Magma starts construction works at Maule geothermal project

Wednesday, 18 Nov, 2009

BNamericas reported that Vancouver's Magma Energy is currently constructing a road to carry drilling equipment to its Maule geothermal block, 300 kilometers south of Santiago.

Magma in July 2009 announced that it had discovered a geothermal resource on the block that could be used to develop a 140MW plant. The company is still waiting on an exploitation license, which it expects by the end of the year.

Ms Catherine Hickson chief geologist said that "The government is in the process of restructuring its geothermal concession system. They're moving the process from the ministry of mines to the new ministry of energy. The president has asked the ministry to clear up the backlog on geothermal permits by the end of the year. So we expected permitting to happen soon."

Mr Ross Beaty CEO of Magma Energy said that "We think Maule will get much bigger with further exploration. The project is still in early stages and is very promising. We still need the concessions. This resource in Chile will be a world class resource. But it is one thing to say it is a resource, another thing to get it to power production. It will take years and a tremendous amount of money. We are on track, and we hope we can get the road done and the drills up there by the end of the summer."

Magma posted a net loss of USD 2.66 million for its fiscal first quarter ended September 30th 2009. CAPEX during the quarter reached USD 9.3 million. Magma currently has one geothermal power plant operating in the US state of Nevada and has exploration properties in the US, Chile, Argentina and Peru.

(Sourced from www.bnamericas.com)

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