



Management's Discussion and Analysis For the Three Months Ended March 31, 2010

May 13, 2010

The following management's discussion and analysis ("MD&A") focuses on significant factors that affected Ram Power, Corp. ("Ram Power" or the "Company") and its subsidiaries during the relevant reporting period and to the date of this report. It contains a review and analysis of the financial results for the quarter ended March 31, 2010, identifies business risks that the Company faces and comments on the financial resources required for the development of the business.

The MD&A supplements, but does not form part of the unaudited interim consolidated financial statements of the Company and the notes thereto for the three months ended March 31, 2010 (the "March 31 Interim Financial Statements") and consequently should be read in conjunction with the afore-mentioned financial statements and notes thereto. In addition, this MD&A should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2009 (the "2009 Annual Financial Statements"), the related MD&A for that period and the Company's Annual Information Form ("AIF"), which can be found on SEDAR at www.sedar.com. The information in this MD&A is current as of May 13, 2010.

All amounts, unless specifically identified as otherwise, both in the financial statements and this MD&A are expressed in US dollars.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward-looking information" which may include, but is not limited to, statements with respect to future events or future performance, management's expectations regarding the Company's growth, results of operations, estimated future revenues, requirements for additional capital, production costs and revenue, future demand for and prices of electricity, business prospects and opportunities. In addition, statements relating to estimates of recoverable geothermal energy "reserves" or "resources" or energy generation are forward-looking information, as they involve implied assessment, based on certain estimates and assumptions, that the geothermal resources and reserves described can be profitably produced in the future. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors, may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current geothermal energy production, development and/or exploration activities and the accuracy of probability simulations prepared to predict prospective geothermal resources; changes in project parameters as plans continue to be refined; possible variations of production rates; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes and other risks of the geothermal industry; political instability or insurrection or war; labor force availability and turnover; delays in obtaining governmental approvals or in the completion of development or construction activities or in the commencement of operations; as well as those factors discussed in the section entitled "Risks and Uncertainties" in this MD&A. These factors should be considered carefully and readers of this MD&A should not place undue reliance on forward-looking information.

Although the forward-looking information contained in this MD&A is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Such forward-looking information is made as of the date of this MD&A and, other than as required by applicable securities laws, Ram Power, Corp. assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances.



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USE OF NON-GAAP MEASURES:

In this document, we refer to terms that do not have any standardized meaning prescribed by Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). Our usage of these terms may vary from the usage adapted by other companies. Where we have used non-GAAP measures or terms we have provided definitions. In this document and in the Company's financial statements, unless otherwise noted, all financial data is prepared in accordance with Canadian GAAP.

BUSINESS OVERVIEW AND STRATEGY

Ram Power is engaged in the operation, development, exploration and acquisition of geothermal energy projects in the United States, Canada, Nicaragua and Chile. Ram Power's mission is to become a leading global renewable power project developer and supplier of clean and reliable geothermal power. The Company has a strong balance sheet and believes it is well-positioned to profitably exploit its portfolio of geothermal development projects and identify additional projects for the future growth and expansion of the Company.

The Company has a highly experienced geothermal project development and management team. Senior management has extensive experience in critical areas of geothermal development and operations. Ram Power's Board of Directors is comprised of individuals with a broad range of industry and business expertise who are well-qualified to provide oversight and strategic direction to the Company.

The Company's corporate offices are located in Reno, Nevada and its stock trades on the Toronto Stock Exchange under the symbol RPG.

OPERATIONAL OVERVIEW

The Company has a diversified portfolio of geothermal properties at various stages of development in different geographical regions. The Company has also assembled an experienced team that, together with cash on hand and the funding provided by the \$77 million credit facility, provides the Company with the potential to advance its geothermal projects to production.

Geothermal Energy Projects and Operations

Significant events, transactions and activities on Ram Power's geothermal properties which occurred during the quarter ended March 31, 2010 and to the date of this MD&A are discussed below. The Company has several geothermal projects underway in various stages of development.

Operating Project

San Jacinto Tizate – San Jacinto, Nicaragua

The San Jacinto-Tizate geothermal project (the "**San Jacinto Project**") is located in the north-west of Nicaragua, near the city of Leon, approximately 90 km north of Managua. The San Jacinto Project exploitation concession covers an area of 40 km². The San Jacinto Project is currently being developed under an exploitation agreement held by the Company's subsidiary (the "**San Jacinto Exploitation Agreement**"). The term of the San Jacinto Exploitation Agreement is for 25 years, extendable by two 5 year terms. The San Jacinto Exploitation Agreement has an investment schedule outlining the various milestones that the Company must meet in its development of the San Jacinto Project. Non-compliance with these milestones may cause the San Jacinto concession to be revoked. As of May 13, 2010, the Company is in compliance with all of the milestones to date and expects to stay in compliance in the future. The current generation license allows for 72 megawatt ("MW") for a 30 year term commencing on December 2003.

Pursuant to the terms of the San Jacinto Exploitation Agreement, as amended, the San Jacinto Project is being developed in two phases, Phase I and Phase II. Phase I is planned to be expanded into 46 MW and Phase II is



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planned to be expanded to 36 MW of capacity, bringing the total planned capacity of Phase I and Phase II to 82 MW, at which time it is planned that the two existing back pressure turbo generators that commenced production in July 2005 will be decommissioned to leave 72 MW net. As at March 31, 2010 the Company had approximately \$80,659,755 and \$11,240,505 in accumulated costs related to Phase I and Phase II expansions, respectively. During the remaining quarters of 2010 the Company may spend up to an additional \$98 million on the Phase I and Phase II expansions.

As of March 31, 2010, the San Jacinto Project had three active production wells (SJ-4, SJ-5, and SJ9-1) and two active injection wells (SJ-1 and SJ10-1), with one additional injection well on stand-by (SJ9-2).

To achieve the San Jacinto Project's target of 72 MW of net production, the Company plans to drill up to three additional production wells. The Company commenced drilling with two rigs for the San Jacinto Project in April 2010, which is expected to be completed by December 2010.

In the quarter ended March 31, 2010, the Company satisfied the equity investment requirement for the credit facility related to the San Jacinto Project and drew \$18 million of the \$77 million available under the Phase I debt facility. The credit facility, together with cash on hand, is sufficient to fund the completion of Phase I of the San Jacinto Project. In addition, the Company is in negotiations with several lenders for debt financing of Phase II expansion that is expected to be in the range of \$140 million. Phase II is being constructed in parallel to Phase I and is being financed with cash on hand until the Phase II debt financing closes, which is expected to occur in the third quarter of 2010.

Exploration Projects

The Company's portfolio of geothermal exploration properties is currently comprised of the Casita San Cristobal geothermal project (the "**Casita Project**") in Nicaragua, the Geysers Unit 1 in northern California (the "**Geysers Project**"), Orita (the "**Orita Project**") and New River (the "**New River Project**") in southern California, Clayton Valley 1 (the "**Clayton Valley Project**") and Delcer Butte in Nevada and South Meager in British Columbia. These properties were acquired from a variety of sources, including through the U.S. Bureau of Land Management lease auctions and private leaseholders and landowners. Ram Power's advanced-stage exploration properties are the Geysers Project, the Orita Project, the New River Project and the Casita Project. The Company has entered into power purchase agreements (the "**PPA**") for the San Jacinto, Geysers, Clayton Valley and Orita Projects. During the remaining quarters of 2010 the Company projects that it may spend in the range of \$25 million to \$45 million to continue the development of its exploration projects.

Orita Project

In April 2010, the Company commenced its drilling program for the Orita Project which consists of six production size wells. If the results of the drilling program are successful, the Company plans to commence permitting, design, drilling, and eventually construction of the remainder of the steamfield and the first 49.9 MW power plant. As at March 31, 2010 the Company had approximately \$3,447,403 in accumulated costs related to the Orita Project.

Geysers Project

In 2008, the Company completed drilling of four wells at the Geysers Project. These wells are capable of producing 26.1 MW of initial net capacity. At this stage the Company is exploring various options designed to maximize the value of the Geysers Project. As at March 31, 2010 the Company had approximately \$50,760,027 in accumulated costs related to the Geysers Project.

Clayton Valley Project

Permitting for exploration activity commenced in March 2010. Geophysical surveys are planned for mid-year and exploration drilling for the end of 2010. On February 2, 2010, the Company entered into a 20-year PPA for 32 MW with NV Energy. In connection with the PPA, the Company has provided NV Energy with a development security deposit of \$2,635,000. The Company plans to replace this deposit with a non-revocable letter of credit in the second



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quarter of 2010. As at March 31, 2010 the Company had approximately \$8,376,130 (including the security deposit of \$2,635,000) in accumulated costs related to the Clayton Valley Project.

Casita Project

The next stage for the development of the Casita Project resource is planned for 2010 and is expected to be the development of infrastructure and the drilling of deep exploration wells to test and prove the resource potential. The Company is currently negotiating a PPA with a subsidiary of Gas Natural Fenosa for the purchase of up to 157 MW of power for a 20-year term. To this purpose a letter of intent was entered into by the parties in May 2010. As at March 31, 2010 the Company had approximately \$4,553,119 in accumulated costs related to the Casita Project.

Chile

In December 2009, the Company was awarded two geothermal exploration concessions, Aucan I and Laguna Verde, in Chile which will form the foundation of the Company's development in that country. The Company expects to start exploration of these concessions in 2010 with production commencing in the 2015-2016 time frame.

FINANCIAL OVERVIEW

The financial information presented below has been prepared in accordance with Canadian GAAP. The significant accounting policies are outlined within Note 2 to the 2009 Annual Financial Statements and within Note 2 to the March 31 Interim Financial Statements. These accounting policies have been followed consistently throughout the period.

The functional currency of the Company and each of its subsidiaries is the U.S. dollar except for the Company's Meager Creek subsidiary whose functional currency is the Canadian dollar. The reporting currency selected for the presentation of the Company's consolidated financial statements and the results disclosed below is the U.S. dollar.

Summary of Unaudited Quarterly Results

The information provided below highlights the Company's quarterly results for the past two years.

Three months ended	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009
Energy sales	\$ 974,425	\$ 1,147,642	\$ 1,239,603	\$ 1,006,836
Carbon credit sales	-	-	-	664,595
Net loss	(4,038,323)	(15,408,155)	(15,707,444)	(4,939,439)
Loss per share	(0.03)	(0.13)	(0.16)	(0.06)
Total assets	373,170,441	357,784,707	101,632,305	85,571,594
Long-term liabilities	21,179,266	2,476,669	1,704,440	3,718,528

Three months ended	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
Energy sales	\$ 1,365,544	\$ 1,240,370	\$ 1,229,650	\$ 931,116
Carbon credit sales	-	-	423,505	-
Net income (loss)	(1,352,526)	636,219	(804,019)	(3,585,210)
Income (loss) per share	(0.02)	0.01	(0.01)	(0.05)
Total assets	82,557,277	80,937,732	79,453,248	80,051,348
Long-term liabilities	36,288	41,011	48,634	62,029

Results of Operations

The San Jacinto 10 MW Operating Project continued to be the only operating project of the Company through March 31, 2010. During the three months ended March 31, 2010, the Company's sales of \$974,425 were lower by \$391,119 as compared to \$1,365,544 for the three months ended March 31, 2009. The decrease in the sales was due



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to the project being offline for approximately two weeks in the first quarter 2010 (to upgrade the transmission line for the expansion) and the recovery of a previously written off receivable, resulting in higher revenue for the first quarter 2009.

The Company did not have any carbon credit sales for either first quarter 2010 or 2009, though carbon credit sales represent an additional potential revenue stream. For the year ended December 31, 2009, the Company had \$664,595 of carbon credit sales, representing 12.3% of total revenues for the period.

Direct costs associated with energy production for the three months ended March 31, 2010 and 2009 were \$500,633 and \$594,664, respectively. The \$94,031 decrease in the direct costs was the result of the San Jacinto Project being offline and not producing for a period of two weeks in the first quarter 2010 as well as lower operations and maintenance expense as compared to the first quarter of 2009.

General and administrative expenses for the three months ended March 31, 2010 and 2009 were \$3,796,928 and \$606,038, respectively, for a quarter-over-quarter increase of \$3,190,890. Compared to 2009, general and administrative expenses increased approximately \$1,030,000 as a result of additional administrative costs related to the larger corporate infrastructure that existed subsequent to the business combination completed on October 20, 2009 (the "Business Combination"). Certain of the costs incurred in the first quarter of 2010 are for redundant personnel and facilities and have since been eliminated. In addition, the Company recorded stock-based compensation expense of approximately \$2.2 million, compared to \$nil in the same period in 2009. The substantial majority of this stock compensation expense is related to the stock options granted to officers and directors in October 2009. These options vest over a three-year period with the majority of the vesting occurring in year one. As a result of this vesting schedule, the majority of the compensation expense related to the options is recognized in year one. After the one-year anniversary of the stock option grant date, the stock compensation is greatly reduced with each subsequent quarter being even further reduced until the three year vesting period is complete. These increases in general and administrative expenses were partially offset by a decrease in various other general and administrative expenses.

For the quarters ended March 31, 2010 and 2009, expenses for interest, bank charges and accretion on debt were approximately \$81,000 and \$1,615,000, respectively. The decrease of approximately \$1,534,000 was mostly due to repayment of the bridge loan which was outstanding as of March 31, 2009. This loan was converted into the Company's shares as part of the Business Combination. The interest expense for the first quarter 2010 was related to the draw on the current credit facility late in the quarter.

During the three months ended March 31, 2010, the Company spent approximately \$19.7 million on additions to geothermal properties. Approximately \$10.6 million and \$3.3 million of costs incurred related to the San Jacinto Project Phase I and II, respectively. Approximately \$2.7 million of costs incurred related to the Clayton Valley Project and approximately \$1.5 million related to the Orita Project. Approximately \$0.9 million of costs incurred related to the Geysers Project. There were various other projects with less significant exploration costs incurred for the quarter ended March 31, 2010.

The Company has a \$77 million credit facility, of which, on March 24, 2010 the Company drew down \$18 million of proceeds. Proceeds from this credit facility, combined with existing cash on hand will be used to fund the completion of Phase I of the San Jacinto Project. Phase I of the San Jacinto Project is planned to expand production of the existing 10 MW facility to 46 MW by the second quarter of 2011.

The Company's revenues are based on long-term contracts. Certain contracts have fixed prices for the term of the PPA and certain other contracts have prices with an escalation provision. As a result, the Company's revenue is not subject to significant quarter-over-quarter fluctuations relative to price changes. The primary driver of revenue fluctuations relates to production levels. The most significant impact on production levels relates to the plant being shut down for repairs and maintenance. Additionally, the plant may experience downtime caused by temporary faults in the grid system. Operating expenses fluctuate primarily based on production levels and repair expenses.



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LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2010, the Company had \$119,090,656 in cash and short-term investments, total current liabilities of \$11,789,846 and working capital of \$112,701,300. Working capital items, other than cash and cash equivalents and short-term investments primarily consisted of prepaid and other assets of \$3,481,386 and accounts receivable of \$1,919,104. Prepaid expenses are primarily comprised of insurance and amounts recoverable for the Company's Nicaraguan sales tax ("I.V.A"). Accounts receivable are due primarily from the purchaser of power from the San Jacinto Project. The purchaser typically pays approximately 60 days after the month of production. Principal components of the current liabilities are \$11,177,692 in accounts payable and accrued liabilities and \$612,154 for the derivative obligation fair value. Accounts payable are primarily related to capital expenditures related to geothermal properties and capital assets.

As of March 31, 2010, the Company has long-term debt obligations of \$16,436,080 (net of \$2,467,000 debt discount related to the embedded derivative). The Company has a credit facility of up to \$77 million, \$18 million of which has been drawn down. The remainder can be drawn for development of the Phase I expansion of the San Jacinto Project.

To date, the majority of the Company's capital requirements have been met by equity proceeds. The Company's continuing expansion is dependent on management's ability to raise required funding through future equity issuances, debt financing, asset sales or a combination thereof.

During the quarter ended March 31, 2010 there were no material changes outside of the ordinary course of business in Company's contractual obligations related to its geothermal properties and operating leases.

Management believes the Company has sufficient working capital to meet its administrative overhead for the ensuing twelve months as well as to fund the planned development programs on its properties. Working capital will also be used to fund interest incurred on the credit facility. The credit facility has certain affirmative and negative covenants, which the Company is currently and expects to remain in compliance with for the ensuing twelve months. If the Company does not meet its covenant requirements, or it is found to be in default of the terms of the credit agreement, all commitments not drawn will terminate and amounts due on the loan may be immediately due and payable.

SHARE CAPITAL AND FINANCINGS

As of May 13, 2010, the Company had 146,151,380 common shares outstanding.

As of May 13, 2010, the Company had 3,498,300 warrants, exercisable for CDN \$3.00 per common share and expiring on March 3, 2011. In addition, there were 8,994,571 outstanding stock options with a weighted average exercise price of CDN \$3.60 and 4.3 years remaining contractual life. The outstanding stock options exercise price ranges from CDN \$2.31 - \$5.67, expiring from June 2010 to February 2015. Of the outstanding stock options, 1,645,992 are exercisable at a weighted average exercise price of CDN \$4.39.

RELATED PARTY TRANSACTIONS

On August 17, 2009, the Company's subsidiary Polaris Energy Chile Limitada ("PECL") received a loan from a shareholder for an amount of \$411,966 for working capital purposes. The loan was non-interest bearing and due on demand and was repaid in January 2010.

SUBSEQUENT EVENTS

On April 12, 2010, the Company surrendered its geothermal concessions of Mombacho and Apoyo to the Nicaraguan government. As of March 31, 2010, the Company recorded an impairment of its geothermal properties



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in the amount of \$119,517 related to the surrender of these concessions. With the existing active development of San Jacinto and Casita, the Company decided to focus its capital and manpower on these more advanced prospects.

On April 21, 2010, Mr. Christopher Thompson, the Company's chairman of the board of directors, resigned. Effective April 26, 2010, the Company appointed Mr. Anthony Mitchell as the executive chairman. Mr. Mitchell has a strong financial and technical background that will complement the existing board of directors' broad capabilities.

On April 26, 2010, Mr. Robert Gilmore, the Company's chair of the audit committee and a member of the board of directors, resigned. He was replaced by Mr. Mario Arana, previously an observer of the Company's board of directors. Mr. Arana will also serve on the audit committee. Mr. Arana has extensive international experience, including having served as President of the Central Bank of Nicaragua. Mr. Daryl Clark, an existing member of the audit committee, has been appointed chair.

OUTLOOK

The Company plans to continue to focus on the expansion of the San Jacinto Project. Based on current projections, the Company expects to incur additional expenses of approximately \$67 million in 2010 and 2011 to complete Phase I. If the project is completed as currently planned, expenditures of approximately \$130 million would be incurred through 2012 to complete Phase II of the expansion. Upon completion of Phase II, annual capacity for the plant is expected to be approximately 300 million kWh. Additional expenditures are expected for the remainder of 2010 and beyond related to the Company's other projects including Orita, Clayton Valley, Casita and others.

With the San Jacinto Phase I credit facility in place, negotiations ongoing with regard to the San Jacinto Phase II credit facility, cash on hand and the assembled management's expertise, the Company expects to continue to efficiently develop its existing portfolio of projects and expand its exploration activities as additional opportunities become available.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company evaluates its estimates on an on-going basis and bases them on various assumptions that are believed to be reasonable under the circumstances. The Company's estimates form the basis for making judgments about the carrying value for assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates. A summary of the Company's significant accounting policies is located in Note 2 to the 2009 Annual Financial Statements and Note 2 to the March 31 Interim Financial Statements and should be read in conjunction with the following discussion. There were no changes in the Company's significant accounting policies during the three months ended March 31, 2010.

Geothermal Properties

Amounts capitalized under geothermal properties represent acquisition costs and exploration and development expenditures incurred for the development of new facilities including site preparation and engineering costs. Amounts are initially valued at cost and are tested for impairment based on the expected service potential of the asset when development is substantially complete. The concessions are split into different stages depending on the new facility and additional level of power generated as a result of the completed construction of each stage. On substantial completion of each stage or new facility, amortization is recorded over the remaining term of the PPA on a straight-line basis. Thereafter, the amounts are evaluated for impairment in accordance with the accounting rules related to long-lived assets.



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Goodwill and Intangible Assets

Goodwill, which represents the excess of purchase price over fair value of net assets acquired, is assessed by the Company for impairment at least annually. To assess impairment, the fair value of the Company's reporting segment is determined and compared to the book value of the segment. If the fair value of the segment is less than the book value, then the excess is recorded as the impairment amount. The fair value used in the impairment test is based on estimates of discounted future cash flows. In connection with the Business Combination described in Note 3 of the 2009 Annual Financial Statements, the Company recognized goodwill. Management expects to finalize the purchase price by the fourth quarter of 2010. The allocation of the purchase price used in the March 31 Interim Financial Statements is based on preliminary data and could change when final valuation of certain geothermal properties, intangible assets and deferred tax assets is obtained.

Future Accounting Standards

International Financial Reporting Standards ("IFRS")

In February 2008, the Canadian Institute of Chartered Accountants' ("CICA") Accounting Standards Board confirmed that IFRS will replace Canadian GAAP in 2011 for profit-oriented Canadian publicly accountable enterprises. The Company will be required to report its results in accordance with IFRS beginning in 2011. The Company has developed a changeover plan to complete the transition to IFRS by January 1, 2011, including the preparation of 2010 required comparative information.

The key elements of the Company's plan include three phases:

- Assessment (Phase I) – Identification of key Canadian GAAP and IFRS differences and consideration of IFRS 1 elections and required internal trainings.
- Scoping (Phase II) – Understanding key IFRS issues and new information, including valuations. Understanding the requirements and the realignment for new accounting information system. Assignment of IFRS responsibilities and training of appropriate personnel. Prepare communications to market and stakeholders on the impact of an IFRS implementation.
- Implementation and Testing (Phase III) – Agreement of accounting policies to be implemented. Complete development of chart of accounts and financial statements formats. Perform audit of transition balance sheet. Process and review transactions in IFRS accounting information system.

The Company is currently completing Phase I and is in Phase II, which it plans to have completed by August 31, 2010. Phase III is expected to be completed by March 31, 2011.

CONTROL MATTERS

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in reports filed with Canadian securities regulatory authorities is recorded, processed, summarized and reported in a timely fashion. The disclosure controls and procedures are designed to ensure that such information is then accumulated and communicated to the Company's Management to allow timely decisions regarding required disclosure.

Ram Power's Management, under the supervision of, and with the participation of Ram Power's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has designed and evaluated the effectiveness and operation of its disclosure controls and procedures. To remediate the deficiency disclosed in the MD&A for the year ended December 31, 2009 additional disclosure controls have been added, including the establishment of the disclosure policy committee responsible for overseeing the Company's disclosure practices and monitoring the effectiveness of,



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and compliance with the Company's controls and procedures. Based on this evaluation, the CEO and CFO have concluded that Ram Power's disclosure controls are effective at March 31, 2010.

Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting of the Company to provide reasonable assurance that the financial information prepared by the Company for external purposes is reliable and has been recorded, processed and reported in an accurate and timely manner and in accordance with Canadian GAAP. The Company's system of internal control is designed to address identified risks that threaten the reliability of its external financial reporting. However, due to the inherent limitations in any system of internal control, material misstatement may not be prevented or detected on a timely basis.

As a result of the Business Combination that happened late in the year ended December 31, 2009, the Company has undergone a number of significant changes in its structure, business plans, management and board of directors. Given these changes, the Company is currently in the process of realigning and, in some cases, establishing a new internal control framework. The design of this framework is still in progress. All of these changes resulted in a significant deficiency in the effectiveness of internal controls over financial reporting that was identified by management during its evaluation of the Company's internal controls at December 31, 2009. A significant deficiency is a deficiency, or a combination of deficiencies, that is less severe than a material weakness, yet important enough to merit attention by those responsible for oversight of the Company's financial reporting.

Currently we do not have sufficient in-house expertise in Canadian GAAP reporting, especially in complex accounting issues. Instead, we rely on the expertise and knowledge of external financial advisors. To mitigate this risk, the Company has engaged additional external resources to provide the necessary technical accounting expertise and assist with the financial reporting process for the quarter ended March 31, 2010. The Company is continuing in the process of recruiting experienced professionals to augment and upgrade our financial staff to address issues of accuracy and completeness in our internal Canadian GAAP financial reporting staff.

Western GeoPower, Inc. ("WGPI"), Meager Creek Development Corp. ("MCDC"), and Ram Power, Inc. ("RPI") were scoped out of the evaluation as these entities were acquired less than a year from the time of the evaluation. WGPI and MCDC, which were wholly owned subsidiaries of Western GeoPower Corp. prior to its amalgamation with and into the Company on January 1, 2010, as well as RPI were acquired in the early stages of development and do not have significant operating activities that impact the financial statements of the Company. As of March 31, 2010, WGPI, MCDC and RPI have significant interests in geothermal properties as follows:

	WGPI	MCDC	RPI
Geothermal properties	\$ 51,647,584	\$ 13,622,690	\$ 13,194,417

RISKS AND UNCERTAINTIES

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risk and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

These risks and uncertainties should be read in conjunction with the risks and uncertainties as described more fully in the Company's Annual Information Form, which is available on SEDAR at www.sedar.com.



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Risk Relating to Ram Power's Business and Industry

Geothermal exploration and development programs are highly speculative, are characterized by significant inherent risk and costs and may not be successful

Ram Power's future performance depends on its ability to discover and establish economically recoverable and sustainable geothermal resources on Ram Power's properties through its exploration and development programs. Geothermal exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into generating power plants. There is no assurance that Ram Power's exploration and development programs will be successful. Despite historical exploration work, Ram Power's properties, other than the San Jacinto Project and the Geysers Project, are without a known geothermal resource. Substantial exploration and development work is required in order to determine if any economically recoverable and sustainable geothermal resources are located on these exploration properties. Successfully discovering geothermal resources is dependent on a number of factors, including the technical skill of exploration personnel involved. Even in the event commercial quantities of geothermal resources are discovered, it may not be commercially feasible to bring power generation facilities into a state of commercial production from such geothermal resources. The commercial viability of a geothermal resource once discovered is dependent on a number of factors, some of which are particular attributes of the resource, such as heat content (the relevant composition of temperature and flow rate/pressure), useful life, operational factors relating to the extraction of fluids from the geothermal resource, proximity to infrastructure, capital costs to construct a power plant and related infrastructure and energy prices. Many of these factors are beyond Ram Power's control.

Geothermal exploration and development costs are high and are not fixed. A geothermal resource cannot be relied upon until substantial development, including drilling and testing, has taken place. The costs of development drilling are subject to numerous variables such as unforeseen geologic conditions underground that could result in substantial cost overruns. Drilling at Ram Power's properties may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs.

Ram Power's drilling operations may be curtailed, delayed or cancelled as a result of numerous factors, many of which are beyond Ram Power's control, including economic conditions, mechanical problems, title problems, weather conditions, compliance with governmental requirements and shortages or delays of equipment and services. If Ram Power's drilling activities are not successful, it could materially adversely affect its business, financial condition, future results and cash flow.

Ram Power has a limited operating history

Ram Power has a very limited history of operations and will be subject to many of the risks common to start up enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that Ram Power will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. As a result of Ram Power's planned exploration and plant expansion projects, over the near term Ram Power does not expect that its operating revenues will be sufficient to cover its expenses. Ram Power's ability to generate greater revenues and become profitable will depend on a number of factors, including its ability to:

- successfully complete its planned expansion programs for its San Jacinto Project;
- advance planned and future development programs on Ram Power's properties to commercial operation;
- acquire interests in producing geothermal power companies or producing geothermal power plants that contribute to Ram Power's profitability;
- verify geothermal resources on Ram Power's properties that are sufficient to generate a favorable economic return from electricity sales;



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- acquire electrical transmission and interconnection rights for Ram Power's geothermal power plant development projects;
- enter into PPAs for the sale of electricity from Ram Power's geothermal power plant development projects at prices that support its operating and financing costs;
- finance and complete the development and construction of geothermal power plants on Ram Power's properties;
- operate producing geothermal power plants on a profitable basis;
- secure adequate capital to support Ram Power's expansion, exploration and development programs and finance its acquisitions;
- attract and retain qualified personnel; and
- arrange project financing on reasonable terms.

Ram Power's financial performance depends on its successful operation of geothermal power plants, which is subject to various operational risks

Ram Power's financial performance depends on its successful operation of geothermal power plants. At present, Ram Power operates a single power plant at its San Jacinto operation. The cost of operation and maintenance and the operating performance of a geothermal power plant may be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following:

- regular and unexpected maintenance and replacement expenditures;
- shutdowns due to the breakdown or failure of the plant's equipment or the equipment of the transmission serving utility;
- labor disputes;
- catastrophic events such as fires, explosions, earthquakes, landslides, floods, releases of hazardous materials, severe storms or similar occurrences affecting a power plant, any of the power purchasers from a power plant or third parties providing services to a power plant; and
- the aging of power plants, which may reduce their operating performance and increase the cost of their maintenance.

Any of these events could significantly increase the expenses incurred by a power plant or reduce the overall generating capacity of a power plant and could significantly reduce or entirely eliminate the revenues generated by a power plant, which in turn would reduce Ram Power's net income and could materially and adversely affect its business, financial condition, future results and cash flow.

Ram Power may be unable to obtain the financing it needs to pursue its growth strategy

When Ram Power identifies a geothermal property that it may seek to acquire or to develop, a substantial capital investment often will be required. Ram Power's continued access to capital, through project financing or through credit facilities or other arrangements with acceptable terms is necessary for the success of its growth strategy. Ram Power's attempts to secure the necessary capital may not be on favorable terms, or successful at all. Market conditions and other factors may not permit future project and acquisition financings on terms favorable to Ram Power. Ram Power's ability to arrange for financing on favorable terms, and the costs of such financing, are dependent on numerous factors, including general economic and capital market conditions, investor confidence, the continued success of current projects, the credit quality of the project being financed, the political situation in the jurisdiction in which the project is located and the continued existence of tax laws which are conducive to raising capital. If Ram Power is unable to secure capital through credit facilities or other arrangements, it may have to finance its projects using equity financing which will have a dilutive effect on the common shares of Ram Power. Also, in the absence of favorable financing or other capital raising options, Ram Power may decide not to build new plants or acquire properties from third parties. Any of these alternatives could have a material adverse effect on Ram Power's growth prospects and financial condition.



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Ram Power may continue to incur negative operating cash flow for the foreseeable future

Revenues from Ram Power's San Jacinto Project are not sufficient to fund all of Ram Power's anticipated expansion, development and exploration programs and general and administrative expenses. Ram Power currently has a negative operating cash flow and may continue to do so for the foreseeable future. Ram Power's failure to achieve profitability and positive operating cash flows could have a material adverse effect on its financial condition and results of operations.

The success of Ram Power's business relies on attracting and retaining key personnel

Ram Power is dependent upon the services of its senior management team. The loss of any of their services could have a material adverse effect upon Ram Power.

Ram Power's officers and directors may have conflicts of interests arising out of their relationships with other companies

Several of Ram Power's directors and officers serve (or may agree to serve) as directors or officers of other companies or have significant shareholdings in other companies. To the extent that such other companies may participate in ventures in which Ram Power participates, the directors may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment.

Fluctuation in foreign currency exchange rates may affect Ram Power's financial results

Ram Power maintains accounts in Canadian and U.S. dollars. Ram Power's operations in the United States and Nicaragua make it subject to foreign currency fluctuations. Foreign currency fluctuations are material to the extent that fluctuations between the Canadian and U.S. dollar and/or U.S. dollar balances are material. Ram Power does not at present, nor does it plan in the future, to engage in foreign currency transactions to hedge exchange rate risks but it does convert Canadian funds to U.S. dollars anticipating U.S. expenditures.

Ram Power may not be able to successfully integrate businesses or projects that it acquires in the future

Ram Power's business strategy is to expand in the future, including through acquisitions. Integrating acquisition targets is often costly, and Ram Power may not be able to successfully integrate acquired companies with its existing operations without substantial costs, delays or other adverse operational or financial consequences. Integrating acquired companies involves a number of risks that could materially and adversely affect Ram Power's business, including:

- the failure of the acquired companies to achieve expected results;
- inability to retain key personnel of acquired companies;
- risks associated with unanticipated events or liabilities; and
- difficulties associated with establishing and maintaining uniform standards, controls, procedures and policies, including accounting and other financial controls and procedures.



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Risks Relating to the Political and Economic Climates of Countries in which Ram Power Operates

Host country economic, social and political conditions can negatively affect the Company's operations

Some of the Company's properties are located in Nicaragua. As the Company conducts exploration, development and commercial operations in these foreign countries, it is exposed to a number of risks and uncertainties, including:

- difficulty with understanding and complying with the regulatory and legal framework respecting the ownership and maintenance of geothermal properties and power plants;
- difficulties enforcing judgments obtained in Canadian or United States courts against assets located outside of those jurisdictions;
- expropriation or nationalization without adequate compensation;
- labor unrest;
- potential high rates of inflation;
- changes to royalty and tax regimes;
- potential fluctuations in currency exchange rates;
- volatile local political and economic developments; and
- difficulty obtaining key equipment and components for equipment.

Host country economic, social and political uncertainty can arise as a result of lack of support for Ram Power's activities in local communities in the vicinity of its properties. Such uncertainties also arise as a result of the relatively new and evolving promotion of private-sector power development. Though the effects of competition will increase the likelihood of market efficiencies and benefit Ram Power's properties, elimination of energy cost subsidies may increase the inability of end-use consumers to pay for power and lead to political opposition to privatization initiatives and have an adverse impact on its properties and operations.

Under U.S. federal tax rules, Ram Power may be classified as a passive foreign investment company (a "PFIC"), which would result in special and generally unfavorable U.S. federal tax consequences to our U.S. shareholders

As a non-U.S. corporation, Ram Power may be a PFIC depending on the percentage of Ram Power's gross income which is "passive", within the meaning of the U.S. Internal Revenue Code, or the percentage of Ram Power's assets that produce or are held to produce passive income. Ram Power may be a PFIC in 2009 and in some or all subsequent taxable years. If Ram Power is a PFIC for any taxable year during a U.S. shareholder's holding period in our common shares, such U.S. shareholder may be subject to increased U.S. federal income tax liability on the sale of the common shares of Ram Power or on the receipt of dividends. The PFIC rules are complex and may be unfamiliar to U.S. shareholders. Accordingly, U.S. shareholders are urged to consult their own tax advisors concerning the application of the PFIC rules to their common shares of Ram Power.

Ram Power has no dividend payment policy and does not intend to pay any cash dividends in the foreseeable future

Ram Power has not declared or paid any dividends on the common shares of Ram Power and does not currently have a policy on the payment of dividends. For the foreseeable future, Ram Power anticipates that it will retain future earnings and other cash resources for the operation and developments of its business. The payment of any future dividends will depend upon earnings and Ram Power's financial condition, current and anticipated cash needs and such other factors as its board of directors considers appropriate.

The issuance of additional equity securities may negatively impact the trading price of common shares of Ram Power

Ram Power may issue equity securities to finance its activities in the future. In addition, outstanding options to



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purchase the common shares of Ram Power may be exercised, resulting in the issuance of additional Common Shares. The issuance of additional equity securities or a perception that such an issuance may occur could have a negative impact on the trading price of the common shares of Ram Power.

Additional information about the Company is available on SEDAR at www.sedar.com and on the Company's website at www.ram-power.com.