AMENDMENT TO SECURITIES EXCHANGE AGREEMENT

THIS AMENDMENT TO SECURITIES EXCHANGE AGREEMENT (**"Amendment"**) is made this 6th day of April, 2009.

AMONG:

SIERRA GEOTHERMAL POWER CORP.
a corporation incorporated
under the laws of British Columbia

(hereinafter, **"Sierra"**)

- and –

CAYLEY GEOTHERMAL CORP.
a corporation incorporated
under the laws of Alberta

(hereinafter, **"Cayley"**)

- and –

GARY R. THOMPSON
an individual resident in the City of Vancouver
in the province of British Columbia

(hereinafter, **"Thompson"**)

- and –

JOEL A. RONNE
an individual resident in the City of Vancouver
in the province of British Columbia

(hereinafter, **"Ronne"**)

- and –

2075605 ONTARIO INC.
a corporation incorporated under the laws of Ontario

(hereinafter, **"20 O Inc."**)

(Thompson, Ronne and 20 O Inc. may hereinafter be referred to collectively as the **"Vendors"**)

WHEREAS:

A. Sierra, Cayley, Thompson, Ronne, and 20 O Inc. are all of the parties to a Securities Exchange Agreement made as of November 3, 2006 (the "**Exchange Agreement**") whereby Sierra agreed to acquire up to 100% of the issued and outstanding shares of Cayley (**"Cayley Shares"**) from Thompson, Ronne, and 20 O Inc. in exchange for a specified number of shares of the common stock of Sierra (**"Sierra Shares"**) in staged intervals; and

B. The parties to the Exchange Agreement have completed all but the last stage of the share exchange (the "**Fourth Stage**"), which calls for the exchange of 288,973 Cayley Shares held by Thompson for 2,426,510 Sierra Shares, and 84,533 Cayley Shares held by Ronne for 794,038 Sierra Shares;

C. Under the terms of the Exchange Agreement, the Fourth Stage is to occur on the third anniversary of the closing date subject to certain conditions specified in the Exchange Agreement;

D. The current economic environment has had an adverse impact on the availability of financing for companies like Sierra;

E. Sierra's portfolio of properties are actually owned by Cayley;

F. The parties hereto believe that it would be easier to raise funds for the pursuit of its exploration and development programs if Sierra could represent to potential investors that it owns 100% of the issued and outstanding shares of Cayley; and

G. The parties desire to modify the Exchange Agreement to permit the acceleration of the timing of the Fourth Stage.

NOW THEREFORE, for and in consideration of the premises and of the respective warranties, representations, covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

All capitalized terms used in this Amendment that are not defined in this Amendment and that are defined in the Exchange Agreement shall have the meaning attributed to them in the Exchange Agreement.

ARTICLE 2
AMENDMENT TO THE EXCHANGE AGREEMENT

2.1 Thompson

Section 2.1(a)(iv) of the Exchange Agreement is deleted in its entirety and the following is inserted therefore:

iv. 288,973 Cayley Shares in exchange for 2,426,510 Sierra Shares to be issued on the earlier of (A) the third anniversary following the date of Closing Date and (B) the first business day following approval of this Amendment by the shareholders of Sierra at a meeting of the shareholders of Sierra.

2.2 Ronne

Section 2.1(b)(iv) of the Exchange Agreement is amended in its entirety as follows:

iv. 84,533 Cayley Shares in exchange for 794,038 Sierra Shares to be issued on the earlier of (A) the third anniversary following the date of Closing Date and (B) the first business day following approval of this Amendment by the shareholders of Sierra at a meeting of the shareholders of Sierra.

2.3 Conditions

Section 2.2(c) of the Exchange Agreement is deleted in its entirety.

ARTICLE 3
MISCELLANEOUS

3.1 Entire Agreement

There are no representations, warranties, collateral agreements, or conditions between the parties to this Amendment except as specified in this Amendment or in the Exchange Agreement.

3.2 Required Approvals

This Amendment is subject to the approval of the TSX Venture Exchange and the approval of the shareholders of Sierra.

3.3 Further Assurances

The parties will execute and deliver all such further documents, do or cause to be done all such further acts and things, and give all such further assurances as may be necessary to give full effect to the provisions and intent of this Amendment.

3.4 Independent Legal Advice

The Parties acknowledge that:

(a) this Amendment was prepared by Clark Wilson LLP for Sierra;

(b) Clark Wilson LLP received instructions from Sierra and does not represent any of Cayley, Thompson, Ronne or 20 O Inc.;

(c) Cayley, Thompson, Ronne and 20 O Inc. have been requested to obtain their own independent legal advice on this Amendment prior to signing this Amendment;

(d) Cayley, Thompson, Ronne and 20 O Inc. have been given adequate time to obtain independent legal advice;

(e) by signing this Amendment, each of Cayley, Thompson, Ronne and 20 O Inc. confirms that he or it fully understands this Amendment; and

(f) by signing this Amendment without first obtaining independent legal advice, each of Cayley, Thompson, Ronne and 20 O Inc. waives his or its right to obtain independent legal advice.

3.5 Time of the Essence

Time is of the essence of this Amendment.

3.6 Counterparts

This Amendment may be executed in several counterparts, each of which will be deemed to be an original and all of which will together constitute one and the same instrument.

3.7 Electronic Means

Delivery of an executed copy of this Amendment by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Amendment as of the date set forth on page one of this Amendment.

IN WITNESS WHEREOF the parties hereto have executed this Amendment as of the day and year first above written.

SIERRA GEOTHERMAL POWER CORP.

Per: ______________________
Authorized Signatory
Name: JEFF FINKLESTEIN
Title: CFO

CAYLEY GEOTHERMAL CORP.

Per: ______________________
Authorized Signatory
Name: Lesley Russell
Title: Corporate Secretary

EXECUTED by GARY R. THOMPSON in the presence of:

Signature
JEFF FINKELSTEIN
Print Name
VANCOUVER, B.C
Address

C.A.
Occupation

GARY R. THOMPSON

EXECUTED by JOEL A. RONNE in the presence of:

Signature
JEFF FINKELSTEIN
Print Name
VANCOUVER, B.C.
Address

C.A.
Occupation

JOEL A. RONNE

2075605 ONTARIO INC.

Per:
Authorized Signatory
Name: Peter Prosza[illegible]
Title:

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