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INVEST IN PANAX GEOTHERMAL



NGEBEL 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 prior exploration work;
- Commercially attractive power tariff – guaranteed for 30 years;
- Large project 165 megawatts;
- Joint Venture with Bakrie Power, Panax earning 35%;
- Significant volume of data also being acquired.

Location	East Java, Indonesia
Panax Equity	Earning 35%, Panax as operator
Resource Type	Conventional volcanic geothermal play
Drilling Depth	Less than 2,000 metres
Temp Range	More than 200°C
Project Stage	Advanced exploration/development, substantial prior exploration works completed
Key Features	• Good power tariff – commercially attractive; • Grid connected, close to infrastructure.



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- Under the terms of the Joint Venture, Panax is earning a 35 per cent working interest in the project through funding of required exploration works before commercial development commences, whereupon Panax and Bakrie will contribute pro rata to development costs;
- Panax is committed to building a strong geothermal business in Indonesia and this represents our fourth project in Indonesia. Panax's combined share of potential generating capacity from our current four projects in Indonesia exceeds 160 megawatts, with significant upside potential beyond that;

The Ngebel project has enormous potential. It is a near-term development project in a strategic location that is underpinned by a guaranteed, commercially attractive power tariff.



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- A considerable amount of exploration has already been undertaken in the project area, including a number of temperature gradient wells, along with detailed geological mapping, geochemistry works for water and gas, thermal manifestation chemistry, heat flow modeling, heat flow mapping and geothermometry work;
- Panax will be project operator during the exploration and feasibility stages and will also fund the acquisition of extensive existing data and reports on the project. This will include surface development planning, geological studies, geophysical studies, magnetotelluric data and a detailed, as well as an externally prepared feasibility study.



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- The project has very strong government and community support, with a strong desire to see the project development activities to be underway and for geothermal production to commence;
- Two slim hole wells have already been drilled to a depth of about 500 metres, with a bottom hole temperature of circa 200°C;
- Reservoir temperature is predicted at 200°C, at 1,000 metres depth.



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

MANAGEMENT

Mr Kerry Parker
Ms Kerry Angel
Mr David Jenson
Mr John Bruce
Mr Chris Matthews
Mr Sjaiful Bahri

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Chief Financial Officer and Company Secretary
General Manager Geothermal Engineering
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STOCK EXCHANGE LISTING

Australian Stock Exchange
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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.

