UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
Houston Division

JULIAN NIKOLOV, Individually and on Behalf of All Others Similarly Situated,

Plaintiff,

v.

FERVO ENERGY COMPANY, TIM LATIMER, DAVID ULREY, MARGARET C. WHITMAN, ROBERT KEEHAN, JESSICA UHL, ANNE CLEARY, ROBERT (TREY) LOWE III, ION YADIGAROGLU, J.P. MORGAN SECURITIES LLC, BOFA SECURITIES, INC., RBC CAPITAL MARKETS, LLC, BARCLAYS CAPITAL INC., ROBERT W. BAIRD & CO. INCORPORATED, BBVA SECURITIES INC., GUGGENHEIM SECURITIES, LLC, MUFG SECURITIES AMERICAS INC., SG AMERICAS SECURITIES, LLC, WILLIAM BLAIR & COMPANY, L.L.C., PIPER SANDLER & CO., NOMURA SECURITIES INTERNATIONAL, INC., and WR SECURITIES, LLC,

Defendants.

Case No.

CLASS ACTION COMPLAINT FOR VIOLATIONS OF THE FEDERAL SECURITIES LAWS

DEMAND FOR JURY TRIAL

Plaintiff Julian Nikolov ("Plaintiff"), individually and on behalf of all others similarly situated, by and through his attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff's information and belief is based upon, among other things, his counsel's investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Fervo Energy Company ("Fervo" or the "Company") with the United States ("U.S.") Securities and Exchange Commission ("SEC"); (b) review and analysis of press releases and media reports issued by and disseminated by Fervo; and (c) review of other publicly available information concerning Fervo.

NATURE OF THE ACTION AND OVERVIEW

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Fervo common stock pursuant and/or traceable to the registration statement and prospectus (collectively, the "Registration Statement") issued in connection with the Company's May 2026 initial public offering ("IPO" or the "Offering"). Plaintiff pursues claims against the Defendants under the Securities Act of 1933 (the "Securities Act").

2. Fervo purports to build, own, and operate geothermal power facilities in the United States using Enhanced Geothermal Systems ("EGS") technology. EGS is a commercially unproven method of scaling geothermal energy production. Theoretically, EGS works by drilling horizontal wells into hot rock, then using hydraulic fracturing to create fractures. Water is circulated through these engineered fractures, heated by the earth, and returned to the surface to generate electricity.

3. On May 14, 2026, the Company filed its prospectus on Form 424B4 with the SEC, which forms part of the Registration Statement. In the IPO, the Company sold approximately 80,500,000 shares of Class A common stock at a price of $27.00 per share. The Company received proceeds of approximately $2.2 billion from the Offering, before deducting underwriting discounts and commissions. The proceeds from the IPO were purportedly to be used for general corporate

purposes, including capital expenditures, continued development of GeoClusters, expansion of the Company's land holdings portfolio, working capital, and operating expenses.

4. On October 6, 2026, during market hours, Morpheus Research published a report alleging that "Fervo has failed to disclose existential issues related to inconsistent production temperatures and premature thermal decline, excessive water loss, seismicity-related equipment damage, transmission capacity, and ballooning costs. ***In some cases, Fervo appears to have presented altered data and made material misstatements to investors, including in its [initial public offering] registration statement filed with the [United States Securities and Exchange Commission].***"

5. By the commencement of this action, the Company's stock price had closed as low as $7.79 per share, a more than 71% decline from the $27 per share IPO price.

6. The Registration Statement was materially false and misleading and omitted to state: (1) that Fervo's pilot plant was experiencing inconsistent production temperatures and premature thermal decline; (2) that Fervo's EGS operations were experiencing significant injected water loss at a level above the rate the Company's commercial plans required; (3) that Fervo's drilling costs were not declining as represented, including as misleadingly represented given previously published data; (4) that Fervo lacked sufficient transmission capacity to deliver power to its California customers as planned, including the transmission path underlying the Company's approximately 290 MW of rights which was scheduled for retirement before Cape Station Phase II's targeted 2028 COD; and (5) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

7. As a result of Defendants' acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

JURISDICTION AND VENUE

8. The claims asserted herein arise under and pursuant to Sections 11 and 15 of the Securities Act (15 U.S.C. §§ 77k and 77o).

9. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 22 of the Securities Act (15 U.S.C. § 77v).

10. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b).

11. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

PARTIES

12. Plaintiff Julian Nikolov, as set forth in the accompanying certification, incorporated by reference herein, purchased Fervo Class A common stock pursuant or traceable to the Registration Statement issued in connection with the Company's IPO, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

13. Defendant Fervo is incorporated under the laws of the state of Delaware with its principal executive offices located in Houston, Texas. Fervo's shares trade on the NASDAQ exchange under the symbol "FRVO."

14. Defendant Tim Latimer ("Latimer") was, at all relevant times, the Chief Executive Officer ("CEO") of the Company, and signed or authorized the signing of the Company's Registration Statement filed with the SEC. He also served as the Chair of the Board of Directors.

15. Defendant David Ulrey ("Ulrey") was, at all relevant times, the Chief Financial Officer ("CFO") of the Company, and signed or authorized the signing of the Company's Registration Statement filed with the SEC.

16. Defendant Margaret C. Whitman ("Whitman") was a director of the Company and signed or authorized the signing of the Company's Registration Statement filed with the SEC.

17. Defendant Robert Keehan ("Keehan") was a director of the Company and signed or authorized the signing of the Company's Registration Statement filed with the SEC. He also served as the Chair of the Audit Committee.

18. Defendant Jessica Uhl ("Uhl") was a director of the Company and signed or authorized the signing of the Company's Registration Statement filed with the SEC. She also served as the Chair of the Nominating and Corporate Governance Committee.

19. Defendant Anne Cleary ("Cleary") was a director of the Company and signed or authorized the signing of the Company's Registration Statement filed with the SEC. She also served as the Chair of the Compensation Committee.

20. Defendant Robert (Trey) Lowe III ("Lowe") was a director of the Company and signed or authorized the signing of the Company's Registration Statement filed with the SEC.

21. Defendant Ion Yadigaroglu ("Yadigaroglu") was a director of the Company and signed or authorized the signing of the Company's Registration Statement filed with the SEC.

22. Defendants Latimer, Ulrey, Whitman, Keehan, Uhl, Cleary, Lowe, and Yadigaroglu are collectively referred to hereinafter as the "Individual Defendants."

23. Defendant J.P. Morgan Securities LLC ("J.P. Morgan") served as an underwriter for the Company's IPO. In the IPO, J.P. Morgan agreed to purchase 17,150,000 shares of the Company's common stock, exclusive of the over-allotment option.

24. Defendant BofA Securities, Inc. ("BofA") served as an underwriter for the Company's IPO. In the IPO, BofA agreed to purchase 11,200,000 shares of the Company's common stock, exclusive of the over-allotment option.

25. Defendant RBC Capital Markets, LLC ("RBC") served as an underwriter for the Company's IPO. In the IPO, RBC agreed to purchase 10,500,000 shares of the Company's common stock, exclusive of the over-allotment option.

26. Defendant Barclays Capital Inc. ("Barclays") served as an underwriter for the Company's IPO. In the IPO, Barclays agreed to purchase 10,500,000 shares of the Company's common stock, exclusive of the over-allotment option.

27. Defendant Robert W. Baird & Co. Incorporated ("Baird") served as an underwriter for the Company's IPO. In the IPO, Baird agreed to purchase 3,150,000 shares of the Company's common stock, exclusive of the over-allotment option.

28. Defendant BBVA Securities Inc. ("BBVA") served as an underwriter for the Company's IPO. In the IPO, BBVA agreed to purchase 3,150,000 shares of the Company's common stock, exclusive of the over-allotment option.

29. Defendant Guggenheim Securities, LLC ("Guggenheim") served as an underwriter for the Company's IPO. In the IPO, Guggenheim agreed to purchase 3,150,000 shares of the Company's common stock, exclusive of the over-allotment option.

30. Defendant MUFG Securities Americas Inc. ("MUFG") served as an underwriter for the Company's IPO. In the IPO, MUFG agreed to purchase 3,150,000 shares of the Company's common stock, exclusive of the over-allotment option.

31. Defendant SG Americas Securities, LLC ("SG") served as an underwriter for the Company's IPO. In the IPO, SG agreed to purchase 3,150,000 shares of the Company's common stock, exclusive of the over-allotment option.

32. Defendant William Blair & Company, L.L.C. ("William Blair") served as an underwriter for the Company's IPO. In the IPO, William Blair agreed to purchase 3,150,000 shares of the Company's common stock, exclusive of the over-allotment option.

33. Defendant Piper Sandler & Co. ("Piper Sandler") served as an underwriter for the Company's IPO. In the IPO, Piper Sandler agreed to purchase 875,000 shares of the Company's common stock, exclusive of the over-allotment option.

34. Defendant Nomura Securities International, Inc. ("Nomura") served as an underwriter for the Company's IPO. In the IPO, Nomura agreed to purchase 831,250 shares of the Company's common stock, exclusive of the over-allotment option.

35. Defendant WR Securities, LLC ("WR Securities") served as an underwriter for the Company's IPO. In the IPO, WR Securities agreed to purchase 43,750 shares of the Company's common stock, exclusive of the over-allotment option.

36. Defendants J.P. Morgan, BofA, RBC, Barclays, Baird, BBVA, Guggenheim, MUFG, SG, William Blair, Piper Sandler, Nomura, and WR Securities are collectively referred to hereinafter as the "Underwriter Defendants."

CLASS ACTION ALLEGATIONS

37. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased

or otherwise acquired Fervo common stock pursuant and/or traceable to the Registration Statement issued in connection with the IPO. Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

38. The members of the Class are so numerous that joinder of all members is impracticable. Since the IPO, Fervo's shares actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of members in the proposed Class. Record owners and other members of the Class may be identified from records maintained by Fervo or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

39. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' conduct in violation of federal law that is complained of herein.

40. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

41. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public omitted and/or misrepresented material facts about the business, operations, and prospects of Fervo; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

42. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

SUBSTANTIVE ALLEGATIONS

Background

43. Fervo purports to build, own, and operate geothermal power facilities in the United States using Enhanced Geothermal Systems ("EGS") technology. EGS is a commercially unproven method of scaling geothermal energy production. Theoretically, EGS works by drilling horizontal wells into hot rock, then using hydraulic fracturing to create fractures. Water is circulated through these engineered fractures, heated by the earth, and returned to the surface to generate electricity.

The Company's False and/or Misleading Registration Statement and Prospectus

44. On April 17, 2026, the Company filed its Registration Statement on Form S-1 with the SEC, which forms part of the Registration Statement.

45. On May 11, 2026, the Company filed its final amendment to the Registration Statement with the SEC on Form S-1/A, which forms part of the Registration Statement. The Registration Statement was declared effective the next day, May 12, 2026.

46. On May 14, 2026, the Company filed its prospectus on Form 424B4 with the SEC, which forms part of the Registration Statement. In the IPO, the Company sold approximately 80,500,000 shares of Class A common stock at a price of $27.00 per share. The Company received proceeds of approximately $2.2 billion from the Offering, before deducting underwriting discounts and commissions. The proceeds from the IPO were purportedly to be used for general corporate purposes, including capital expenditures, continued development of GeoClusters, expansion of the Company's land holdings portfolio, working capital, and operating expenses.

47. The Registration Statement was negligently prepared and, as a result, contained untrue statements of material facts or omitted to state other facts necessary to make the statements made not misleading, and was not prepared in accordance with the rules and regulations governing its preparation.

48. Under applicable SEC rules and regulations, the Registration Statement was required to disclose known trends, events or uncertainties that were having, and were reasonably likely to have, an impact on the Company's continuing operations.

49. The Registration Statement alleged that the Company's Project Red pilot plant did not exhibit premature thermal decline, and that the Company had "***observed consistent, stable temperature output in line with our modeling and expectations.***" Specifically, the Registration Statement stated as follows, in relevant part:

> **Our Wellfield Production**
>
> Data observed from our projects to date has validated our approach. In 2023, we brought our pilot, Project Red, online. The project quickly demonstrated record 24/7 carbon-free power production, generating three megawatts of gross power production to the Nevada grid and proving the commercial viability of our innovative drilling technology. ***Additionally, at our Project Red commercial pilot, we have observed consistent, stable temperature output in line with our modeling and expectations. To date, Project Red has not experienced the kind of premature thermal decline that has long plagued traditional geothermal projects.***

50. The Registration Statement alleged the Company technology was effective to "***minimize water use.***" Specifically, the Registration Statement stated as follows, in relevant part:

> While our EGS technology provides firm power within a reinjected, closed-loop brine system and uses air-cooled ORC to minimize water use, evolving GHG and climate policies may impose new monitoring, reporting, or operational requirements.
>
> * * *
>
> Although our design reinjects geothermal brine and uses air-cooled ORC to minimize water use, evolving standards for well construction and integrity, stimulation fluids, surface discharges, and waste handling could materially affect schedules, capital needs, and PPA performance.

51. The Registration Statement alleged the Company's technology had achieved, or would shortly achieve, economies of scale. Specifically, the Registration Statement stated as follows, in relevant part:

> Our first utility-scale deployment in the Cape Station site will provide a baseline for our core product. We expect that each power unit built thereafter will improve on this baseline by using learnings to streamline engineering design.
>
> * * *
>
> By applying proven technologies like horizontal drilling and multi-stage hydraulic fracturing, ***we are transforming geothermal energy from a niche resource into a utility-scale power solution*** that is clean, reliable, cost-competitive, and suited to the needs of hyperscalers and utilities alike.
>
> * * *
>
> In addition to advancing the technical boundaries of geothermal energy***, we are implementing a development approach that leverages repeatability, enhanced production performance, and economies of scale.***
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> * * *
>
> **Our Scalable Deployment**
>
> ***Our approach is designed specifically with scale in mind. With geothermal heat recovery substantially de-risked,*** we can leverage a modular, standardized approach to on-surface power generation to drive cost reductions, increase deployment speed, and leverage economies of scale and flexibility in our supply chain. We plan to deploy standardized, 50-megawatt ORC power facilities that we

call GeoBlocks. Production wells send hot geothermal brine to a heat exchanger, where it transfers heat to a working fluid. After transferring heat, the cooled geothermal brine is reinjected underground to cycle through the geothermal reservoir again. In the heat exchanger, the working fluid is vaporized, ultimately spinning a turbine to create electricity. The vapor is then cooled back into a liquid using air-cooled condensers to minimize water usage.

* * *

Modular Design Enabling Speed to Power and Economies of Scale: We intend to deploy our technology in 50-megawatt GeoBlocks, standardized ORC power units that we anticipate will extend our learning curves from wellfield development to geothermal power plant construction. We expect to further support these learning curves by concentrating our operations in multi-gigawatt GeoClusters. ***Each cluster can support hundreds of EGS wells and dozens of adjacent GeoBlocks, creating unprecedented economies of scale in the geothermal industry***. We believe that this approach will make our cost-competitive EGS solution increasingly attractive to high credit-quality offtakers and will assist us in catering to AI hyperscalers that require speed-to-power, gigawatt-scale energy access, and 24/7 availability.

52. The Registration Statement alleged the Company had approximately 290MW Of interconnection and transmission rights for its Cape Station Phase II, which was "***sufficient to meet the obligations under our original PPAs with Southern California Edison (SCE) and Clean Power Alliance (CPA)"*** and that the Company "expect to begin delivering first power from our 500-megawatt Cape Station project by late 2026, and to reach approximately 100 megawatts of operating capacity by early 2027." Specifically, the Registration Statement stated as follows, in relevant part:

The successful development of our project pipeline depends on our ability to obtain sufficient interconnection and transmission capacity to support delivery obligations under our PPAs. ***For example, for Cape Station Phase II, we currently have approximately 290 megawatts of interconnection and transmission rights. This capacity is sufficient to meet the obligations under our original PPAs with Southern California Edison (SCE) and Clean Power Alliance (CPA),*** but is insufficient to support the full 384 megawatts of combined contracted capacity with the subsequent expansions of the SCE and CPA PPAs.

* * *

> Our ability to generate sales of electricity following COD at each of our projects depends on our ability to successfully commence and maintain production under our PPAs. ***We expect to begin delivering first power from our 500-megawatt Cape Station project by late 2026, and to reach approximately 100 megawatts of operating capacity by early 2027***.

53. The Registration Statement alleged that Phase II of Cape Station would have a target Commercial Operation Date ("COD") of 2028. Specifically, the Registration Statement stated as follows, in relevant part:

GEOCLUSTER PORTFOLIO

GeoCluster	Location	Capacity Potential (MW)	Evaluated Land Position (Acres)	Phase	Status	Target COD	Size (MW)
Mature							
Cape	Utah	4,300	53,900	Cape I	Under Construction	2026/2027	100
				Cape II	Under Construction	2028	400
				Cape III+	Ready to Build	2029/2030	400
Corsac	Nevada	8,100	41,000	Corsac I	Ready to Build	2030	150

54. The Registration Statement provided the Company's alleged financial results, as follows in relevant part:

> Revenue generated during the three months ended March 31, 2026 and 2025 includes ancillary fees associated with rights to geothermal production, which were immaterial for both periods and are not expected to be significant to our long-term revenue generation, as we have not yet commenced large-scale commercial operations. Additionally, for the three months ended March 31, 2026, we estimate net loss to be between $29.0 million and $35.0 million as compared to net loss of $9.1 million for the three months ended March 31, 2025. The expected increase in net loss is primarily expected to be due to increased general and administrative expenses driven by higher employee-related costs from headcount growth to support project development and corporate operations, including increased stock-based compensation expense related to stock options granted during the three months ended March 31, 2026, increased software and information technology costs, and costs associated with our transition to a public company. In addition, the increase in net loss is expected to reflect non-cash valuation remeasurement losses in the fair value of warrant liabilities during the three months ended March 31, 2026.
>
> As of March 31, 2026, our cash and cash equivalents were approximately $280.8 million, compared to $461.8 million as of December 31, 2025. As of March 31, 2026, our long-term debt was approximately $189.8 million, comprised of approximately $145.6 million outstanding under the XRC Facility and approximately $44.2 million outstanding under the Credit Facility, compared to total principal due for long-term debt of $175.6 million as of December 31, 2025.

> Subsequent to March 31, 2026, on April 14, 2026, we repaid all outstanding balances under the XRC Facility using proceeds from the Project Granite Facility, an approximately $421.4 million project finance credit facility with a syndicate of nine lenders for the first phase of our Cape Station development that we closed on March 6, 2026. As of April 29, 2026, we had an aggregate of $64.0 million of borrowings outstanding under the Credit Facility and $172.3 million of borrowings outstanding under the Project Granite Facility.

55. The Registration Statement purported to warn that certain risks "***could***" or "***may***" impact the Company, including "***Claims that some geothermal power plants cause increased risk of induced seismicity."*** Specifically, the Registration Statement stated as follows, in relevant part:

> ***Claims that some geothermal power plants cause increased risk of induced seismicity could impact our operating procedures and increase our operating costs, or delay or increase the cost of further development.***
>
> Our wellfields and operations may be subject to frequent low-level seismic disturbances, natural or induced. Serious seismic disturbances are possible, including earthquakes, volcanic eruptions and lava flows, and could result in damage to equipment or degraded subsurface resources to such an extent that we could not perform under the PPA for the affected power plant, which in turn could reduce our net income and adversely affect our financial condition and cash flow. Researchers and regulators have identified a potential link between hydraulic-stimulation activities and seismic events, which may lead to heightened scrutiny and potential litigation in certain jurisdictions. Another aspect of geothermal operations is the management and stabilization of subsurface impacts, including ground subsidence or inflation, related to reservoir creation and injection. Inflation and subsidence, if not controlled, can adversely affect agricultural operations and infrastructure at or near the land surface, prompt new permit conditions or setbacks, result in curtailments that impair our ability to perform under affected PPAs, and increase potential exposure to third-party claims.

56. The Registration Statement was materially false and misleading and omitted to state: (1) that Fervo's pilot plant was experiencing inconsistent production temperatures and premature thermal decline; (2) that Fervo's EGS operations were experiencing significant injected water loss at a level above the rate the Company's commercial plans required; (3) that Fervo's drilling costs were not declining as represented, including as misleadingly represented given previously published data; (4) that Fervo lacked sufficient transmission capacity to deliver power to its California customers as planned, including the transmission path underlying the Company's

approximately 290 MW of rights which was scheduled for retirement before Cape Station Phase II's targeted 2028 COD; and (5) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

The Subsequent Disclosures

57. On October 6, 2026, during market hours, Morpheus Research published a short report alleging that "Fervo has failed to disclose existential issues related to **inconsistent** production temperatures and premature thermal decline, excessive water loss, seismicity-related equipment damage, transmission capacity, and ballooning costs. ***In some cases, Fervo appears to have presented altered data and made material misstatements to investors, including in its [initial public offering] registration statement filed with the [United States Securities and Exchange Commission]."*** Specifically, the report stated as follows, in relevant part:

Fervo Energy: Big Tech's Clean Energy Bet Is Unraveling — Hidden Setbacks, A Litany Of Existential Issues & A Commercial Build Out Destined For Failure

Summary

- Fervo Energy (NASDAQ:FRVO) is a $4 billion startup focused on a next-generation form of geothermal energy called Enhanced Geothermal Systems ("EGS"). Considered the holy grail of geothermal, EGS promises vast amounts of low-cost clean energy, but commercial viability has eluded the industry due to seemingly unsolvable technical barriers and immense costs that have buried a half a century of attempts.

- Armed with 2 years of operating data from its pilot plant, Fervo claims it has finally cracked the code on EGS with an approach that is fully derisked, cost-competitive, and "proven at scale." In May, it raised $2.2 billion to fund its first commercial site in Utah, known as "Cape Station." It has already signed 1,000+ MW of offtake agreements with the likes of Google, Shell Energy, and Southern California Edison.

- Our investigation, involving interviews with former employees and a review of data obtained from state regulators, reveals that ***Fervo has failed to disclose existential issues related to inconsistent production***

temperatures and premature thermal decline, excessive water loss, seismicity-related equipment damage, transmission capacity, and ballooning costs. In some cases, Fervo appears to have presented altered data and made material misstatements to investors, including in its IPO registration statement filed with the SEC.

- Fervo's playbook seems to be an open secret among individuals who have worked there, one of whom told us: "How does the investment community keep buying the hype? Like at what point do they stop ignoring the facts and the technical skepticisms and the challenges here?" ***Another former employee said the company is "intentionally concealing" the "bad things" while a third said it is "shocking and surprising" that people are taking Fervo's claims as "gospel."***

- In one key example, Fervo claimed it achieved consistent production temperatures over 10+ months of pilot plant operations, ostensibly conquering a key hurdle of EGS. ***The data presented by Fervo, however, is inconsistent with the full data set we obtained from the State of Nevada.*** Fervo's data does not include extreme fluctuations that are readily apparent in the full data set.

- We believe Fervo's presentation of the data conceals the devastating results of an apparent attempt to boost production at its underperforming pilot plant during its first year. In March 2024, Fervo injected 33% more water at the pilot, but water lost to the subsurface system more than doubled to 57% and production temperatures plummeted by 90°F, only recovering when injection rates were curtailed. Fervo never disclosed those results, and CEO Tim Latimer later claimed that the pilot plant "achieved all the technical objectives" and that the company "saw no evidence of production decline" during its first year.

- Fast forward to 2026: After 2 years of testing, Fervo touted the pilot plant as a major success, despite it missing virtually every stated performance target and operating at just ~41% of its forecasted capacity, according to Fervo's own predictions and later-published results.

- Once again, Fervo highlighted "stable production temperatures" but conceded a "slight temperature decrease" only in the final months of testing, while still claiming in its IPO registration statement that the pilot plant "has not experienced the kind of premature thermal decline that has long plagued traditional geothermal projects." ***Despite this claim, data from the State of Nevada shows that thermal decline at the pilot plant has now accelerated to 24°F per year*** — nearly 16x what experts told us was economically-viable for EGS projects.

- Another challenge with Fervo's pilot plant was water loss, with a 2023 flow test showing that 10-20% of injected water did not return to the surface.

CEO Latimer framed this as good news and claimed water loss rates would "only decline from there." Instead, water loss doubled to ~30%, which Fervo falsely claimed it had predicted. Experts told us this level of water loss was far too high for commercial viability, and Fervo's commercial aspirations rely on a more than ~30x improvement in water losses.

- Fervo claims the pilot plant's water loss was "temporary" as the underlying reservoir "pressurizes," but former employees were skeptical of this, describing it as a "hypothesis" for which there is "very little data." Further, data we obtained from the State of Nevada reveals that the pressurization theory has not yet worked in the real world, with June 2026 water losses climbing to 35%. As of July, the pilot plant system had lost a total of ~193 million gallons to subsurface leak-off.

* * *

- Fervo has run at least two real "flow tests" at Cape Station that would provide investors with critical viability data related to water loss, net power generation, and production temperatures. Despite incessantly preaching "radical transparency" as a core value, ***Fervo has opted to withhold most of this test data from investors***. An EGS expert told us: "A lot of details are missing … the pressure, the circulation rate – what's the water loss? They have done some circulation [testing], but they do not report the water loss … They did not release their data."

- A former employee told us the Cape Station test results were deeply problematic: ***"The production could not be held consistent, and so they were worried that if they show the data, that will put a lot of questions in the market in terms of viability…"*** They told us: "I can tell you the water loss rate was not what … what they were hoping. It was much worse than what they wanted to see." A second former employee corroborated this, stating flatly: "The producers [wells] … aren't returning a lot of water. **The water's staying down there.**"

* * *

- CEO Latimer claims seismicity is a "perception issue" and that Fervo has only had "several" yellow-level (M2+ Richter Scale) seismic events over 4 years of operations. Fervo's own seismic catalogue, however, reveals ~58 yellow events as of the end of April, which are rapidly accelerating in frequency and intensity. 29 of these events happened in March and April alone – more than the previous 2 years combined. This spike seems to have overlapped with Fervo's fracking activities at its "Frisco" well pad, which CEO Latimer highlighted as "successful" with no mention of the spike in seismic activity.

* * *

- While Fervo's seismic data ends in April, we obtained more recent readings from the US Geological Survey, revealing significantly accelerating seismicity. ***For example, 24 days ago, Fervo's Cape Station site experienced its first ever "Red Level" seismic event – a 3.1 magnitude earthquake that should have triggered a complete operational shutdown for at least 24 hours and notifications to regulators, per Fervo's safety protocols.***

* * *

- Historically, Fervo's most touted driver of cost reductions has been drilling costs, but Fervo's S-1 reveals diminishing gains in this area, and an EGS expert told us Fervo may be "very close to the plateau" on drilling cost reduction. ***Critically, the drilling cost graph Fervo included in its IPO registration statement – showing declining drilling costs – is inconsistent with an earlier pre-IPO data set showing rising drilling costs.*** During the Q1 earnings call, Fervo refused to answer a direct question on drilling costs despite heavily touting the metric for years.

- While Fervo has historically touted drilling advancements, it has said very little about the cost of "completions," which includes fracking of the underlying rock structures to create permeability for Fervo's water to flow through. People who worked for Fervo said completions alone cost ~$3,000 per kW, and described this cost bucket as one of Fervo's "hidden problems." One told us: "Something that continues to kind of make me flinch every time I hear Tim talk is he keeps touting drilling costs … completions is the bigger cost … so that's the 300-pound gorilla in the room, is fracking."

* * *

- ***In April 2026, Fervo told California's grid operator that there would be "no viable pathway" for Utah geothermal to contribute to California's grid before 2032, unless the operator delivered new solutions. Despite this, in May 2026, Fervo claimed in its prospectus that it had secured 290MW of transmission capacity to deliver power to its California customers, only admitting in August that this pathway was being "retired" in June 2027.***

- We believe Fervo Energy is just the latest in a long line of clean energy "holy grails" that never achieve commercial-scale production or profitability. ***While Fervo claims its approach is "proven at scale," we believe it has failed to overcome the many technical barriers that have buried decades of EGS commercialization attempts.***

* * *

Considered the holy grail of geothermal, EGS has been *technically* feasible since at least the 1970s, but commercial viability has proven elusive due to a slew of technical hurdles, including three key challenges:

Thermal Decline: As water flows through the fractures, the heated rocks cool faster than expected, resulting in declining production temperatures and underperformance that can crush project economics.

Water Loss: The water that is pumped into the system is not all recaptured, with some "leaking off" to subsurface fractures or faults, resulting in significantly higher operational costs and power production limitations due to limited access to or high costs "make-up" water.

Induced Seismicity: The fracking process causes seismic events that damage equipment, open unintended pathways that accelerate water loss, or even lead to full blown earthquakes.

As of 2024, there were no commercial-scale EGS systems in operation, according to a paper from Rice University.

Enter Fervo Energy: A Startup Founded By Stanford Graduates With Backing From Bill Gates And Google That Claims It Has Finally Cracked The Code On EGS

Founded in 2017, Fervo Energy is a $4 billion energy company that claims to have overcome the technical barriers and cost constraints that have held EGS back for decades.

Despite having limited professional geothermal experience prior to Fervo, its founders claim that they have overcome the persistent technical roadblocks by applying lessons from the shale revolution to geothermal, as well as through the use of "AI-enhanced" monitoring technologies.

* * *

Part 1: How Fervo Cherry-Picked And Altered Data From A Failed Pilot Plant To Complete A $2.2 Billion IPO

The market's enthusiasm for Fervo is based largely on data from its Nevada pilot plant, Project Red. The project was initially pitched in 2023 as a commercial-scale plant that would provide heated brine to the local Blue Mountain power plant, which would ultimately provide power to Google.

We believe Fervo has presented highly misleading data to investors to fool the market into believing its pilot plant was a success and that its approach to EGS is "proven at scale" – a claim that enabled its ~$2.2 billion IPO.

In September 2024, Fervo Co-Founders Published A Paper Showing Consistent Production Temperatures Over 10+ Months Of Operations, Ostensibly Conquering A Major Challenge With EGS Technology

The Supposed Achievement Was Met With Applause And Cheers When It Was Presented To The Public During Fervo's 2024 Technology Day

Reality Check: The Data Published In The Paper Is Contradicted By Data We Obtained From The State Of Nevada That Reveals Substantial Fluctuations In Production Temperatures

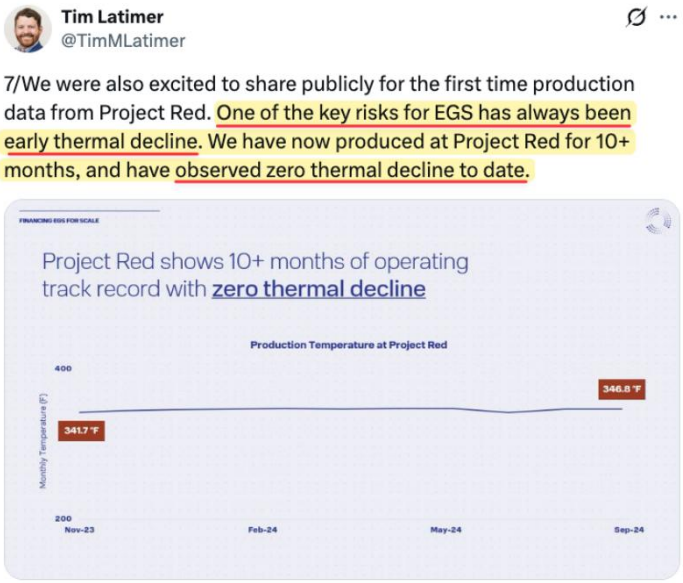
As mentioned, one of the key risks to EGS projects is premature thermal decline – where the subsurface rocks cool down faster than expected, effectively depleting stored heat faster than expected and potentially crushing project economics after CapEx is already deployed.

In September 2024, after 10 months of operating the pilot plant, Fervo claimed during its 2024 Technology Day presentation that the pilot had not experienced any thermal decline. The claim was based on a non-peer reviewed paper authored by Fervo co-founders, Tim Latimer and Jack Norbert [sic], specifically from a chart showing an almost horizontal line with temperatures within the range of 340°F and 350°F.

When Fervo CFO, David Ulrey, unveiled these results he was met by applause and cheers from the audience. He then said:

"This is a huge moment. We do a lot of diligence meetings, we had a lot of rounds of investments and ***this was the singular question that people couldn't wrap their head around: 'how can I trust that this asset is going to operate how we say it is going to operate?' And now we have the horizontal line that proves it.*** *That thing is there, is operating like we said it would, 10+ months of operating history, 10+ months of electrons on the grid, it's working, it's real."*

CEO Latimer published the same chart from the presentation on his X account, highlighting that Fervo had seemingly conquered one of the "key risks" of EGS.



(Source: X)

Alongside these results, Tim Latimer announced Fervo's first-ever construction loan for an amount of $100 million.

As we see it, however, the data Fervo presented appears to be highly misleading.

Using the same chart from Fervo co-founders' paper, we overlaid the average monthly production temperature data for the same well that we obtained from the Nevada Division of Minerals ("NDOM"). This revealed significant thermal fluctuations that Fervo and its co-founders omitted.

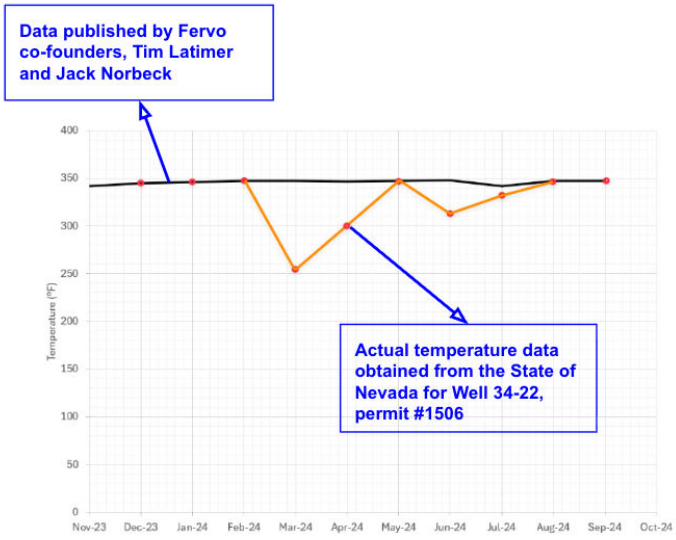


Fig. 3 Production temperature history of Production Well 34-22 at Project Red. The Project Red system has been under active commercial operations since October 31, 2023. Since coming online, the system has not experienced any thermal decline and continues to meet performance targets. The slight reduction in temperature in July 2024 is related to a downtime event and is not indicative of reservoir thermal decline.

(Source: Fervo co-founders' paper, NDOM, and Morpheus Research)

We Believe Fervo Altered The Historical Production Temperature Data In What May Have Been An Attempt To Hide Undisclosed Efforts To Boost Flailing Production In March 2024, When It Injected More Water At The Pilot Plant

The Result: Production Temperature Plummeted And Only Recovered When Injection Volumes Were Brought Back Down, According To Data From The State Of Nevada

Based on the NDOM data, we believe Fervo presented the cherry-picked metric of production temperature and then altered that singular metric to hide the devastating results of an apparent stress test.

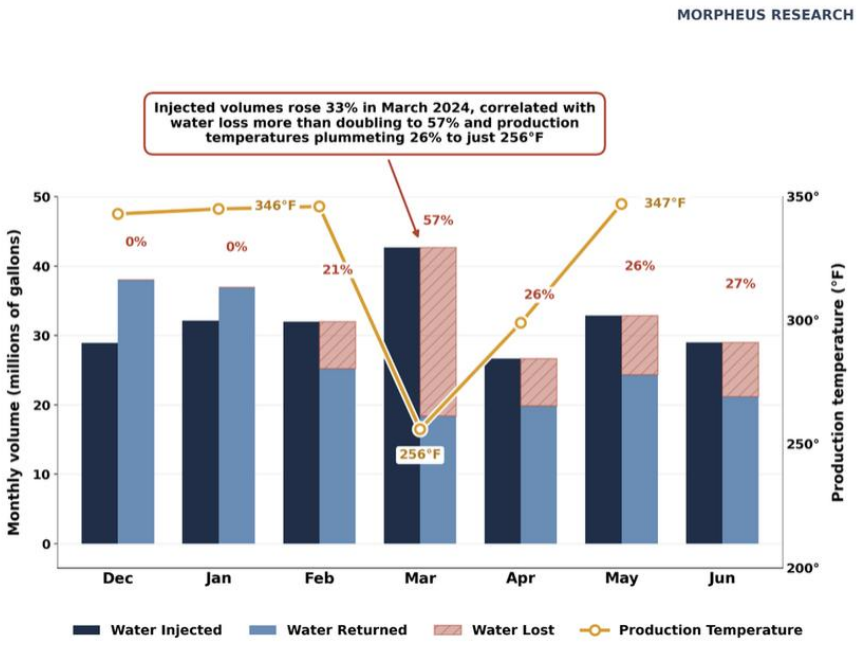
Fervo has never discussed this test or its implications with investors, but we believe it explains both the substantial temperature fluctuations that Fervo seems to have hidden from investors, and reveals another operational challenge that Fervo withheld.

Background: EGS involves flowing water through fractured formations of heated rock, where it can heat up before returning to the surface to be harnessed for power. Flow the water too fast, and it might not get hot enough to generate sufficient power. Flow it too slowly, and there might not be enough volume to generate sufficient power. A former Fervo employee explained this:

"If you want higher temperature early on, you've got to drop your flow rate so you give the fluid enough time to pass through the reservoir and heat up. And if you're trying to push fluid too hard to get to a higher flow rate, your heating rate is going to be slow."

In addition to impacting production temperatures, increased flow rates can also cause an increase in water loss rates - another death knell for EGS projects, historically. If not all of the water that is pumped down comes back up, not only do operating costs skyrocket, but operators must source sufficient "make-up" water or else risk falling short of nameplate power production capacity.

The data from NDOM, which also includes water injection and production volumes, reveals that Fervo boosted flow rates in March 2024, correlating with an immediate drop in production temperature and spiking water losses. Fervo injected ~33% more water into its pilot system than the preceding month, but rather than boosting output, reported production **temperatures plummeted by 90°F month-over-month and water loss spiked from 21% to 57%**.



(Source: Nevada Division of Minerals and Morpheus Research)

In a December 2024 interview, CEO Latimer stated during an interview with Bloomberg that the Project Red pilot plant achieved "all of the technical objectives of the project" and that the company saw "no evidence of production decline in that year." **Based on the foregoing, we believe these statements were false.**

Two days after this interview, Fervo announced a $255 million fundraise.

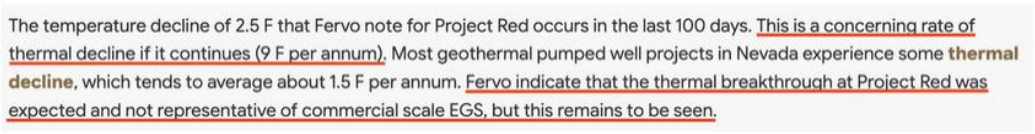
Fast Forward To 2026: Fervo Disclosed A "Slight Temperature Decrease" In The Final Months Of Testing At Project Red, But Claimed In Its SEC Filings

That Project Red "Has Not Experienced The Kind Of Premature Thermal Decline That Has Long Plagued Traditional Geothermal Projects"

Reality Check: Thermal Decline At Project Red Has Accelerated To ~24°F Per Year, According To Data From The State Of Nevada— This Rate Is Nearly 16x What Experts Told Us Was Economically-Viable For EGS

While Fervo's pilot plant was unable to achieve target flow rates without crushing production temperatures, it also exhibited signs of long-term thermal decline in the final months of testing, indicating an earlier-than-expected depletion of the underlying heat reserve.

Fervo characterized this decline as a "slight temperature decrease," but one skeptic extrapolated an implied rate of approximately ~9°F per year, which he described as "concerning" and significantly higher than the geothermal industry average, which tends to average about 1.5°F year in his view.


The temperature decline of 2.5 F that Fervo note for Project Red occurs in the last 100 days. This is a concerning rate of thermal decline if it continues (9 F per annum). Most geothermal pumped well projects in Nevada experience some **thermal decline**, which tends to average about 1.5 F per annum. Fervo indicate that the thermal breakthrough at Project Red was expected and not representative of commercial scale EGS, but this remains to be seen.

(Source: GeoXPro I Has Enhanced Geothermal Been Proven At Scale?)

A former Fervo employee suggested that 1°F to 1.25°F per year in declining production temperatures is considered normal for traditional geothermal.

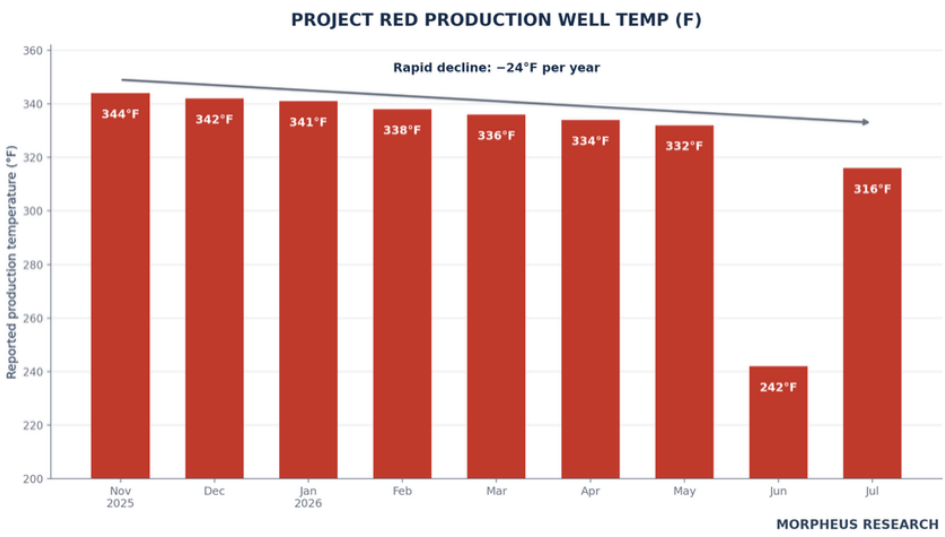
"Traditionally, in the hydrothermal world anything around 1°F to 1.25°F Fahrenheit per year is considered to be okay. And, when it comes to EGS, the idea is you want to drop that temperature decline even further because everything in EGS is based on conduction."

Fervo retroactively claimed that Project Red's rapid thermal decline was "predicted" by its models and maintained that the pilot plant confirmed its "theoretical framework" for "EGS longevity." A former employee disagreed that the decline was predicted, saying that people were "spooked" by the rapid rate of decline.

"No, the actual thermal decline expected was … close to a degree in a year, and a degree in a year is considered fast … ***So, I wouldn't agree that it was predicted.****"*

"The EGS wells are dropping down much faster … people are spooked, like why is this dropping so fast? … the trends are no different [at Cape Station]."

Through our public records request to NDOM, we discovered that thermal decline at Project Red has now accelerated to an even faster rate of 24°F per year. Further, in June, production temperatures inexplicably plummeted by 90°F in a single month.



(Source: Nevada Division of Minerals [1, 2, 3, 4] | Average Temp (F) for Well #34A-22 Permit 1506)

Despite having much of this data in hand, Fervo claimed in its IPO registration statement that its pilot plant did *not* exhibit premature thermal decline. **For the foregoing reasons, we believe this statement was false.**

Our Wellfield Production

Data observed from our projects to date has validated our approach. In 2023, we brought our pilot, Project Red, online. The project quickly demonstrated record 24/7 carbon-free power production, generating three megawatts of gross power production to the Nevada grid and proving the commercial viability of our innovative drilling technology. Additionally, at our Project Red commercial pilot, we have observed consistent, stable temperature output in line with our modeling and expectations. To date, Project Red has not experienced the kind of premature thermal decline that has long plagued traditional geothermal projects.

(Source: Fervo S-1)

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Like Past EGS Failures, The Pilot Plant Also Exhibited An Uneconomical Water Loss Rate Of ~30%, Which Is More Than 30x Higher Than The Sub-1% Loss Rate Required For Its Commercial-Scale Ambitions

Fervo Said This Loss Was "Temporary" As The Reservoir "Pressurized," But Former Employees Were Skeptical Of The "Pressurization" Argument, With One Saying: "It's A Hypothesis … Fervo Has Not Shown Or Provided Any Public Information To Prove That Point"

Fervo claims that its "modern geothermal" systems have "extremely low water use requirements." Its commercial ambitions, discussed in more detail further in this report, require that it recapture more than 99% of the water it injects into its EGS systems, reducing water losses to less than 1%.

Early flow tests at the pilot plant resulted in a far higher water loss rate of between 10% - 20%, per a Vox Media article in which CEO Latimer spun the water loss as a "positive result," claiming it would "only decline from there." He was wrong.

Some critics are also worried that enhanced geothermal is not as ready for primetime as boosters like Latimer claim. "I think Fervo has done an incredible job of raising money, getting customers, raising awareness, etc.," Austin Vernon, an engineer who writes extensively on geothermal, told me in an email. "But if you read their paper they were losing 10-20 percent of the fluid they circulated. The cost of that water would be more than the electricity is worth in most wholesale markets."

Worse, he claims, "if you are losing that much fluid in the granite you are almost certainly going to induce seismicity on longer time horizons."

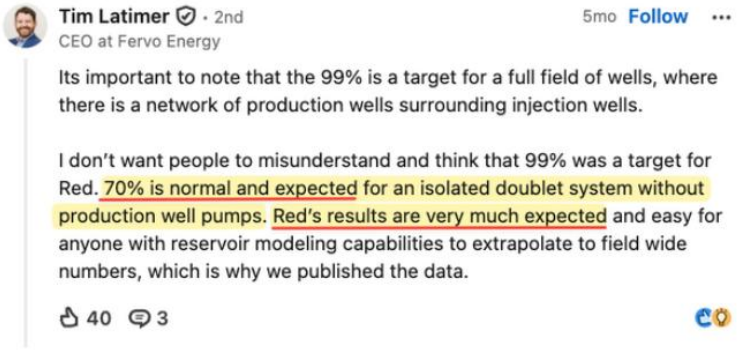
This is not a theoretical concern. In 2017, a geothermal project in South Korea caused a 5.5 magnitude earthquake, which luckily did not kill anyone but did cause dozens of injuries. A sizable enough earthquake problem could not only doom specific geothermal pilots but also lead to a perception of the whole technology as dangerous.

Fervo, naturally, disputes these critiques. The 10 to 20 percent figure, Fervo's Latimer tells me, "is actually a positive result and good news for project viability as the number will only decline from there." He disputes the notion that this "leakoff" will result in increased seismic risk, because Fervo's projects "bring injected fluid back to the surface, limiting stress state changes."

(Source: Vox)

Water loss did not decline as Latimer predicted, but rather doubled and remained elevated over 2 years of testing, according to results published by Fervo.

The company again framed the elevated water loss as "consistent with expectations" and CEO Latimer said that it was "normal and expected" despite his publicly-documented prediction that water loss would go in the other direction.



(Source: LinkedIn)

Moreover, the company framed this material water loss as "temporary," claiming that it should instead be viewed as "reservoir pressurization and saturation rather

than permanent water loss." In a July research note, Jefferies analysts parroted this argument – apparently taking management's word for it.

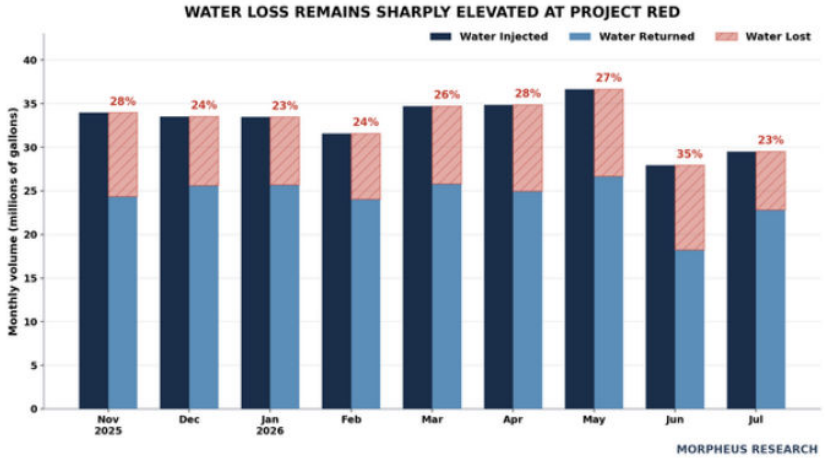
"Results from Project Red state that injected water that does not immediately return to the surface is not permanently lost, ***but is instead temporarily stored within the underground reservoir****. FRVO reported an initial recapture rate of roughly 70% under steady-state conditions, leading third-party reports to incorrectly cite 30% water loss." — Jefferies, July 20, 2026*

We asked a former Fervo employee about the pressurization theory, and they referred to it as a "hypothesis" for which Fervo has provided no data.

Former Fervo Employee: *"And that's where there is very little data out there. And, it's a hypothesis that, at this time, Fervo has not shown or provided any public information to prove that point."*

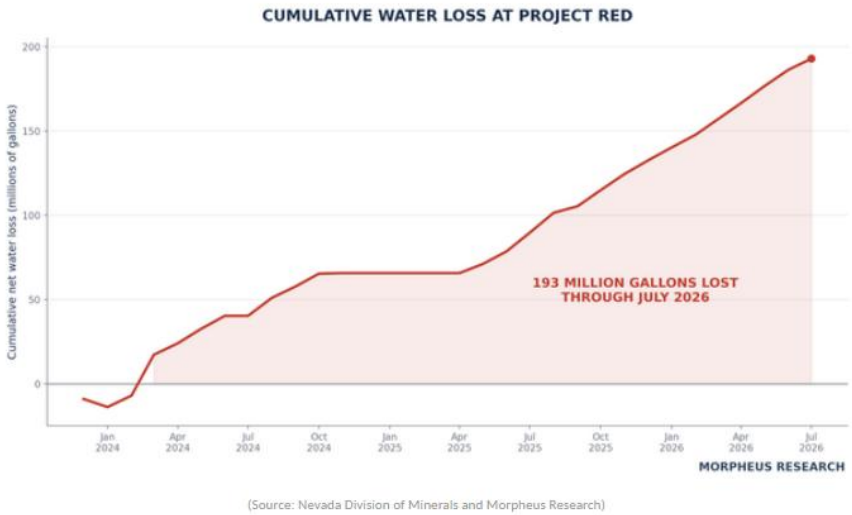
Data We Obtained From Nevada Reveals That Water Loss Is Not Improving At Project Red As Fervo Predicted, Reaching 35% In June 2026 And Revealing That Fervo's "Pressurization" Theory Has Not Yet Worked In The Real World

Fervo claimed in April that water loss is a "temporary" problem, but we obtained records directly from the Nevada Division of Minerals ("NDOM") revealing that the pilot plant's losses were consistently high from November 2025 through July 2026 and are not declining as expected. For example, in June, water loss hit a 10-month high of 35%, despite lower overall injection rates.



(Source: Nevada Division of Minerals [1, 2, 3, 4] | Injection & Production Volume For Wells With Permits 1505 and 1506)

Since December 2023, Project Red lost 193 million gallons of water to subsurface leak-off, per data obtained from NDOM.



(Source: Nevada Division of Minerals and Morpheus Research)

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Part 2: Fervo Is Withholding Key Operational Data From Its First Commercial Site, Cape Station, While Downplaying Existential Water Loss Risks

Fervo's pilot plant drastically underperformed expectations while exhibiting deeply uneconomical rates of premature thermal decline and water loss – indicating that Fervo has yet to provide any evidence that it has conquered the same key challenges that have inhibited EGS historically.

Despite this, Fervo doubled down by claiming its approach is "proven at scale" and raising ~$2.2 billion through its May IPO to build a much larger commercial-scale EGS site in Utah, known as "Cape Station." Investors believe the structural failures of the pilot plant will somehow disappear at scale.

Fervo Has Indicated That Water Loss Will Improve By Over 30x To Less Than 1% At Its Cape Station Project Due To "New Well Designs" – A Loss Rate That Has No Close Precedent Globally, And For Which Fervo Has Provided Zero Evidence

Industry Experts Were Skeptical Of This Target, With An EGS Veteran Telling Us: "As With Everything, They're Very Aggressive In Saying, 'This Is What We Can Get To' … Without Demonstration Of How They're Going To Get There"

Former Employees Warned Of Major Water Loss Risks At Cape Station, With One Saying: "When You Frack Granite, You Basically Open Up A Gap And You Are Going To Have Massive Fluid Leak-Offs. That's The Main Issue That Is Going To Be Seen [At] Cape Station"

Fervo says that its new well designs will be significantly better than the pilot plant and that it expects to lose less than 1% of circulated water at Cape Station. Despite Fervo's confident posture, there is no commercial precedent for these projections in EGS, and the company has not released operational data to support the claim.

Industry experts, including local stakeholders and former Fervo employees, were skeptical that this is achievable. For example, one former employee explained that, in their view, the rock structure at Cape Station is *less favorable* for water loss than at the pilot plant and that water losses are going to be "massive."

"The rocks have much lower water leak-off rate at Project Red because the rock structure is more like shale … so the water [loss] is not as big of a problem, even though we are seeing a 70% [water] retention rate, but the rock structure is really good at [Project] Red.

Project Cape Station is much different because it's pure granite … ***when you frack granite, you basically opened up and you are going to have massive fluid leak-offs.*** *That's the main issue that is going to be seen [at] Cape Station."*

We asked the former employee specifically about Fervo's claim to reduce water losses to 1% or less.

"They are banking on the idea that they can grab the unwanted fractures with a different well, [but] there is no data behind it, and that's what worries me."

"… without any data, I just have a very hard time believing that …"

Another person who worked for Fervo was skeptical of the 1% loss rate and Fervo's modeling capabilities, saying that there is not a "brick wall" around the reservoir that will allow it to pressurize.

"A sub-1% [water loss] permit requirement at Cape Station. I don't know how they're going to be able to achieve that, especially long-term. I know ResFrac had done some modeling for them as well … and said that, as the water goes in and, eventually kind of pressurizes the reservoir, the formation, there is going to suddenly become a bit of a boundary condition, to basically kind of put an edge around the jug, so to speak. ***I don't necessarily buy that either*** *…*

I look at it as almost pouring the ocean on the ground, right? It's just going to continue to run … *as they put more flow into the ground and lose more water to formation, there isn't a brick, a truly brick wall at some point at the edge of the reservoir that they're going to run into."*

We interviewed an EGS expert from the University of Utah's Project Forge, a DOE-funded EGS exploration project that collaborates with Fervo, who characterized Fervo's water loss targets as "aggressive" and highlighted a lack of demonstrable performance and the potential shortcomings of simulated results.

"As with almost everything, they're very aggressive in saying, 'this is what we can get to,' and 'this is what we expect,' without demonstration of how they're going to get there, necessarily … simulation is simulation. You can make anything possible in simulation. Your geology does not always agree with your approach."

ResFrac, the company that modeled the sub-1% loss rate for Fervo, is run by Mark McClure, who introduced Fervo co-founders Norbeck and Latimer during their tenure at Stanford. He joined Fervo's co-founders at the Nasdaq opening bell during the IPO and currently serves on the advisory board.

CEO Latimer Has Referred To Skeptics As "Keyboard Warriors" Who Do Not Have Access To The Right Data To Gauge Project Viability, But Fervo Is Inexplicably Withholding Key Data From Cape Station Tests, Including Water Loss

A Former Fervo Employee Told Us Neither Issue Is Solved At Cape Station, "I Can Tell You The Water Loss Rate Was Not What … They Were Hoping. It Was Much Worse Than What They Wanted To See"

* * *

Even Mark McClure, CEO of Fervo contractor ResFrac and member of Fervo's technical advisory board, highlighted a lack of data around water loss, suggesting the possibility of "significant net fluid loss."

We asked former Fervo employees why the company failed to share the full data set from its Cape Station flow test.

"The major reason was the reservoir was not steady. The production could not be held consistent. And so, **they were worried that if they show the data, that will put a lot of questions in the market in terms of viability**… the results weren't as good."

"The idea was that in the software, ResFrac, that's the software that Fervo uses, the software created very strong conductivity … when the real time results were shown, those were much, much weaker and that basically led Fervo to believe that the fracture is way more complex in the granite than they were initially expecting. **That also meant that a lot of fluid that they thought was going to come back to the surface wasn't coming back.**"

The former employee said:

"I can tell you the water loss rate was not what … they were hoping. It was much worse than what they wanted to see."

A second former employee corroborated the water loss issues, telling us that Fervo's "pressurization" theory is not working in the real world, so far.

"Right now, they're relying on the concept of, like a balloon, they inject at a very high pressure to pump up the balloon and then as they poke the producers [wells] into it, that pressure is what lifts the fluid to the surface. And so far, they're struggling with that because that's the mechanism that's creating a lot of water loss… the producers, that they're poking into the balloon, aren't returning a lot of water. **The water's staying down in the balloon.**"

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Fervo Touts Drilling Cost Reductions As A Key Driver Of Lower CapEx And Included A "Drilling Cost Per Foot" Chart In Its 2026 S-1 SEC Filing Showing Declining Costs Over Time

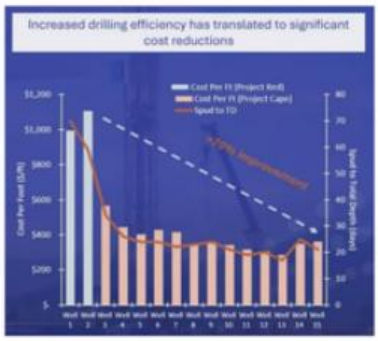
Reality Check: This Chart Hides Rising Drilling Costs, According To The Same Chart From 2024

On Its Q1 Earnings Call Fervo Declined To Provide Details On Drilling Costs, And May Be "Very Close To The Plateau" On Drilling Cost Reduction, According To An EGS Expert From Project Forge

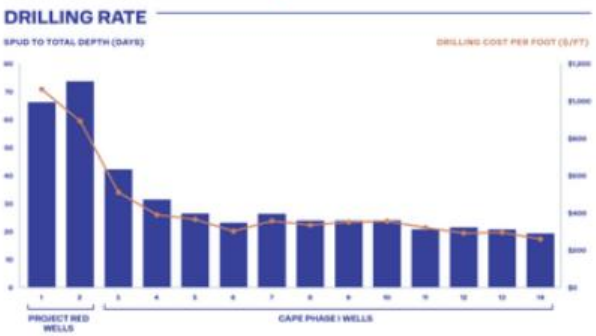
As part of the CapEx reduction, Fervo has touted rapid reductions in drilling costs as the primary driver of CapEx reductions, citing a 70% reduction from 2022 to 2025. Most of these gains, however, appear to have been captured 2 years ago.

For example, in October 2024, Fervo touted the same 70% reduction in drilling costs when it presented a chart of cost-per-foot expenditures declining over the course of 15 wells from Project Red and Cape Station Phase I. An almost identical chart was included in its S-1, filed in April 2026.

October 2024



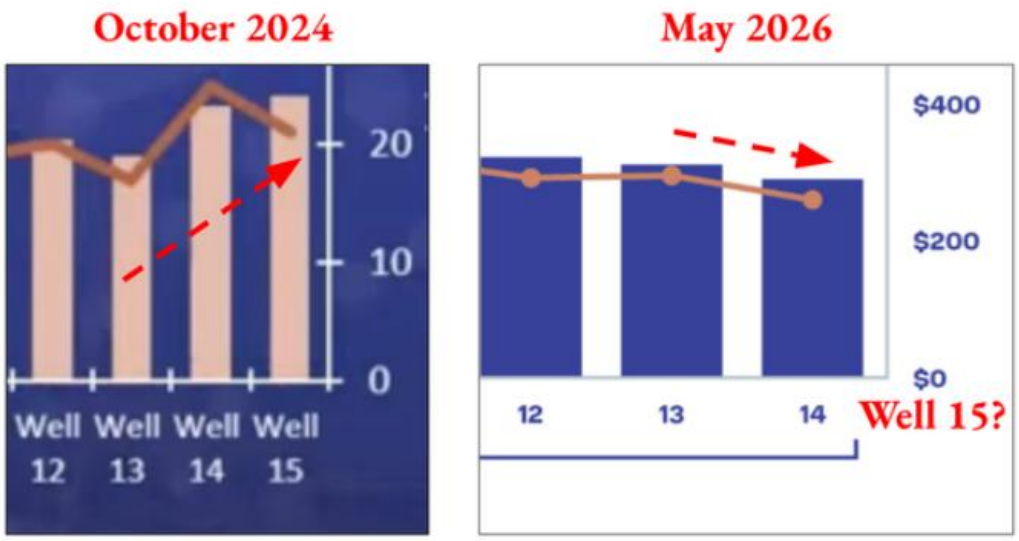
May 2026



(Source: University of Houston Conference and Fervo's S-1)

The S-1 data is inconsistent with the previously published 2024 data.

The original 2024 chart showed that Fervo's drilling costs began to *increase* from Well 13 to Wells 14 and 15. The new 2026 chart had a different trend, showing a decrease in cost per foot from Well 13 to Well 14 and omitted Well 15 entirely.



(Source: University of Houston Conference and Fervo's S-1 | Zoom into Fervo discrepant disclosures of drilling cost per foot)

We question whether Fervo has truly made any advancements in drilling cost reduction since the initial advancements at its first few wells.

* * *

An EGS expert from Project FORGE told us that Fervo may be hitting a plateau on drilling advancements.

"There's a point in drilling where drilling faster isn't the right answer, because then you get low quality of construction … **I don't think that that is as big of a lever anymore at drilling**. **I don't think getting drilling costs down with existing technology … you're very close to the plateau** … there's a point where you damage the quality of your drill with trying to go too fast, and I think they're probably getting very close to that mark."

While Fervo Has Been Vocal About Drilling Costs Until Recently, It Has Said Little About "Completions," Which Former Employees Described As Fervo's Single Biggest Cost And A "Hidden Problem"

"I Think That Something That Continues To Kind Of Make Me Flinch, Every Time I Hear Tim Talk, Is He Keeps Touting Drilling Costs … Completions Is The Bigger Cost … That's Fracking … That's The 300-Pound Gorilla In The Room, Is Fracking" – Former Fervo Employee

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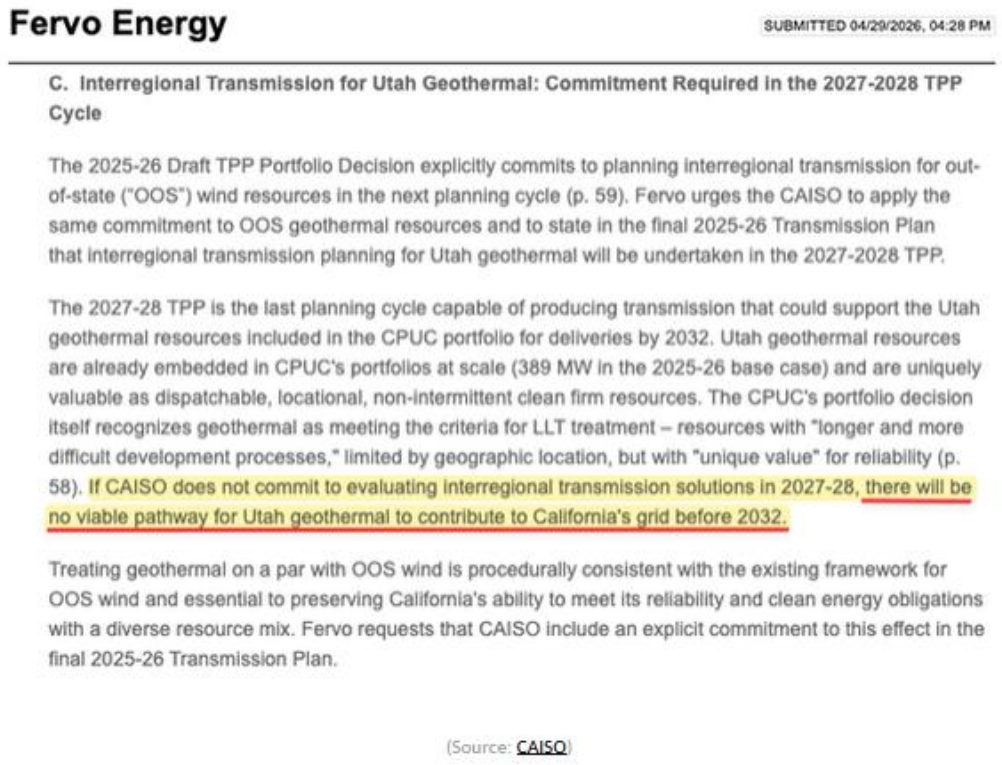
Fervo Claimed In Its Prospectus That It Had ~290MW Of Interconnection And Transmission Rights For Its Cape Station Phase II, Which Was Supposed To Supply Power To Clients In California By 2028

Reality Check: Fervo's California Transmission Pathway Is Being Retired In June 2027, And In April Fervo Told California's Grid Operator That There Would Be "No Viable Pathway For Utah Geothermal To Contribute To California's Grid Before 2032" Unless The Operator Delivered New Solutions

Fervo Has Now Pushed Its Guidance For Power Delivery To Its California Clients To a Vague "2030+" Date

Even if Fervo somehow conquers the many structural challenges detailed in this report, we believe it is facing yet another existential risk related to transmission capacity and its ability to get power from Utah to its California client base.

In April 2026, Fervo commented on the California grid operator's transmission planning process, stating that it had "no viable pathway" to deliver power to California before 2032 unless the operator developed a solution for it.



Fervo Energy

SUBMITTED 04/29/2026, 04:28 PM

C. Interregional Transmission for Utah Geothermal: Commitment Required in the 2027-2028 TPP Cycle

The 2025-26 Draft TPP Portfolio Decision explicitly commits to planning interregional transmission for out-of-state ("OOS") wind resources in the next planning cycle (p. 59). Fervo urges the CAISO to apply the same commitment to OOS geothermal resources and to state in the final 2025-26 Transmission Plan that interregional transmission planning for Utah geothermal will be undertaken in the 2027-2028 TPP.

The 2027-28 TPP is the last planning cycle capable of producing transmission that could support the Utah geothermal resources included in the CPUC portfolio for deliveries by 2032. Utah geothermal resources are already embedded in CPUC's portfolios at scale (389 MW in the 2025-26 base case) and are uniquely valuable as dispatchable, locational, non-intermittent clean firm resources. The CPUC's portfolio decision itself recognizes geothermal as meeting the criteria for LLT treatment – resources with "longer and more difficult development processes," limited by geographic location, but with "unique value" for reliability (p. 58). If CAISO does not commit to evaluating interregional transmission solutions in 2027-28, there will be no viable pathway for Utah geothermal to contribute to California's grid before 2032.

Treating geothermal on a par with OOS wind is procedurally consistent with the existing framework for OOS wind and essential to preserving California's ability to meet its reliability and clean energy obligations with a diverse resource mix. Fervo requests that CAISO include an explicit commitment to this effect in the final 2025-26 Transmission Plan.

(Source: CAISO)

In a contradictory statement, Fervo told investors in its May 2026 prospectus that it had ~290MW of transmission capacity, specifically noting that this would allow it to serve two key California clients – Southern California Edison and Clean Power Alliance. The same filing stated that Phase 2 of Cape Station would have a Commercial Operation Date ("COD") of 2028.

On its Q1 earnings call in June 2026, it doubled down on this claim.

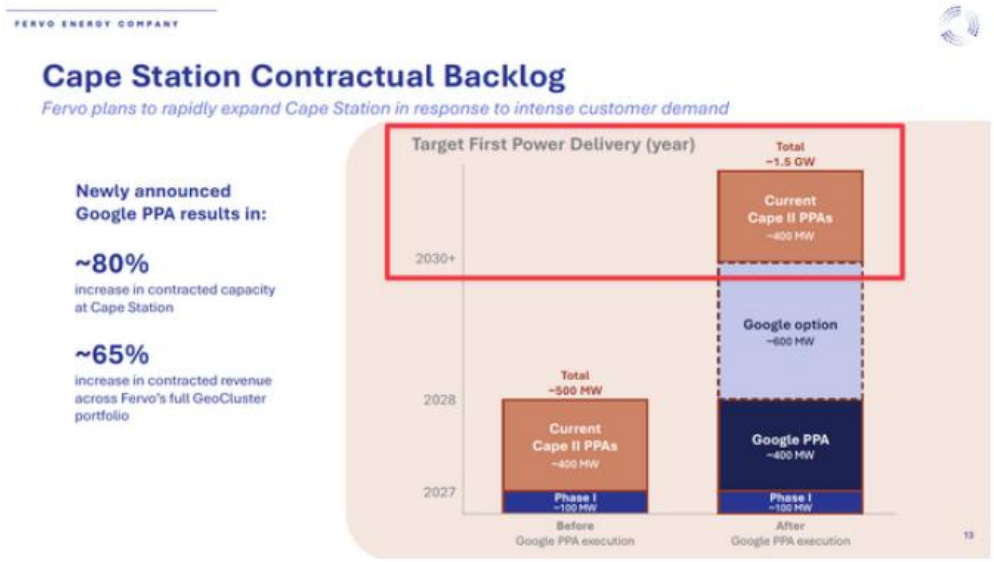
Fervo CFO: "All of Cape Phase 1, which is 100 megawatts, we have the transmission fully contracted. And on Phase 2, which is 400 megawatts, **we have 300 megawatts of that fully contracted** and are working to close the gap there."

Despite this admission, Fervo's CFO downplayed transmission issues during the Q2 earnings call, stating that it is an issue that is "unique to 2027."

The following month, however, Fervo published a blog post admitting that the "delivery picture has changed" and that the delivery pathway to California "is being retired in 2027, and available capacity on the remaining paths into California is limited."

On that same day of this admission, Fervo announced a new PPA with Google for ~400MW— the PPA would power a Utah data center whose location had not been determined, according to The Wall Street Journal.

A company presentation published the same day implies that the new Google PPA would take the power originally planned for some California clients, which will now supposedly receive power after a vague "2030+" date.



(Source: Fervo September 1, 2026 presentation | Pg. 13)

While the Google announcement was met with fervor, we believe it was an indirect admission that Fervo has no plan to get power to its California clients, which is why it has reassigned this capacity to Google for a data center that has not been defined yet, per The Wall Street Journal reporting, and for which transmission capacity may also need to be built.

58. By the commencement of this action, the Company's stock price had closed as low as $7.79 per share, a more than 71% decline from the $27 per share IPO price.

FIRST CLAIM

Violation of Section 11 of the Securities Act

(Against All Defendants)

59. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

60. This Count is brought pursuant to Section 11 of the Securities Act, 15 U.S.C. § 77k, on behalf of the Class, against the Defendants.

61. The Registration Statement for the IPO was inaccurate and misleading, contained untrue statements of material facts, omitted to state other facts necessary to make the statements made not misleading, and omitted to state material facts required to be stated therein.

62. Fervo is the registrant for the IPO. The Defendants named herein were responsible for the contents and dissemination of the Registration Statement.

63. As issuer of the shares, Fervo is strictly liable to Plaintiff and the Class for the misstatements and omissions.

64. None of the Defendants named herein made a reasonable investigation or possessed reasonable grounds for the belief that the statements contained in the Registration Statement was true and without omissions of any material facts and were not misleading.

65. By reasons of the conduct herein alleged, each Defendant violated, and/or controlled a person who violated Section 11 of the Securities Act.

66. Plaintiff acquired Fervo shares pursuant and/or traceable to the Registration Statement for the IPO.

67. Plaintiff and the Class have sustained damages. The value of Fervo shares has declined substantially subsequent to and due to the Defendants' violations.

SECOND CLAIM

Violation of Section 15 of the Securities Act

(Against the Individual Defendants)

68. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein, except any allegation of fraud, recklessness or intentional misconduct.

69. This count is asserted against the Individual Defendants and is based upon Section 15 of the Securities Act.

70. The Individual Defendants, by virtue of their offices, directorship, and specific acts were, at the time of the wrongs alleged herein and as set forth herein, controlling persons of Fervo within the meaning of Section 15 of the Securities Act. The Individual Defendants had the power and influence and exercised the same to cause Fervo to engage in the acts described herein.

71. The Individual Defendants' positions made them privy to and provided them with actual knowledge of the material facts concealed from Plaintiff and the Class.

72. By virtue of the conduct alleged herein, the Individual Defendants are liable for the aforesaid conduct and are liable to Plaintiff and the Class for damages suffered.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

(b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

JURY TRIAL DEMANDED

Plaintiff hereby demands a trial by jury.

Dated: