

SGP Reports First Quarter Financials and Annual Shareholders' Meeting Results

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Author: [Sierra Geothermal Power Corp.](#)

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Sierra Geothermal Power Corp. ([TSX VENTURE:SRA](#)) ("SGP") today released financial results for its first quarter ended March 31, 2009 and announced the results of its annual general meeting held May 14, 2009.

First Quarter 2009 Financial Overview

For the first quarter of 2009, SGP reported a net loss of \$428,231 or (\$0.01) per share compared to a net loss of \$716,903 or (\$0.01) per share, for the first quarter of 2008. As of March 31, 2009, SGP had working capital of \$3,509,302 compared to working capital of \$4,039,809 as of December 31, 2008.

Cash used in the first quarter of 2009 decreased by 47 percent to \$568,562 from \$1,078,340 in the fourth quarter of 2008, mainly as a result of reduced exploration related expenses. During the period, SGP has followed a strategy of advancing its leading projects by minimizing exploration activities and focussing on its permitting work.

The full text of SGP's financial statements and Management Discussion and Analysis is available on the SEDAR website at www.sedar.com.

Annual Shareholders Meeting Overview

SGP is pleased to announce that its shareholders passed all of the resolutions on the agenda at its Annual and Special Meeting of Shareholders held May 14, 2009:

- All directors nominated for the ensuing year were elected;
- KPMG was appointed as the Company's auditor for the ensuing year;
- amendments to the 2006, 2007 and 2008 Stock Option Plans were approved;
- SGP's 2009 Stock Option Plan was adopted;
- the proposed amendment to SGP's Securities Exchange Agreement with Cayley Geothermal Corp. was approved.

Cayley Acquisition

On May 14, 2009, a majority of SGP's disinterested shareholders approved the acceleration of the final stage of SGP's acquisition of Cayley Geothermal Corp. As a result, SGP moved the closing date for the acquisition of the last 16.57 percent of Cayley Geothermal Corp.'s issued and outstanding shares from November 21, 2009 (the date provided for in the original agreement) to May 15, 2009. As contemplated in the original Securities Exchange Agreement, SGP acquired these shares in exchange for an aggregate of 3,220,548 additional SGP shares that were issued to Gary Thompson and Joel Ronne. SGP now owns 100 percent of Cayley Geothermal Corp.

Stock Options

On May 15, 2009, at a director's meeting held immediately after the Annual Shareholders Meeting, SGP granted 757,670 incentive stock options to its independent directors. These stock options are exercisable at \$0.16 per common share at any time up until the expiration of their 10 year term on May 15, 2019. The stock options were granted under SGP's 2009 Stock Option Plan and are subject to Exchange approval.

Gary Thompson, CEO & President of SGP, said, "We are pleased that we achieved a 47 percent reduction in our burn rate quarter over quarter. The completion of the Cayley acquisition should provide our shareholders and potential investors clarity with regard to our company's ownership structure. We have experienced increased interest from potential investors in our projects and we remain focused on raising the capital we require to develop these sites."

About Sierra Geothermal Power Corp.

Sierra Geothermal Power Corp. is a renewable energy company focused on the exploration and development of clean, sustainable geothermal power. The Company is based in Vancouver, British Columbia and listed on the TSX Venture Exchange under the symbol SRA. Its portfolio of geothermal projects located in Nevada and California exceeds 365 square kilometres (90,000 acres) and has a combined total estimated capacity of greater than 500 MW. SGP intends to finance development by utilizing a combination of corporate equity, joint venture partnerships and project debt, with the support of US government grants and loan guarantees. To find out more about Sierra Geothermal Power Corp. ([TSX VENTURE:SRA](http://TSX_VENTURE:SRA)) visit our website at www.sierrageopower.com.

On behalf of the Board of Directors

Gary Thompson, P.Geo, President, Chief Executive Officer and Director

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This press release contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases you can identify forward-looking statements by the use of terminology such as "may", "should", "anticipates", "believes", "expects", "intends", "forecasts", "plans", "future", "strategy", or words of similar meaning. Forward-looking statements in this press release include statements about the Company's intent to finance the development of its projects through a combination of corporate equity, joint venture partnerships and project debt with the support of U.S. government grants and loan guarantees. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks inherent in our industry, the poor capital markets and other risks identified by us in our periodic filings on SEDAR (which can be viewed at www.sedar.com). Any of these risks could cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of its business, actual results will almost always

vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested in this press release. Except as required by applicable law, including the securities laws of Canada, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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