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INVEST IN PANAX GEOTHERMAL



SOKORIA GEOTHERMAL PROJECT



PANAX GEOTHERMAL

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INDONESIA



- Indonesia is a world geothermal “hotspot” with about 27,000 megawatts potential.
- The Indonesian Government plans to expand capacity by 240% over four years.
- Guaranteed feed-in tariff of US\$97 per megawatt hour.
- Panax has established relationships with local partners (PT Bakrie Power) and there is strong local government and community support for geothermal projects.

Commercially attractive power tariffs, abundant geothermal resources, incentives for geothermal generators and investment certainty.



INDONESIA – Panax Portfolio of Projects



Project	Location	Status	Panax Interest	Gross megawatts	Approximate net megawatts to Panax
Sokoria	Flores	Near term development	45%	30	15
Dairi Prima	Northern Sumatra	Near term development	51%	30	15
Ngebel	Java	Near term development	35%	165	60
Jambi	Central Sumatra	Advanced Exploration	95%	80	75
TOTAL				305	165

- Four advanced stage projects;
- Panax share of more than 165 megawatts;
- Significant upside potential;
- Portfolio based approach.

Why are we targeting geothermal developments in Indonesia?



Comparison of Likely Australian Geothermal Projects to Typical Conventional Geothermal Projects in Indonesia

Well Parameter	Likely Australian Geothermal Project	Typical Indonesian Geothermal Project
Typical well depth	4,000 - 4,500 metres or more	Approximately 2,000 metres
Typical temperature	170°C - 200°C	240°C or more
Typical cost (US\$)	\$12 million to \$14 million	Approximately \$5 million
Typical output per well	Up to 5 megawatts per well	6 to 7 megawatts per well with some wells currently producing more than 30 megawatts

- **Targeting conventional geothermal reservoirs – “tried and tested technology”;**
- **Much shallower resource – significantly reduced risk, shorter drilling times and significantly cheaper development costs;**
- **Significantly higher temperatures, and MW output per well;**
- **Attractive feed in tariff regime – providing pricing certainty.**

Why are we targeting geothermal developments in Indonesia?



Cost Parameters – Indonesian Geothermal	
Output Per Production Well	Likely Total Cost of Production per Megawatt (US\$)
4.0	64
5.0	57
6.0	52
7.0	48

- Includes all capital, operating and financing costs;
- Provides financially attractive commercial development opportunities.

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- Extensive exploration database, including three exploration wells.
- Potential of 90 to 145 megawatts.
- Power price of US\$125 per megawatt hour for the first 30 megawatts plus carbon credits.
- Work commenced on well site selection.

Project could provide region with access to power 24 hours a day.

Location	Flores Island, Republic of Indonesia
Panax Equity	45%, Panax as operator for completion of all works up to feasibility study stage
Resource Type	Conventional volcanic geothermal play
Drilling Depth	Approximately 2,000 metres
Temp Range	200°C to 230°C
Project Stage	Advanced exploration/development – substantial prior exploration and study works completed over the last 20 years
Key Features	• Strong government and community support • Excellent infrastructure



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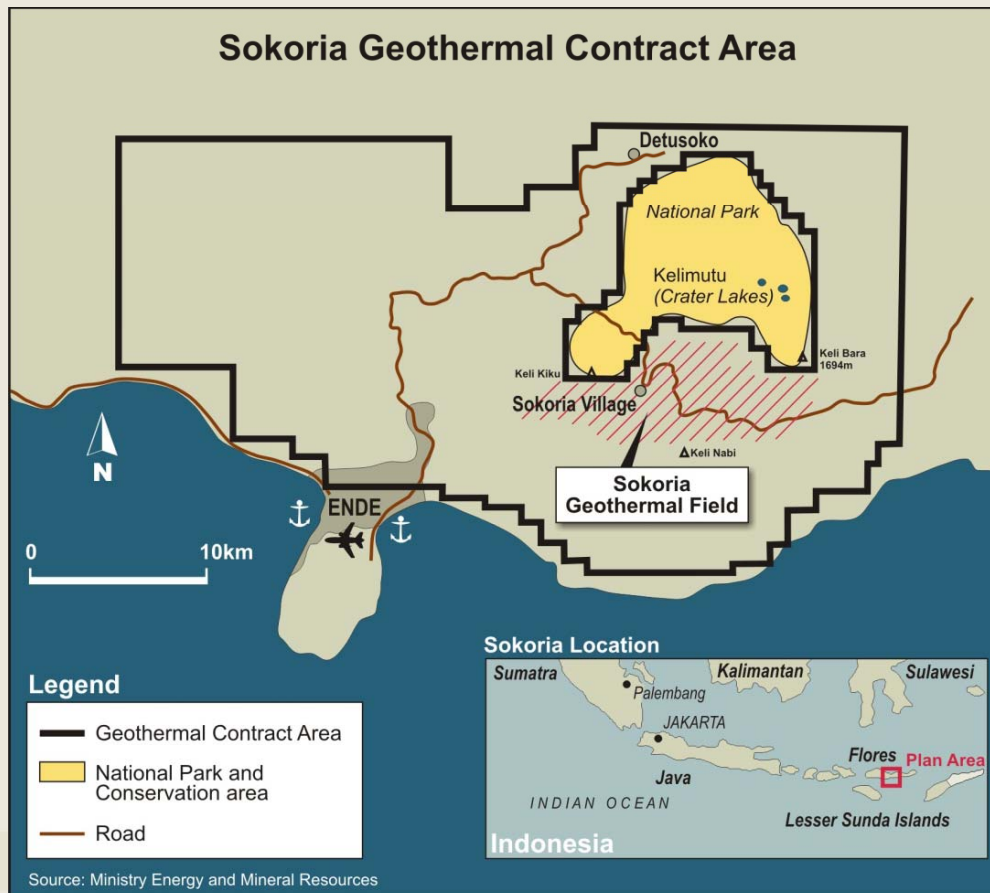


- A 2008 report by the Japanese International Co-Operation Agency (JICA) has estimated the total potential of the area to be 90 megawatts;
- Appraisal well-sites already selected – drilling to commence during 2011 calendar year.



Sokoria Geothermal Field Development Area

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- Significant prior works already completed – project already substantially de-risked;
- Will provide the region with access to power 24 hours per day;
- In-house feasibility modelling based on initial 10 megawatt development, scaled up to 30 megawatt approximately 12 months later.

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- Several on-site community liaison and consultation meetings already held;
- Very strong support by Government and local Community;
- Area already short of reliable power – development will provide vital resources to the area.



CORPORATE DIRECTORY



DIRECTORS

Mr Greg Martyr
Mr Kerry Parker
Mr Stephen Evans
Mr Ian Reid

Non Executive Chairman
Managing Director and Chief Executive Officer
Non Executive Director
Non Executive Director

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Ms Kerry Angel
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Mr John Bruce
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The estimations quoted in this presentation relating to the geothermal potential of Panax's international projects do not constitute Resource or Reserve estimates under the Australian Code for Reporting of Exploration Results, Geothermal Resources and Geothermal Reserves (2008 edition).

The information in this document that relates to the estimation of Geothermal Resources in Australia has been compiled by Dr Graeme Beardsmore, an employee of Hot Dry Rocks Pty Ltd. Dr Beardsmore has over 15 years experience in the measurement and estimation of crustal temperatures and stored heat for the style of geothermal play under consideration. He is a member of the Australian Society of Exploration Geophysicists and abides by the Code of Ethics of that organisation.

Dr Beardsmore qualifies as a Competent Person as defined in the First Edition (2008) of the Australian Code for Reporting of Exploration Results, Geothermal Resources and Geothermal Reserves. Dr Beardsmore has consented in writing to the public release of this announcement in the form and content in which it appears.

Panax advises that although the Second Edition of the Australian Geothermal Reporting Code was officially launched in November 2010, the Australian Geothermal Energy Group has not yet formed the administrative framework for implementing the Code.

