E-MAIL

TO:   Dead Sea Power Project    FROM: Lok Home
ATTN: Randolph Gonce           DATE: November 10, 2008

SUBJECT: Tunneling Costs

I agree with the $1.5 billion Halcrow Group ballpark estimate at 10 m diameter for the 72 km.

The tunnel in India where we have two machines, 43 km in length, 10 m cut diameter, segment lined in granite, quartzite and shale tendered for approximately $600 million two years ago.

The project price in India is low by international standards but also the rock is hard and abrasive. Extrapolating from this cost, adding 25% for more expensive labor, another 15% inflation plus increasing by a factor of 1.7 for the distance, less something for softer rock, should put you in the $1.5 billion range.

Regarding the diameter, expect the following:

<table>
<thead>
<tr>
<th>Diameter</th>
<th>Cost</th>
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<tbody>
<tr>
<td>8 m I.D.</td>
<td>$1.4 billion</td>
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<tr>
<td>10 m I.D.</td>
<td>$1.65 billion</td>
</tr>
<tr>
<td>12 m I.D.</td>
<td>$2.1 billion</td>
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</tbody>
</table>

As the diameter increases the labor cost remains relatively the same but equipment and consumable costs increase.

I hope this information is of value.

Regards,

Lok Home

LH/mbf