

CLIMATE CHANGE WON'T WAIT
INVEST IN OUR EARTH
INVEST IN PANAX GEOTHERMAL



Australian Geothermal Energy Conference
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Kerry Parker – Managing Director & CEO
email: kparker@panaxgeothermal.com.au
phone: +61 417 731 014
www.panaxgeothermal.com.au

ABOUT PANAX GEOTHERMAL



ABOUT PANAX



- We are an Australian-based geothermal exploration and development company.
- Panax identifies, explores, and develops geothermal resources and converts them into reserves for power generation.
- We are pursuing projects in Indonesia, Australia and the broader Asia Pacific region, that use proven, conventional geothermal technology – reducing the overall risk for all stakeholders.

Panax is meeting the world's growing demand for cleaner energy.

Using naturally occurring geothermal energy we can generate economical, reliable zero-emission baseload power.



STRATEGY



- Targeting conventional geothermal resources that have been commercially proven around the world.
- Minimising project exploration risk and targeting commercially attractive power tariffs.
- Securing and developing additional projects in the Asia Pacific region.

Our strategy is moving Panax closer to its long-term vision of becoming a major participant in the geothermal power generation industry, in Australia, Indonesia and the broader Asia Pacific region.



STRATEGY

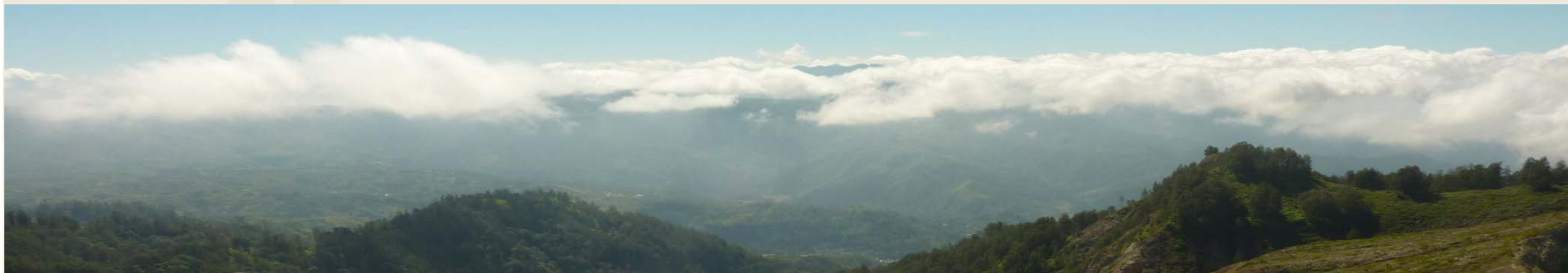


Asia Pacific

- Focusing on classic, volcanic geothermal projects.
- Four advanced development projects in Indonesia – exceeding 300 megawatts total capacity.
- Initial focus on small to medium sized projects.
- Seeking participation in large-scale projects (subject to financing entry).
- Seeking commercially attractive tariffs.
- Developing geothermal energy as a “diesel replacement” strategy in Indonesia and India.

Australia

- Focusing on advanced conventional geothermal projects.
- Open file database support (seismic, deep wells, etc.).
- Increasing exposure to and continue developing the Penola Geothermal Project in South Australia and the Hutton Geothermal Project in central Australia.



CORPORATE OVERVIEW



Capital Structure

Share price (as at 30 October 2011)	\$0.02
Share on issue (million)	445.8
Unlisted options (millions)	19.7
Listed options (millions)	124.2
Undiluted market cap (\$millions)	\$9.0
Cash (30/09/11) (\$millions)	\$3.0
Enterprise value (\$millions)	\$12.0

- Rights issue and share placement completed in July 2011 raising \$2.8 million.

OUR PROJECTS



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.
- Feed-in tariff of US\$97 per megawatt hour.
- Panax has established strong relationships with local partners (PT Bakrie Power) and there is strong local government and community support for geothermal projects.

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



FUNDING ARRANGEMENTS FOR INDONESIAN PORTFOLIO



- Heads of Agreement with Canadian geothermal energy company Molten Power Corporation signed in August 2011;
- \$10 million in funding to explore and develop projects in Indonesia;
- Molten will receive 50% interest in the issued capital of Panax's subsidiary in Singapore and subscribe for \$1 million in equity capital in Panax;
- Funding will be invested into existing projects and expanding Panax's Indonesian interests;
- The partnership with Molten strengthens Panax's position in Indonesia and the Company's global presence.

Provides funding certainty for Panax as the Company grows its international investments.

INDONESIAN PORTFOLIO



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	earning in to 35%	165	60
Jambi	Central Sumatra	Advanced Exploration	95%	80	75
TOTAL				305	165

- Four advanced stage geothermal projects.
- All projects are underpinned by agreed, commercially attractive power tariffs as the basis for agreed power offtake agreements.
- More than 300 megawatts clean energy generation with 165 megawatts net to Panax.
- Significant upside potential.
- Portfolio based approach.

SOKORIA (Flores, Indonesia)



- Joint venture with PT Bakrie Power.
- Extensive exploration database, including three exploration wells.
- Potential of 90 – 145 megawatts.
- US\$125 per megawatt hour for the first 30 megawatts plus carbon credits.
- Finalising planning and reconnaissance works prior to drilling.

Project would provide local community with access to power 24 hours a day, 7 days a week.

Location	Flores Island, Indonesia
Equity	45%, Panax as Operator
Key Features	<ul style="list-style-type: none">• 30 megawatts @ \$US125/MWh• Strong government and community support for the development of the project• Well-know geothermal field from previous work• Excellent infrastructure• Electricity to be sold to Indonesian Government electricity regulator

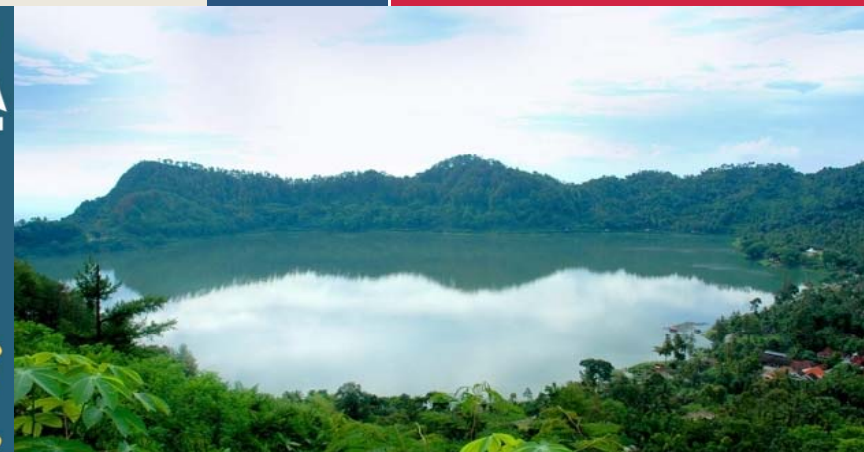


NGEBEL (East Java, Indonesia)



- Joint Venture with PT Bakrie Power;
- Large 165 megawatt project with three 55 megawatt geothermal power stations;
- Directly under national transmission grid in East Java;
- Two 500 metre wells with temperatures of approximately 200°C flowed successfully;
- Substantial exploration works already completed on the project – significant volume of existing data is being acquired.

Location	East Java, Indonesia
Equity	Earning into 35%, Panax as Operator
Key Features	<ul style="list-style-type: none">• Potential to expand to more than 200 megawatts;• Strategic location;• Guaranteed, commercially attractive power tariff ;• Grid connected, close to infrastructure;• Electricity provided to Indonesian power company PT PLN (Persero).



DAIRI PRIMA (Northern Sumatra, Indonesia)



- Joint venture with PT Bakrie Power;
- Direct and off-grid power supply for underground mining operations;
- Agreement to provide power requirements of future mine expansions;
- US\$150 per megawatt hour for eight years and US\$125 per megawatt hour thereafter, plus 50% of carbon credits;
- Advanced discussions to jointly develop spare capacity of Sibayak geothermal reserves;
- Finalising agreements with relevant stakeholders for access to geothermal reserves.

Location	Northern Sumatra, Indonesia
Equity	51% - Panax as Operator
Key Features	<ul style="list-style-type: none">• 30 megawatts;• Most advanced geothermal field in the region with established geothermal reserves and 10 existing production wells;• Substantial amount of exploration and study works completed;• Electricity provided to PT Dairi Prima Minerals for its underground lead/zinc mine.



JAMBI (Central Sumatra, Indonesia)



- Joint venture with PT Petrogas Jambi Power;
- Apply for licences and permits to explore and develop geothermal resources up to 80 megawatts;
- Provide local community with reliable power 24 hours a day, 7 days a week;
- Opportunities for local participation in the project;
- Securing of required licences is underway.

Jambi Power's existing knowledge of the geothermal resources will significantly reduce risk on this project.

Location	Sumatra, Indonesia
Equity	95% - Panax as Operator
Key Features	<ul style="list-style-type: none">• Likely 80 megawatts;• Strong support for development of geothermal energy;• Local business partner;• Extensive database of information on relevant geothermal target;• Electricity would be connected into the local transmission grid or used for local industry.



PENOLA (South Australia)



- Potential to generate power at AUD\$83 per megawatt hour;
- Deepest well is 4,025m – intersected more than 1,100m of target reservoir;
- **Salamander-1** – drilled in 2010, first deep geothermal well in Otway Basin completed in record time and first to demonstrate conventional geothermal energy in Australia;
- First steam produced and well-testing programme completed in 2010;
- Securing funding from the Australian Federal Government

The largest of only three Measured Geothermal Resources currently reported in Australia.

Location	Limestone Coast, South Australia
Equity	100%
Key Features	<ul style="list-style-type: none"> • Close to national transmission grid; • Excellent infrastructure – high-voltage powerlines overhead and close to customers; • Large tenement position; • Target temperatures exceeded; • More than 1,000m of clean reservoir sandstones intersected.



LIMESTONE COAST (South Australia)



- Four troughs in the Otway Basin with higher than average temperatures;
- One of only three Measured Geothermal Resources in Australia – two are held by Panax;
- Unique and extensive database –increased certainty on temperatures and quality of target reservoir rocks;
- Target reservoirs well-known from previous petroleum exploration activities.

Total geothermal resource potential is large and estimated at 332,000PJ.

Location	Limestone Coast, South Australia
Equity	100%
Key Features	<ul style="list-style-type: none">• Potential > 1,500 megawatts;• Close to grid, excellent infrastructure;• Acquired two exploration licences covering the Penola Trough;• Superior data and information on target geothermal reservoirs;• Higher than average temperatures.



HUTTON (South Australia)



- Low-cost drilling, low-risk and shallow depth;
- High flow rates from the Great Artesian Basin;
- Up to 50 per cent savings for local diesel power users;
- Completing field and study works.

Potential to be the first conventional geothermal energy development in the Cooper Basin.

Location	Cooper Basin, South Australia
Equity	100%
Key Features	<ul style="list-style-type: none">• Potential to generate power at \$100 per megawatt hour;• Reservoirs at less than 2,500m;• Outstanding and well documented reservoir quality and comprehensive petroleum database;• Low drilling costs;• Potential to provide electricity to local energy users.



PUGA (Northern India)



- Joint venture with Geosyndicate Power Private;
- \$US110 per megawatt hour plus carbon credits;
- 100km transmission line, from Puga to Leh, has commenced to within 30 to 40 kilometres of the project;
- Power will be supplied to Leh, the capital of the Indian Himalaya's, which relies on diesel power which is costly and has low reliability.

Advanced, low risk project with temperatures that could exceed 260°C

Location	Himalayan region, Northern India
Equity	49% - Panax as Operator
Key Features	<ul style="list-style-type: none">• 60 megawatts;• High geothermal gradients and temperatures;• Commercially attractive power tariffs;• Geothermal field close to transmission connection;• Good local infrastructure;• Extreme high heat flow zone.



OUR PEOPLE



MANAGEMENT TEAM



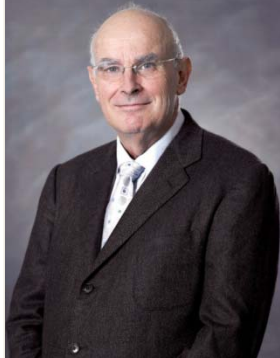
Kerry Parker
Managing Director and CEO

- Proven track record in resource development and commercialisation.
- 25 years experience in business advisory and commercial roles in Australia and internationally.
- Senior Executive roles with CH4 Gas, Arrow Energy, Santos, and across all resource sectors.



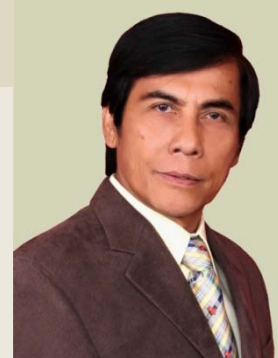
John Bruce
Senior Commercial Advisor

- Extensive commercial experience in mining and resources industry, and invaluable expertise in commercial negotiations and agreements.
- Senior executive and commercial roles with Santos, CH4 Gas and Arrow Energy.



David Jenson
General Manager Geothermal Engineering

- More than 30 years experience in design, construction, commissioning and operation across the Asia Pacific region of geothermal steamfields and power plants.
- Proven track record in geothermal development internationally.



Sjaiful Bhari
Country Manager Indonesia

- 35 years experience in the geothermal industry and proven tack in geothermal development in Indonesia.
- Formerly senior leader with Chevron Geothermal Indonesia – formally Unocal Geothermal.



Kerry Angel
Chief Financial Officer and Company Secretary

- More than 20 years experience accounting, and finance primarily in the resources industry.
- Managed accounting, treasury, finance for large mining and mining service groups, and accounting and regulatory reporting for several ASX-listed companies.



Chris Matthews
Chief Geologist

- Experience on conventional geothermal systems in Australia and internationally.
- Formerly Chief Geologist for Torrens Energy Limited and Technical Manager for AGEA.

THE BOARD



Greg Martyr
Chairman

Kerry Parker
Managing Director & CEO

Stephen Evans
Non Executive Director

Ian Reid
Non Executive Director

- Investing in the right people is part of Panax's strategy for continued growth and success – our skilled and talented employees are experts in their field.
- Panax's Board and management team has extensive experience in the resources industry, geothermal energy, commercial development, engineering and financial management.
- Having a dedicated team with experience doing business in Australia and around the world means Panax can seize opportunities quickly and intelligently.

COMPANY HIGHLIGHTS



Company

- Heads of Agreement with Molten Power for \$11 million in funding for advanced Indonesian portfolio.
- Completion of capital raising of nearly \$3.0 million.
- Significant progress on other capital raising initiatives.
- Progressing discussions with the Australian Government regarding grant funding and support for geothermal development and commercialisation.

Indonesia

- Secured interest in four advanced projects in Indonesia totalling over 300 megawatts (165 megawatts net to Panax).
- Completed detailed geochemical sampling program and finalised selection of appraisal wells for the Sokoria Geothermal Project.
- Strong local government and community support for geothermal developments.

Australia

- Completed drilling and production testing of Salamander-1.
 - Significant Measured Geothermal Resource on Limestone Coast – enough to power more than 500,000 homes.
 - Announcement of \$3.2 billion in funding for renewable energy industry.
-

FUTURE MILESTONES



Corporate

- Complete transaction with Molten Power for \$10 million funding.
- Secure funding from the Australian Government to progress development of Penola project in South Australia.
- Secure required additional equity capital, on favourable terms.

Sokoria

- Finalise and execute power purchase agreement.
- Planning and reconnaissance works and drill appraisal wells.
- Commercial development.

Dairi Prima

- Finalise agreements for access to reserves.
- Complete formal power purchase agreement.
- Planning and reconnaissance works, and remediate existing wells.

Ngebel

- Finalise Shareholder Agreement with PT Bakrie Power.
- Execute PPA with PT PLN (Persero).
- Commence exploration and appraisal work.

Puga

- Secure development permits.
- Execute power purchase agreement.
- Planning and reconnaissance works.

Penola

- Complete remediation works on Salamander-1.
- Secure joint venture partner for development.

Hutton

- Complete field and study works.
- Secure joint venture partner for development.

WHY INVEST IN PANAX?



- Panax is dedicated to meeting the world's growing demand for cleaner energy.
- Geothermal is the only renewable energy with the capability to replace baseload power generated by fossil fuels.
- We only target projects that use commercially proven geothermal technology.
- We have secured multiple projects in Indonesia – home to some of the best geothermal resources in the world.
- Panax has strategic partnerships with some of Indonesia's largest companies to pursue the abundant resources and secure more investment opportunities.
- Panax owns two of Australia's largest geothermal resources, and Panax is pioneering the development of conventional geothermal technology in Australia.



CORPORATE DIRECTORY



DIRECTORS

Mr Greg Martyr	Non Executive Chairman
Mr Kerry Parker	Managing Director and Chief Executive Officer
Mr Stephen Evans	Non Executive Director
Mr Ian Reid	Non Executive Director

MANAGEMENT

Mr Kerry Parker	Managing Director and Chief Executive Officer
Ms Kerry Angel	Chief Financial Officer and Company Secretary
Mr David Jenson	General Manager Geothermal Engineering
Mr John Bruce	Senior Commercial Advisor
Mr Chris Matthews	Chief Geologist
Mr Sjaiful Bahri	Country Manager Indonesia

REGISTERED OFFICE AND CORPORATE OFFICE

ABN 89 122 203 196
Phone: +61 7 3512 7000
PO Box 2142
Milton BC
Milton Qld 4064

SHARE REGISTRY

Phone: 1300 552 270
Overseas Callers: +61 3 9415 4000

STOCK EXCHANGE LISTING

Australian Stock Exchange
Ordinary Shares – “PAX”
Listed Options – “PAXO”, “PAXOA”

FURTHER INFORMATION

Email: kparker@panaxgeothermal.com.au
Mobile: +61 417 731 014

JAKARTA OFFICE

Menara Duta Building
Jl. H.R. Rasuna Said
KAV B-9
Jakarta 12910
Phone: +61 417 731 014

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 Chris Matthews, an employee of Panax Geothermal Ltd. Mr Matthews has over 7 years experience in the measurement of heat flow, and estimation of crustal temperatures and stored heat for the style of geothermal play under consideration.

Mr Matthews 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. Mr Matthews 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.

