

CAITHNESS AND ARCLIGHT ANNOUNCE GEOTHERMAL, WIND AND SOLAR POWER AGREEMENT

8/2/2007

Boston, MA (August 2, 2007)

Caithness Energy, LLC ("Caithness") and ArcLight Capital Partners, LLC ("ArcLight"), announced that they have reached an agreement whereby an affiliate of ArcLight will acquire interests in eighteen geothermal, wind and solar renewable power generation projects (the "Projects") with an installed capacity of 824 megawatts from Caithness through a series of transactions.

The Projects that ArcLight will acquire an interest in include:

- Geothermal: Coso (240 MW), Dixie Valley (66 MW) and Beowawe (18 MW);
- Wind: Cameron Ridge (60 MW), Pacific Crest (47 MW), San Geronio (43 MW), Foote Creek II-IV (43 MW), Texas Big Spring (34 MW), Ridgetop (31 MW), Peetz (30 MW), Oak Creek (23 MW), 251 (18 MW), VG Repower (7 MW), and Chandler (2 MW); and
- Solar: SEGS VIII (80 MW), SEGS IX (80 MW).

In connection with ArcLight's acquisition of the Projects it will assume the responsibilities for the operation, maintenance and management for ten of the Projects.

The acquisition is subject to certain closing conditions including Hart Scott Rodino approval and other regulatory approvals and consents. The transaction is anticipated to close in the third quarter of 2007. Citigroup, Inc. acted as financial advisor to ArcLight.

Caithness is a privately held, New York based independent power producer. For over 25 years, Caithness has been a pioneer in the development of clean, reliable energy and is one of the nation's leading renewable energy producers. Caithness will continue to own and operate the remainder of its generation portfolio, as well as its development portfolio which currently contains in excess of 2,250 MW's of renewable and clean combined - cycle projects, including Caithness Long Island, LLC, a 350 MW power project currently under construction on Long Island.

ArcLight's investment team has extensive energy investing experience, industry relationships, and asset level knowledge. Founded in 2001, ArcLight has its headquarters in Boston, Massachusetts and an office in New York City. ArcLight has over 27 investment professionals and is led by its founders Daniel R. Revers and Robb E. Turner. ArcLight is one of the world's leading energy investment firms, with more than \$6.8 billion under management. More information about ArcLight can be found at <http://www.arclightcapital.com>.