OTCQB: BLSP

Corporate Overview
August 2016
Safe Harbor Statement

This presentation contains forward-looking statements and such statements are subject to risks and uncertainties and may change at any time. You can identify forward looking statements by terms such as “may”, “will”, “should”, “expect”, “plan”, “project”, “anticipate”, “could”, “intends”, “targets”, “contemplates”, “believes”, “potential”, “continue”, “predict” or negatives of these terms or other similar expressions.

These statements are only predictions and involve known and unknown risks, uncertainties and other factors including, without limitation, (i) uncertainties regarding our ability to obtain adequate financing on a timely basis including financing for specific projects, (ii) the financial and operating performance of our projects after commissioning, (iii) uncertainties regarding the market for and value of carbon credits and other environmental attributes, (iv) political and governmental risks associated with the countries in which we operate, (v) unanticipated delays associated with project implementation including designing, constructing and equipping projects, as well as delays in obtaining required government permits and approvals, (vi) the development stage of our business, (vii) our lack of operating history and (viii) such other risks, uncertainties and factors described in our public filings with the Securities and Exchange Commission. As such, there is no assurance that the initiatives described in the presentation will be successfully implemented or meet expectations and our actual results and financial condition may differ materially from those indicated in the forward looking statements.

Any forward-looking statement made by us in this presentation is based only on information currently available to us and speaks only as of the date on which it is made. Except as required by law we undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise. Our Annual Report on Form 10-K for the fiscal year ending September 30, 2015 and our Quarterly Reports on Form 10-Q and other reports are available upon request or by going to www.sec.gov.

Corporate Overview August 2016
This Confidential Corporate Presentation (this “Corporate Overview”) has been prepared by Blue Sphere Corporation (“Blue Sphere” or the “Company”) solely for informational purposes. Acceptance of this Corporate Presentation by an interested party implies an agreement with the terms herein.

This Corporate Overview does not constitute an offer to sell or a solicitation of an offer to buy securities or assets of Blue Sphere. All information presented in this Corporate Overview with respect to the existing business and the historical operating results of Blue Sphere and estimates and projections as to future operations are based on materials prepared by the management of Blue Sphere and involve significant elements of subjective judgment and analysis which may or may not be correct.

While the information provided herein is believed to be accurate and reliable, Blue Sphere makes no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. In furnishing this Corporate Overview, Blue Sphere reserves the right to amend or replace the Corporate Overview at any time and undertakes no obligation to provide the recipient with access to any additional information. Nothing contained within this Corporate Overview is or should be relied upon as a promise or representation as to the future.
Business Description

- Blue Sphere Corporation is an Independent Power Producer (IPP)
  - Renewable Clean Energy Markets
  - Waste-to-Energy Markets
- Blue Sphere develops, owns and manages clean energy facilities globally.
  - International Portfolio of Income Generating Assets
  - Long-term Predictive Revenue Streams.

Corporate Overview August 2016
The Blue Sphere waste-to-energy facilities help solve three pressing global problems.

1. They reduce or eliminate waste currently being sent to landfills, thereby reducing landfill expansion.

2. They reduce the release of harmful methane gas into the atmosphere by diverting organic wastes currently being sent to landfills (such as uneaten food); which are the facilities’ main feedstock.

3. They provide a sustainable source of electricity and other valuable outputs.

By diverting organic waste from landfills to Waste-To-Energy facilities, communities around the globe can reduce greenhouse gas emissions and help protect water quality.
Governmental mandates are adding to the opportunity for Waste-to-Energy producers in the United States.

States – Renewable Portfolio Standards
- A renewable portfolio standard requires utility companies to source a certain amount of the energy they generate or sell from renewable energy sources (RES).

29 States have laws in place (+ DC and 3 territories) – several more with voluntary standards.

Hawaii recently declared a 100% renewable goal by 2045, Vermont is 75% by 2032, and New York recently increased to 50% by 2030.

A growing list of states are banning organics from landfills.
Market Opportunity

Global Shift in Energy Policies

- Decreasing landfill areas.
- Governmental, regulatory and financial support (tax benefits and subsidies).
- Organic waste diversion from landfills is a major opportunity driver.

- High upfront cost associated with building large Waste-To-Energy facilities affect market growth.
- Very complex development process.

Source: Waste To Energy (WTE) Market Analysis By Technology (Thermal, Biological) And Segment Forecasts To 2020

Corporate Overview August 2016
Waste-to-Energy technology is used to convert organic solid waste generated from various domestic, commercial, industrial and agricultural uses into energy.

Various technologies such as Anaerobic Digestion and Biomass are used to process organic waste. Each technology has a different course of action, with end-products taking the form of electricity, natural gas, heat and compost.

The energy generated is delivered directly to electricity and natural gas grids.

The growing global Waste-To-Energy market was valued at $24 Billion in 2012 and is expected to exceed $37 Billion by 2020.

Source: Waste to Energy (WTE) Market Analysis by Technology (Thermal and biological) and Segment Forecast to 2020.
The US is far behind Europe and other markets in relation to the total number of Waste-to-Energy installations.

Blue Sphere is in the earliest stages of growth opportunity in the US.

The US offers many incentives for development, including Tax Credits and Renewable Energy Credits.

Source: Biogas Opportunities Roadmap Progress Report.
**Waste-to-Energy Market**

**Government Incentives**

**Waste-to-Energy** projects have the opportunity to obtain a variety of incentives. Governments and municipalities seek ways to incentivize companies to help reduce greenhouse gases and decrease the use of landfills.

- **Renewable Energy Certificates (REC)** – add on to the standard electricity and gas prices to enable higher Feed-in-Tariff, which is the price paid by utilities for purchasing the electricity.

- **Subsidies and Tax Credits** – special grants and tax credit offered by a local or federal taxation authority as an incentive for renewable energy systems.

- **Renewable Portfolio Standards (RFP)** - an obligation on utilities to produce a specified fraction of their electricity from renewable energy sources.

**Corporate Overview August 2016**
Blue Sphere Business Strategy

Build-Own-Operate WTE Facilities

- Develop opportunities, manage projects, build plants and manage Waste-to-Energy facilities.
- Generate revenues from Development Fees, Tipping Fees, Power Purchase Agreements (PPA) and selling by-products.

Acquire Operational WTE Facilities

- Acquire existing, profitable, fully-operational plants generating electricity and by-products.
- Manage and increase revenues and cash flow.
- Large pipeline of opportunities.

Corporate Overview August 2016
**Multiple Revenue Sources**

**Blue Sphere** facilities generate multiple sources of revenues. **Blue Sphere** is able to model revenues over long-term periods because a primary revenue source is contracted with major utilities and not subject to pricing in the energy markets.

- **Long-term** contracts with major electrical and gas companies. These PPA contracts provide for a very reliable *Predictive Revenue Source*.

- Tipping fees are charges levied upon a given quantity of waste received at our waste-to-energy facilities. These fees provide a revenue source from an essentially unlimited resource.

- Heat generated by the energy recovery process can be provided directly to homes and buildings in close proximity to a waste-to-energy facility.

- Residual digested solids produced during anaerobic digestion can be used for farming, residential and commercial applications. Anaerobic digesters create a high quality fertilizer compost and a large market is developing for this material.
In addition to a seasoned management team and sound financial partners, the list below shows the four key requirements for the successful operation of a waste-to-energy project.

- **Blue Sphere** is developing the process of providing for a continuous stream of waste from dependable sources.
- The **Blue Sphere** model requires that long-term power purchase agreements are in place prior to development, providing each project with a Predictive Revenue Source.
- The **Blue Sphere** management team believes it can internally manage the site selection process and manage the relevant permitting process of such facilities.
- **Blue Sphere** has partnered with reliable and experienced providers that offer technologies for all waste types. Our EPC partners have hundreds of successful installations, reducing technology risk.

---

**Corporate Overview August 2016**

**Experience & Partners**
Blue Sphere has aligned itself for its acquisition and development opportunities with some of the biggest names in the global Waste-To-Energy industry.

- Engineering company specializing in design and construction, operating and control of wastewater.
- AUSTEP also specializes in the design, implementation and control of biogas facilities and has over 300 installations globally.*

- The largest electric power holding company in the US, supplying and delivering energy to approximately 7.3 million customers.
- An entity owned by Blue Sphere and York Capital signed a 15-year power purchase agreement to sell electricity from its North Carolina facility to Duke Energy (NYSE:DUK).

- National Grid is an international electricity and gas company based in the UK and the northeastern US.
- An entity owned by Blue Sphere and York Capital signed a 15-year power purchase agreement to sell electricity from its Rhode Island facility to National Grid.

* As reported by AUSTEP
Blue Sphere Corp has assembled an exceptional management team, each with years of experience. The Blue Sphere term has deep industry and technology knowledge and experience. Bio’s are available upon request.
North Carolina

Energy Output Size: 5.2 MW
• Construction Cost: Approx. $27m
• Current Status: In Construction
• Anticipated Energy Production Start: 2016
• Feedstock: Organic Waste

Output Production:
• Electricity
• Compost

Expected Annual Project Revenues:
• $8.5M
• PPA: Duke Energy – 15 years

Project Funding:
• York Capital / Entropy

Blue Sphere Project Ownership:
• 25%
Rhode Island

Nearing Completion

Energy Output Size: 3.2 MW
- Construction Cost: Approx. $19m
- Current Status: In Construction
- Feedstock: Organic Waste

Output Production:
- Electricity
- Compost

Expected Annual Project Revenues:
- $6.0M
- PPA: National Grid– 15 years

Project Funding:
- York Capital / Entropy

Blue Sphere Project Ownership:
- 22.75%

Corporate Overview August 2016
Recent Acquisitions

Italy

Four Acquisitions Complete

Combined Energy Output: 4.0 MW
- Acquisition Cost: $5.2m + Debt Assumption.
- Energy Production: Fully Operating
- Feedstock: Organic Waste

Output Production:
- Electricity
- Compost

Expected Annual Revenues:
- $9.2M
- PPA: GSE, SpA. 11 Years

Project Funding:
- Helios Energy Investments

Blue Sphere Ownership:
- 100%
- Annual project EBITDA expected to be approximately $4.0M

Corporate Overview August 2016
Blue Sphere Project Opportunities

**Anaerobic Digester (AD) Acquisitions in Italy**
- Robust pipeline of AD facility targets in Italy.
- **1 MW** facilities, each fully operational with long-term PPA.
- Currently have three LOI’s signed to acquire AD facilities.
- Evaluating a Greenfield development in northern Italy.

**Anaerobic Digester Developments in Holland**
- Two primary developments under LOI.
- **8.2 MW** greenfield development in the Brabant province.
- **2.7 MW** greenfield development near Odiliapeel.
  - Development was granted a 12-year **€39.5MM** SDE+ subsidy from the Dutch government.
  - Permits in place.

*Combined Output*
Blue Sphere Project Opportunities

**Pyrolysis Developments in the United Kingdom (England)**
- LOI with developer to finish four early stage facilities.
- Combined output of **43MW** of Electricity and **56MW** of heat.
- Feedstock is MSW and shredded tires from a recycling plant.
  - Feedstock agreements are in place.
  - EPC agreements are in place with Aecom.
- PPA's with Northern Powergrid.

**Anaerobic Digester & BioMass Development in the United States**
- Dedicated business development (BD) executive for the US market.
- BD team evaluating greenfield and acquisition opportunities.
- Large growth opportunity due to regulations and waste issues.
- Unique opportunities. *(see next slides)*

Corporate Overview August 2016
Livestock Waste
Growing trend driven by:

- High concentration of swine farms in North Carolina
- North Carolina is the only state to have a specific carve-out for electricity generated from animal waste as part of a clean energy law.
- From 1992-2012 NC’s swine population grew from 5.1MM animals to 9.5MM. The chicken population increased from 60MM to 148MM animals.**
- Immediate Environmental Problem

Blue Sphere Opportunity

- Introducing technology that solves this high demand problem.
- Developing two 3MW AD projects in North Carolina
- Signed LOI with leading Research University to develop a third 3MW project.

U.S. Environmental Protection Agency (EPA) estimated that AD systems are technically feasible at more than 8,000* U.S. dairy and swine facilities. However, only 3% of these facilities currently have operational AD systems.

* AgStar 2010
**Source: USDA Census of Agriculture
Blue Sphere Evaluating New Trend

Coal Plant Conversions
(Convert from Coal fired to Biomass)

- Growing trend driven by:
  - State-Level Renewable Portfolio Standards
  - Federal Incentives & Financing
  - Looming Environmental Regulations
  - Environmental Awareness

Blue Sphere Opportunity

- Approached by major Institutional Investor
  - Reviewing facility for 20MW conversion in Illinois.
  - Potentially much larger developments compared to AD
  - Economic Development Opportunity (can save jobs)

Projected decline of U.S. coal-fired electric plants in the United States.

Source: US Energy Information Administration

Corporate Overview August 2016
BLSP Projected Global Energy Production

- 2015: 4 MW
- 2016: 24 MW
- 2017: 42 MW
- 2018: 85 MW
- 2019: 105 MW
- 2020: 200 MW

Turning MW output into Revenues and EBITDA

**United States**
- Average Revenue: $1,500,000
- Average EBITDA: $865,000

**Europe**
- Average Revenue: $2,180,000
- Average EBITDA: $1,024,600

*The numbers reflected above are averages Per MW developed from Blue Sphere projections and / or operating results.*

Corporate Overview August 2016
**Financial Data**

**Market Cap**: $19,341,864  
**Stock Price**: $0.074  
**Average Daily Volume**: 535,164

### Blue Sphere Corporation Cap-Table & Select Financial Data*

<table>
<thead>
<tr>
<th>Common Stock*</th>
<th>Warrants &amp; Options*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Restricted Shares</td>
<td>76,752,064</td>
</tr>
<tr>
<td>Total Non-Restricted Shares</td>
<td>184,624,488</td>
</tr>
<tr>
<td>Total Shares Issued*</td>
<td>261,376,552</td>
</tr>
</tbody>
</table>

**Total Shares Fully Diluted**

319,457,981

---

**Corporate Overview August 2016**

*Approximate, as of 8/10/2016  
**12-month daily average
Value Proposition

Long-Term Value Drivers

- **Long-term predictive revenue sources.**
- Global trends towards renewable energy use.
- Management team with deep expertise in all required fields.
- Geographically diverse project locations.
- Working with industry leading partners.
- Robust project pipeline expected to increase revenues and EBITDA.

Blue Sphere Corporation Believes it is Undervalued*

- Company value not reflected in share price.*
- Planning to up-list to NYSE or NASDAQ

* Belief of BLSPs Management.

Corporate Overview August 2016
Thank You

Blue Sphere Corporation
301 McCullough Drive
4th Floor
Charlotte, NC 28262
704-909-2806
Shlomi Palas, CEO

www.bluespherecorporate.com