop information centre for foreign investors and provides information on investment opportunities in Iceland and the business environment. Invest in Iceland is a part of Promote Iceland.

Invest in Iceland's team provides free of charge information and expert confidential service on all aspects of investments, arranges site visits and plans contacts with local authorities as well as local business partners and professional consultants.

PROMOTE ICELAND
Sundagardar 2
104 Reykjavik
ICELAND
www.invest.is
+354 511 4000