

Quarterly Report FORM 51-901F – SCHEDULE A

ISSUER DETAILS

For Quarter Ended: December 31, 2003

Date of Report: February 18, 2004

Name of Issuer: Nevada Geothermal Power Inc.

Issuers Address: #900 – 409 Granville Street, Vancouver, BC V6C 1T2

Issuers Fax Number: 604-688-5926

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Contact Position: Investor Relations

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CERTIFICATE

The *One/Two* schedules required to complete this Quarterly Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of the Quarterly Report will be provided to any shareholder who requests its.

Director's Name: "Brian Fairbank" Date Signed: February 18, 2004

Brian D. Fairbank

Director's Name: "Jack Milligan" Date Signed: February 18, 2004

Jack Milligan

NEVADA GEOTHERMAL POWER INC.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2003

NEVADA GEOTHERMAL POWER INC.
CONSOLIDATED BALANCE SHEETS

	December 31 2003	June 30 2003
ASSETS		
Current		
Cash	\$ 15,714	\$ 12,755
Goods and services tax recoverable	9,715	7,495
Prepaid expenses	7,178	6,581
Exploration advances	—	6,307
	<u>32,607</u>	<u>33,138</u>
Mineral Property Costs (Note 3)	2,313,261	477,325
Investment (Note 4)	—	25,000
Capital Assets	<u>8,657</u>	<u>6,201</u>
	<u>\$ 2,354,525</u>	<u>\$ 541,664</u>
LIABILITIES		
Current		
Accounts payable	\$ 171,647	\$ 153,417
SHAREHOLDERS' EQUITY		
Share Capital (Note 5)	5,714,727	3,612,383
Share Subscriptions	—	129,117
Contributed Surplus	148,447	80,695
Deficit	<u>(3,680,296)</u>	<u>(3,433,948)</u>
	<u>2,182,878</u>	<u>388,247</u>
	<u>\$ 2,354,525</u>	<u>\$ 541,664</u>

Approved by the Directors:

“Brian D. Fairbank”

“Jack W. Milligan”

See accompanying notes to the consolidated financial statements

NEVADA GEOTHERMAL POWER INC.

CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT

	Three Month Period Ended December 31		Six Month Period Ended December 31	
	2003	2002	2003	2002
EXPENSES				
Administration fees	\$ 14,523	\$ 14,141	\$ 34,911	\$ 28,091
Amortization	607	408	1,214	815
Bank charges and interest	145	148	251	237
Consulting fees	15,550	12,385	37,617	19,885
Foreign exchange loss	(8,455)	(99)	(4,823)	(372)
Investor relations & shareholder information	23,958	28,988	34,049	65,182
Legal and accounting	3,835	15,592	24,937	24,371
Office and miscellaneous	5,351	3,142	10,337	3,789
Regulatory and transfer agent	3,545	6,130	10,409	11,296
Rent and telephone	4,212	5,212	10,400	7,517
Stock based compensation	34,784	—	67,752	—
Travel and business development	8,682	530	25,346	1,372
	106,737	86,577	252,400	162,180
OTHER INCOME				
Interest income	(2)	—	(52)	—
Gain on disposal of shares	—	—	(6,000)	—
	(2)	—	(6,052)	—
Loss for the period	\$ 106,735	\$ 86,577	\$ 246,348	\$ 162,180
Deficit, beginning of period	3,573,561	3,018,952	3,433,948	2,943,346
Deficit, end of period	\$ 3,680,296	\$ 3,105,529	\$ 3,680,296	\$ 3,018,952
Loss per share	\$ 0.004	\$ 0.01	\$ 0.01	\$ 0.01

See accompanying notes to the consolidated financial statements

NEVADA GEOTHERMAL POWER INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Month Period Ended December 31		Six Month Period Ended December 31	
	2003	2002	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	\$ (106,735)	\$ (86,577)	\$ (246,348)	\$ (162,183)
Items not affecting cash:				
Stock-based compensation	34,784	—	67,752	—
Amortization	607	408	1,214	815
	<u>(71,344)</u>	<u>(86,169)</u>	<u>(177,382)</u>	<u>(161,368)</u>
Changes in non-working capital items:				
Accounts receivable (Increase) decrease in amounts receivable	(3,400)	(4,247)	(2,220)	(19,362)
Exploration advances	—	27,839	—	86,902
Accounts payable	50,785	22,045	(39,021)	39,238
	<u>(23,959)</u>	<u>(40,532)</u>	<u>(218,623)</u>	<u>(54,590)</u>
INVESTING ACTIVITIES				
Mineral property costs	(1,166)	(101,400)	(43,412)	—
Capital Assets	—	—	(3,233)	(195,919)
	<u>(1,166)</u>	<u>(101,400)</u>	<u>(46,645)</u>	<u>(195,919)</u>
Net cash (used) received from investing activities	(1,166)	(101,400)	(46,645)	(195,919)
CASH FLOWS FROM FINANCING ACTIVITIES				
Shares issued for cash	31,860	133,049	287,343	235,674
Share issue costs	—	—	(19,116)	—
	<u>31,860</u>	<u>133,049</u>	<u>268,227</u>	<u>235,674</u>
Net cash provided by financing activities	31,860	133,049	268,227	235,674
Change in cash and equivalents during the period	6,735	(8,883)	2,959	(14,835)
Cash and equivalents, beginning of period	\$ 8,979	\$ 26,851	\$ 12,755	\$ 32,803
Cash and equivalents, end of period	\$ 15,714	\$ 17,968	\$ 15,714	\$ 17,968

See accompanying notes to the consolidated financial statements

NEVADA GEOTHERMAL POWER INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003 AND 2002

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company is in the process of exploring its mineral properties and has not yet determined whether these properties contain economically recoverable ore reserves. The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the properties, and upon future profitable production.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assume the realization of assets and discharge of liabilities in the normal course of business. As at December 31, 2003, the Company has a working capital deficiency of \$139,040, and has incurred losses totalling \$3,680,296.

The Company's ability to continue as a going concern is dependent upon successful completion of additional financing, continuing support of creditors and upon its ability to attain profitable operations. These consolidated financial statements do not give effect to any adjustments that would be necessary should the Company not be able to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Consolidation

These financial statements include the accounts of the Company and its wholly-owned subsidiaries, Blue Desert Mining (U.S.) Inc., incorporated in the State of Nevada, U.S.A., Blue Mountain Power Company Inc., incorporated in the Province of British Columbia and Noramex Corp., incorporated in the State of Nevada, U.S.A. All significant inter-company balances and transactions have been eliminated.

b) Mineral Property Costs

Costs of acquisition and exploration of mineral properties are capitalized on an area-of-interest basis. Amortization of these costs will be on a unit-of-production basis, based on estimated proven reserves of minerals of the areas should such reserves be found. If an area of interest is abandoned the costs thereof are charged to income in the year of abandonment.

The Company does not accrue the estimated future costs of maintaining its mineral interests in good standing. The amounts shown for mineral properties and deferred exploration costs represent costs to date and do not necessarily reflect present or future values.

c) Option Payments Received

Option payments received are treated as a reduction of the carrying value of the related mineral properties and deferred exploration costs and the balance, if any, is taken into income.

d) Investments

Investments in which the Company owns up to 20% of the issued common shares are accounted for at cost, unless a permanent impairment in value has been determined, at which time they are written down to market value.

NEVADA GEOTHERMAL POWER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Capital Assets

Capital assets are recorded at cost and are depreciated over their useful lives by the declining balance method at the following rates:

Computer equipment	30%
Office equipment	20%

f) Stock Based Compensation

Effective July 1, 2002, the Company adopted CICA Handbook Section 3870 – “Stock Based Compensation and Other Stock Based Payments”, which establishes standards for the recognition, measurement and disclosure of stock based compensation and other stock based payments made in exchange for goods and services. Section 3870 sets out a fair value based method of accounting that is required for certain, but not all, stock based transactions. The Company records, as compensation expense, the excess of the exercise price over the share price at the time of grant.

Handbook Section 3870, however, does require additional disclosures for options granted to employees, including disclosure of pro-forma earnings and pro-forma earnings per share as if the fair value based accounting method had been used to account for employee stock options.

Under the new standard, direct awards of stock granted to employees are recorded at fair value on the date of grant and the associated expense is amortized over the vesting period.

g) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management’s best estimates as additional information becomes available in the future.

h) Loss Per Share

Loss per share is calculated on the weighted average number of shares outstanding. Diluted loss per share is not presented as the effect of potentially issuable common shares is anti-dilutive.

i) Income Taxes

Income taxes are calculated using the liability method of accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future tax assets are recognized to the extent that they are considered more likely than not to be realized. Future income tax liabilities or assets are calculated using the tax rates anticipated to apply in the periods that the temporary differences are expected to reverse.

NEVADA GEOTHERMAL POWER INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003 AND 2002

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Foreign Currency Translation

The financial statements of the 100% owned U.S. subsidiary have been translated using the temporal method whereby the assets and liabilities are translated at the year end exchange rate, capital accounts at the historical exchange rate, and revenues and expenses at the average exchange rate for the period. Foreign exchange gains and losses resulting from these transactions are reflected in the consolidated statement of loss and deficit.

3. MINERAL PROPERTY COSTS

The acquisition and exploration costs of the Company's mineral properties are as follows:

	December 30	
	2003	2002
Pogo Area Project – Alaska	\$ 87,997	\$ 93,076
Blue Mountain Geothermal Project – Nevada	2,224,689	357,158
Site investigation	575	1,485
	\$ 2,313,261	\$ 451,919

Pogo Area Project

The Company acquired an interest in a number of claims in the Pogo area of interest, south-east of Fairbanks, Alaska. These claim areas are as follows:

i) Portal/Gobi Claims

The Company has an option to acquire 100% interest in a number of claims by the issue of 66,667 shares, 16,667 on regulatory approval and 16,667 in annual intervals (66,667 issued), by cash payments of \$17,500 (paid) and by the payment of an annual advance royalty of \$10,000. The option or retains a 2% Net Smelter Royalty of which 1% may be purchased by the Company for \$1,000,000.

In addition, the Company has staked a number of claims adjacent to the Portal/Gobi Claims.

The Company has entered into an agreement on the Portal/Gobi Claims with an unrelated company whereby that company will earn a 60% interest in the Portal/Gobi property. Total expenditures of US\$750,000 (including \$50,000 cash payments due by the Company) are required over a five year earn-in period ending January 1, 2005.

After the earn-in period, the Company will have a 40% participating interest in the joint venture.

ii) Mohave

The Company has acquired, by staking, a 100% interest in the Mohave claims, located in the Pogo area.

NEVADA GEOTHERMAL POWER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

3. MINERAL PROPERTY COSTS (Continued)

Pogo Area Project (Continued)

iii) The following costs have been incurred by the Company on the Pogo Area project:

	December 31	
	2003	2002
Acquisition		
Issue of shares	\$ —	\$ —
Deferred exploration		
Property leases, permits and regulatory	—	—
Geological and geophysical	(5,761)	—
Costs incurred during the period	(5,761)	
Balance, beginning of period	93,758	90,006
Balance, end of period	\$ 87,997	\$ 90,006

Blue Mountain Geothermal Project, Nevada, U.S.A.

As at July 31, 2003, the Company acquired 100% of the issued and outstanding shares of Blue Mountain Power Company, Inc. which thru Noramex Corp. holds a 100% interest in the Blue Mountain Geothermal Project. Accordingly, all recorded costs of acquisition and deferred expenditures will be included as part of the cost of acquiring Blue Mountain Power Company, Inc.

The following costs have been incurred on the project:

	September 30	
	2003	2002
Acquisition		
Issue of shares	\$ 2,176,091	—
Option payments	—	—
	2,176,091	—
Deferred exploration		
Property leases, permits and regulatory	—	4,212
Geological and geophysical	48,598	90,307
Project management	—	—
Drilling	—	—
Road maintenance	—	—
Camp supplies	—	—
Travel and accommodation	—	—
Well testing	—	—
Expenditures for the period	42,246	94,519
Balance, beginning of period	—	165,994
Balance, end of period	\$ 2,224,689	\$ 260,513

NEVADA GEOTHERMAL POWER INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003 AND 2002

4. INVESTMENT

	September 30	
	2003	2002
100,000 shares in Blue Mountain Power Company Inc., a company with two common directors, at cost	\$ —	\$ 25,000

Due to the acquisition of Blue Mountain Power Company Inc., the Company disposed of its holding. The shares were transferred to company controlled by a director of NGP as an incentive to settle debt owed by BMP to that company.

5. SHARE CAPITAL

a) Authorized

100,000,000 common shares - no par value
 25,000,000 first preferred shares - no par value
 25,000,000 second preferred shares - no par value

b) Common Shares Issued

	SHARES	AMOUNT
Balance, June 30, 2003	10,273,224	\$ 3,612,383
For cash		
Private placement, net of financing costs	1,228,857	360,983
Options exercised	162,000	36,360
For Blue Mountain Power Company Inc.	5,500,000	1,705,000
Balance, December 31, 2003	17,164,081	\$ 5,714,726

c) Stock Options

As at December 31, 2003, the following share purchase options were outstanding:

EXERCISE PRICE	NUMBER OUTSTANDING AT DECEMBER 31 2003	REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE AT DECEMBER 31 2003
\$ 0.10	300,000	2.48 years	\$ 0.10	300,000
0.25	65,000	3.30 years	0.25	65,000
0.28	308,000	4.04 years	0.28	308,000
0.28	100,000	0.62 years	0.28	75,000
0.28	652,000	4.62 years	0.28	652,000
	1,425,000	3.68 years	\$ 0.24	1,400,000

NEVADA GEOTHERMAL POWER INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

5. SHARE CAPITAL (Continued)

A summary of the changes in stock options for the six months ended December 31, 2003 is presented below:

	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Balance, June 30, 2003	905,000	\$ 0.21
Granted	852,000	0.28
Exercised	(162,000)	0.22
Cancelled	(170,000)	0.28
	<hr/>	
Balance, December 31, 2003	1,425,000	\$ 0.24

Supplemental Information for Stock Based Compensation

Effective July 1, 2002, in accordance with CICA Handbook Section 3870 – “Stock Based Compensation and Other Stock Based Payments”, pro-forma information regarding net loss and net loss per share is to be determined as if the Company had accounted for its employee’s stock options under the fair value method. The fair value for these options was estimated at the date of grant date using a Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 3.08%, dividend yield of nil, volatility factor of 84%, and a weighted average expected life of the options of 2 years. The weighted average fair value per share of options granted during 2003 was \$0.28.

d) Share Purchase Warrants

A summary of changes in share purchase warrants for the period ended December 31, 2003 is presented below:

	NUMBER OF WARRANTS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, June 30, 2003	277,277	\$ 0.38
Issued	614,429	0.35
	<hr/>	
Balance, December 31, 2003	891,706	0.36

NEVADA GEOTHERMAL POWER INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2003 AND 2002

5. SHARE CAPITAL (Continued)

Share purchase warrants outstanding at December 31, 2003:

NUMBER OF SHARES	EXERCISE PRICE	EXPIRY DATE
152,000	\$ 0.35	August 12, 2004
27,777	0.45	September 17, 2003
97,500	0.40	January 17, 2004
114,429	0.35	July 15, 2004
500,000	0.35	August 14, 2004
<hr/>		
891,706		

6. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of goods and services tax receivable and accounts payable. It is management's opinion that the company is not exposed to significant interest, currency, or credit risk arising from these financial instruments. The fair value of the financial instruments approximates their carrying value.

7. RELATED PARTY TRANSACTIONS

During the six month period ended December 31, 2003 the Company incurred \$93,467 to a company controlled by a director for administration, professional services and geological services. Accounts payable include \$67,039 due to the company controlled by the director.

8. SUBSEQUENT EVENTS

Subsequent to December 31, 2003, the Company:

- a director was granted 162,000 share options exercisable at a price of \$0.28 on January 20, 2004. The options expire in five years for the date of grant.

- a director exercised 75,000 share options on January 19, 2004 at a price of \$0.28.

- a director exercised 50,000 share options on February 12, 2004 at a price of \$0.10.