



20 February 2012

## **Exploration Commences at Calerías, Chile**

### **Joint venture 'hits the ground running' almost immediately following signing a deal with world's largest geothermal company, EDC**

In less than three weeks since signing a joint venture deal with the world's largest geothermal company Energy Development Corporation (EDC) that could provide funding of up to US\$200 million across four projects, Hot Rock Ltd (ASX: HRL) is pleased to announce that the joint venture has commenced field activities at the Calerías project in Chile.

Calerías, located 100km south east of Santiago, contains an inferred resource of 185MW<sup>1</sup> and is one of the most advanced of the four projects that EDC has joint ventured into. Calerías is among the leading clean energy projects in the nation with the potential to become one of the first geothermal electricity operations in South America.

A team of EDC geothermal experts has arrived on site to commence detailed geological and geochemical surveys as the precursor to identifying drilling targets. Soon thereafter, an MT survey will commence to further delineate and extend the resource, which is open to the northeast.

HRL Executive Chairman Dr Mark Elliott commented, "We are excited to have aboard a company of the calibre of EDC that is unsurpassed in terms of 35 years of in-house expertise and experience in developing and operating volcanic geothermal projects. EDC brings their expertise to the joint venture projects drawn from a workforce of over 2,500 staff.

"The joint venture has hit the ground running at Calerías, with EDC already allocating personnel for geology and geochemical surveys to be followed up in the next few weeks by the commencement of a detailed magneto-telluric (MT) geophysical survey. The fact that EDC has mobilized so quickly following the closing of the joint venture deal in early February is both testament to the quality of the project and the capabilities of EDC.

"Following field and MT surveys, drill targets will be identified with a maiden drilling program anticipated for the end of the year."

Hot Rock is among the first geothermal companies to have established a large presence in Chile. Over the past four years, the company has progressively built a portfolio that today represents the largest geothermal project foot print in South America.

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**Note 1.** The inferred resource of 185 megawatts is assessed from a recovery factor of 15% and a power plant thermal efficiency of 14% operating with a capacity factor of 90%, the Calerías geothermal resource of 7,400 PJ would be sufficient for 185MWe of continuous geothermal power generation over a period of 30 years.

### **Compliance Statement**

*The information in this Statement that relates to Geothermal Resources has been compiled by Peter Barnett, an employee of Hot Rock Limited. Mr. Barnett qualifies as a Competent Person as defined by the Australian Code of Reporting of Exploration Results, Geothermal Resources and Geothermal Reserves (2<sup>nd</sup> Edition, 2010). He has over 30 years' experience in the determination of crustal temperatures and stored heat for the style relevant to the style of geothermal play outlined in this release. He is a member of the Geothermal Resources Council and the International Geothermal Association, a current board member of the New Zealand Geothermal Association, a past board member of the Auckland University Geothermal Institute Board of Studies and a current member of the Economics Sub Committee of the Australian Geothermal Association.*

*Mr. Barnett consents to the public release of this report in the form and context in which it appears. Neither Mr. Barnett nor Hot Rock Limited takes any responsibility for selective quotation of this Statement or if quotations are made out of context.*

### **About Energy Development Corporation**

EDC (PSE: EDC) is the world's largest integrated geothermal company with a total of 1,130MWe of installed capacity with over 35 years of operational geothermal experience supplying the Philippines with geothermal power across five steam fields. EDC is a public company with a market capitalisation of around US\$2.4 billion. The World Bank-International Finance Corporation (WB-IFC), Government of Singapore Investment Corporation (GIC) and First Gen are key investors and continue to support the company. EDC has met all the WB-IFC and GIC operational, environmental and social impact performance standards.

EDC owns 8 drill rigs and has drilled more than 900 geothermal wells over the past 35 years. It has one of the most experienced geothermal operations team in the world and has embarked upon an aggressive global growth strategy to build its geothermal business.

EDC recognised the importance of high quality under-explored geothermal prospects in South America by setting up a Chile office in 2011.

### **About the Project**

#### **Calerias Project - Chile**

Calerias, located 100km south east of Santiago, comprises three tenements (Galo, San Carlos and Calerias). The project lies immediately to the east of the largest underground copper mine in the world, El Teniente, and is close to the large commercial electricity market in Santiago.

A magneto-telluric (MT) geophysical survey, carried out by HRL in early 2011, defined part of a large geothermal system and provides the basis for a geothermal resource estimate. The resource is estimated to be sufficient to allow for at least 185MWe of electrical power generation for 30 years. The boundary of the resource remains open to the north and it is expected that further MT work in this area will increase resource size.

### **About Hot Rock Limited**

Hot Rock Limited (ASX: HRL) is a pure geothermal energy company focussed on the development of sustainable, emission-free, base load power generation. Strategically, HRL has elected to focus on the commercially Volcanic Geothermal and proven Hot Sedimentary Aquifer (HSA) type projects in its quest to become a leading supplier of geothermal power.

In Australia, the company is focused on developing HSA projects in its large Otway Basin tenements in south-west Victoria. The Koroit project is ready to drill and test and is awaiting the outcome of ongoing discussions with the Federal government and potential partners to fund this project.

HRL has expanded internationally into South America where high quality geothermal resources and attractive regulatory environments and market conditions are present. The Company established offices in Santiago and Lima in 2008-9. Exploration tenement applications covering exciting volcanic prospects have since been granted in both countries and exploration is now well advanced at a number of these tenements. Energy Development Corporation (EDC), the largest integrated geothermal company in the world has entered into a major joint venture with HRL to fund two projects in Chile and two projects in Peru.