This is the form of a material change report required under section 85 (1) of the Securities Act and section 151 of the Securities Rules.

BC FORM 53-901F
(Previously Form 27)

Securities Act

MATERIAL CHANGE REPORT

Item 1: Reporting Issuer

SIERRA GEOTHERMAL POWER CORP., #304-850 Burrard Street, Vancouver, BC, V6Z 2J1
Tel: 1-800-563-5631/604-683-0332

Item 2: Date of Material Change

December 6, 2006

Item 3: Press Release

December 6, 2006

Item 4: Summary of Material Change

Sierra Geothermal Power Corp. ("Sierra") closes the Acquisition of the Majority Interest in 14 Nevada & California Projects.

Item 5: Full Description of Material Change

On November 21, 2006 Sierra Geothermal Power Corp (TSX-V: SRA) ("Sierra") announced the closing of the acquisition of a 50.7% interest in Cayley Geothermal Corp. ("Cayley"). The agreement with Cayley permits Sierra Geothermal to acquire additional interests in Cayley up to 100% over the next three years. By the virtue of the Cayley acquisition, Sierra now has direct or indirect investments in 15 geothermal projects located in Nevada and California. Sierra has also completed an approximate $5 million private placement the proceeds of which Sierra expects to use to satisfy certain underlying property payments and to fund the exploration of several advanced projects once permits have been issued. Sierra intends to advance the development of its portfolio of projects through a combination of equity and/or joint venture partners while continuing to evaluate additional acquisitions.

Sierra categorizes its projects as Tier I, II and III. Tier I projects are at the pre-feasibility and production assessment drilling stage. Sierra has 4 Tier I projects having a total estimated resource potential of 90 to 180 MW. Tier II projects have had significant previous work completed but require further exploration to reach the production assessment drilling stage. Sierra has 4 Tier II projects having a total estimated resource potential of 30 to 65 MW. Tier III projects are located on geothermal anomalies close to transmission infrastructure but have limited exploration to date. The Tier III projects require detailed exploration and evaluation before estimates of power

potential can be determined. Sierra has 7 projects in the Tier III stage of development. Each megawatt of net electricity is enough power to run approximately 800 homes.

The 4 most advanced (Tier I) projects are described as follows:

Reese River Project:

Reese River is a blind thermal temperature anomaly that Richards and Blackwell have rated as one of the top 10 undeveloped geothermal prospects in Nevada. Phillips Petroleum and Amax Exploration drilled a total of 52 holes within the Reese River lease during the 70's and 80's. Contoured data of the temperature gradient wells show that the 150°C/km heat flow anomaly is approximately 4.8 km (3 miles) long in the northeast direction by 1.6 km (1 mile) wide. The center of the anomaly reaches a temperature gradient over 500°C/km. Using a Monte Carlo simulation the potential geothermal resource at Reese River was estimated to have a 90% probability of generating 13 MW and a 50% probability of exceeding 30 MW (Source: New Geothermal Site Identification and Qualification, PIER study prepared by GeothermEx, 2004). The drilling of a 1,200 m exploration slimhole is planned upon securing a drilling contract. The cost of the well is offset through the Department of Energy's GRED III Grant Program in the amount of US$580,000.

Pumpernickel Project:

The Great Basin Center for Geothermal Energy at the University of Nevada, Reno considers Pumpernickel to be one of the top 4 undeveloped geothermal prospects in Nevada. Sierra has the option to earn a 50% interest from the project operator Nevada Geothermal Power Inc. Nevada Geothermal has conducted geologic, geophysical and geochemical exploration on the property. Phase II permitting is in progress for three shallow gradient holes to locate the first production assessment well. Based upon the data from the hotspring area only, the potential resource is estimated at 16 MW of production for 20 years (90% probability) and a 50% probability of exceeding 40 MW for 20 years (GeothermEx June, 2006).

Alum Project:

In the early 1980's Amax Exploration conducted 3,000 meters of temperature gradient drilling which identified the location for the first deep production well. Located near the Nevada-California border in Esmeralda County, Nevada. A 55 kV power line runs through the 29 square km lease. Geothermometry suggests a minimum reservoir temperature of 155°C with indications up to 225°C. Using a Monte Carlo simulation the potential geothermal reserves at Alum are estimated to have a 90% probability of generating 41 MW, and a 50% probability of exceeding 90 MW (Source: New Geothermal Site Identification and Qualification, PIER study prepared by GeothermEx, 2004).

Silver Peak Project:

Located 8 km (5 miles) south of the Alum Project and features 3 km (1.9 miles) of fossilized geothermal vents and hot springs deposits. The Project has a 55 kV substation located on lease with twin transmission lines connecting the Nevada and California power grids. Geothermometry suggests a minimum reservoir temperature of 125°C with good potential for a reservoir in the 150°C to 180°C range. A GeothermEx resource assessment using a Monte Carlo simulation estimated a 90% probability of producing 15 MW and a 50% probability of exceeding 40 MW.

The company also reported that with the acquisition of Cayley, Gary Thompson, P.Geo, and Joel Ronne, P.Eng, have been appointed to the Board of Directors of Sierra replacing Ed Muir and Judy Pullman who have now resigned. In addition, Dan McGee has been appointed Chairman of the Board, Gary Thompson has been appointed President and CEO, and Joel Ronne has been appointed VP and COO. Judy Pullman will continue as corporate secretary of Sierra Geothermal.

A study recently prepared for the Western Governors' Association, projects geothermal energy in the USA to have the near-term potential of producing 13,000 MW of capacity, which is enough electricity for 10 million homes. This amount of geothermal power could offset considerable commodity risk and pollution associated with conventional power plants. California currently produces 5% of its power from geothermal sources, which is more than double reportedly derived in that state from wind power.

Sierra Geothermal is committed to being a leading developer of renewable power from geothermal sources. Geothermal power is clean and sustainable and can produce long-term revenues. Geothermal plants provide consistent, base load power, often at or above 95% capacity thereby being the preferred source of green power for many utilities.

Item 6: Reliance on section 85 (2) of the Act

N/A

Item 7: Omitted Information

N/A

Item 8: Senior Officers

Gary R. Thompson - President
Judy Pullman – Secretary

Item 9: Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at the City of Vancouver, British Columbia the 19th day of December, 2006.

"Daniel McGee"

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Daniel G. McGee, Director