



PANAX GEOTHERMAL
EARTH POWERED™

Kerry Parker, Executive Director

ProActive Investors One2One Investor Forum

6 May 2009



Panax Geothermal Ltd (ASX: PAX)

- 100% Geothermal Exploration & Development Co.;
- Conventional Geothermal Energy (i.e. existing hot water) = Main Focus;
- Two advanced geothermal projects:
 - **Penola**
Limestone Coast, S.A.;
Drilling of production well scheduled for September 2009; Contract Rig secured.
 - **Puga**
Himalayas, India.





Corporate & Management

Experienced Board & Management

Mr. Greg Martyr
(Non-Exec. Chairman)

Partner of Gryphon Partners.
Ex Normandy Mining Group. Ex Deutsche Bank.

Dr. Bertus de Graaf
(Managing Dir. & CEO)

Founder and Managing Director of two
other Resource Co's
(Ross Mining & Geodynamics).

Mr. Kerry Parker
(Exec. Director, CFO
& Co. Secretary)

Ex CFO Arrow Energy.
>15 years in Resource Financing & Development.

Mr. Ron Palmer
(COO)

Geoscientist with > 20 years in Mineral Exploration.
Founder of Osiris Energy & Hot Dry Rocks Pty Ltd.





Corporate Information

Corporate Information:

Shares on issue: 181 million

Cash available: \$6.25 million

Major Shareholders:

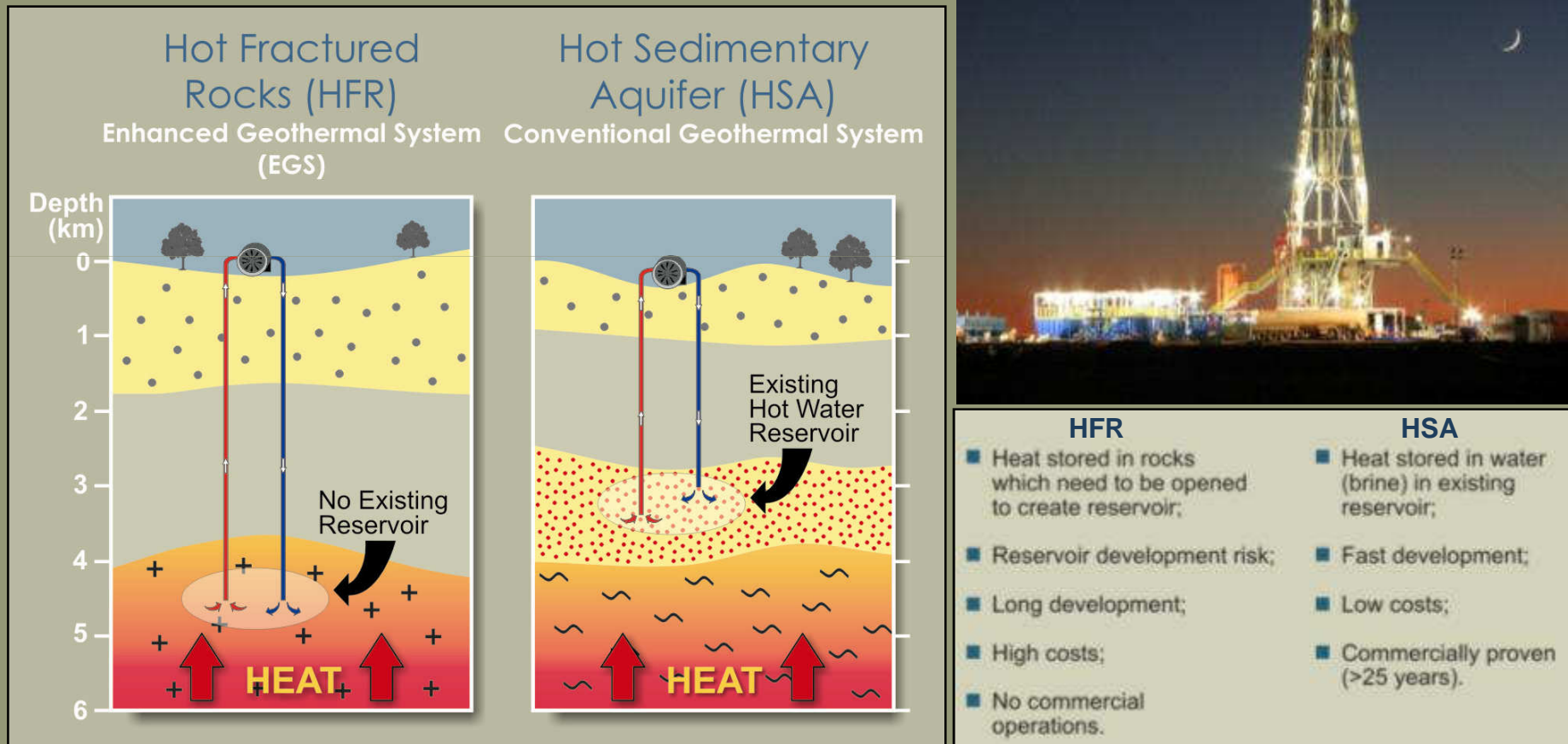
WCP Resources*	16.5%
Terra Firma**	15.0%
Znowy Nominees**	15.0%
Executives	7.5%

* Escrowed until June 2009

** Escrowed until December 2010

- GDP Grant Received \$7 million (milestone based)
- Total Well Costs \$12 - \$14 million
- Equity Placement & SPP being considered
- Annual corporate costs – circa \$1 million (lean operation)

Geothermal Systems in Australia - 2 types



Panax targeting HSA projects at Limestone Coast



Panax's Geothermal Interests (Focus on Conventional Geothermal Systems)

Advanced Projects:

- Penola – Limestone Coast, South Australia (100's MW);
- Puga – Indian Himalaya's (50 – 100 MW);



Penola Region



Puga Valley

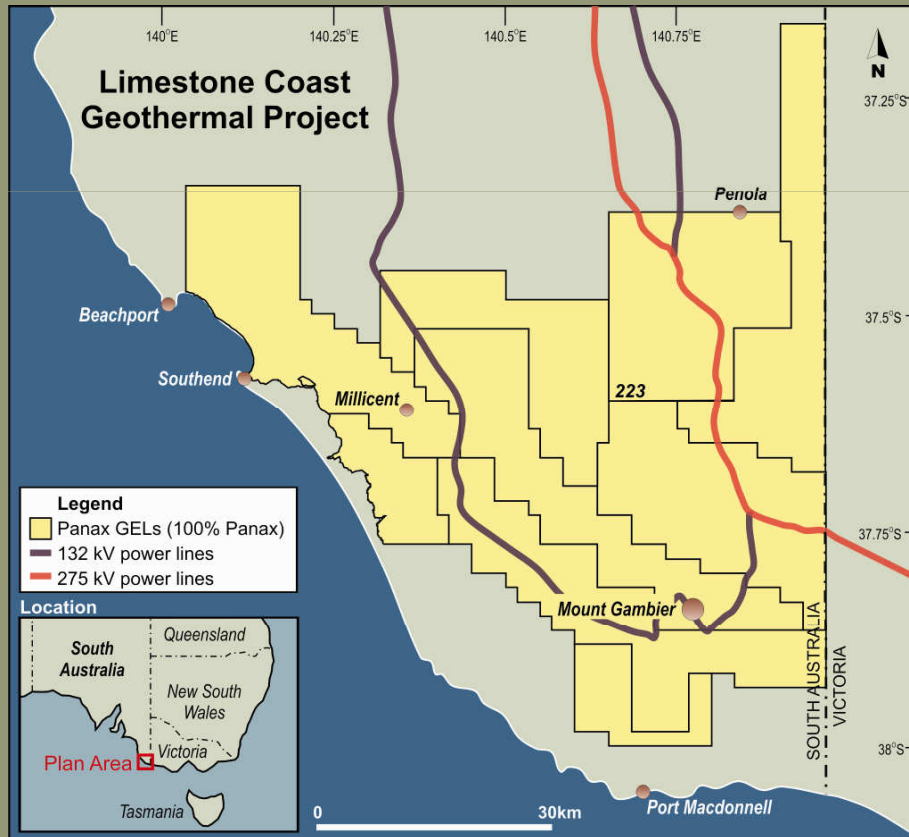
Exploration:

- Australia
 - Limestone Coast Geothermal Project;
 - Cooper Basin, Central Australia;
- Central Asia
 - Kyrgyz Republic, and Tajikistan;
- Eastern Europe
 - Slovakia.



Limestone Coast Geothermal Project

Excellent Infrastructure



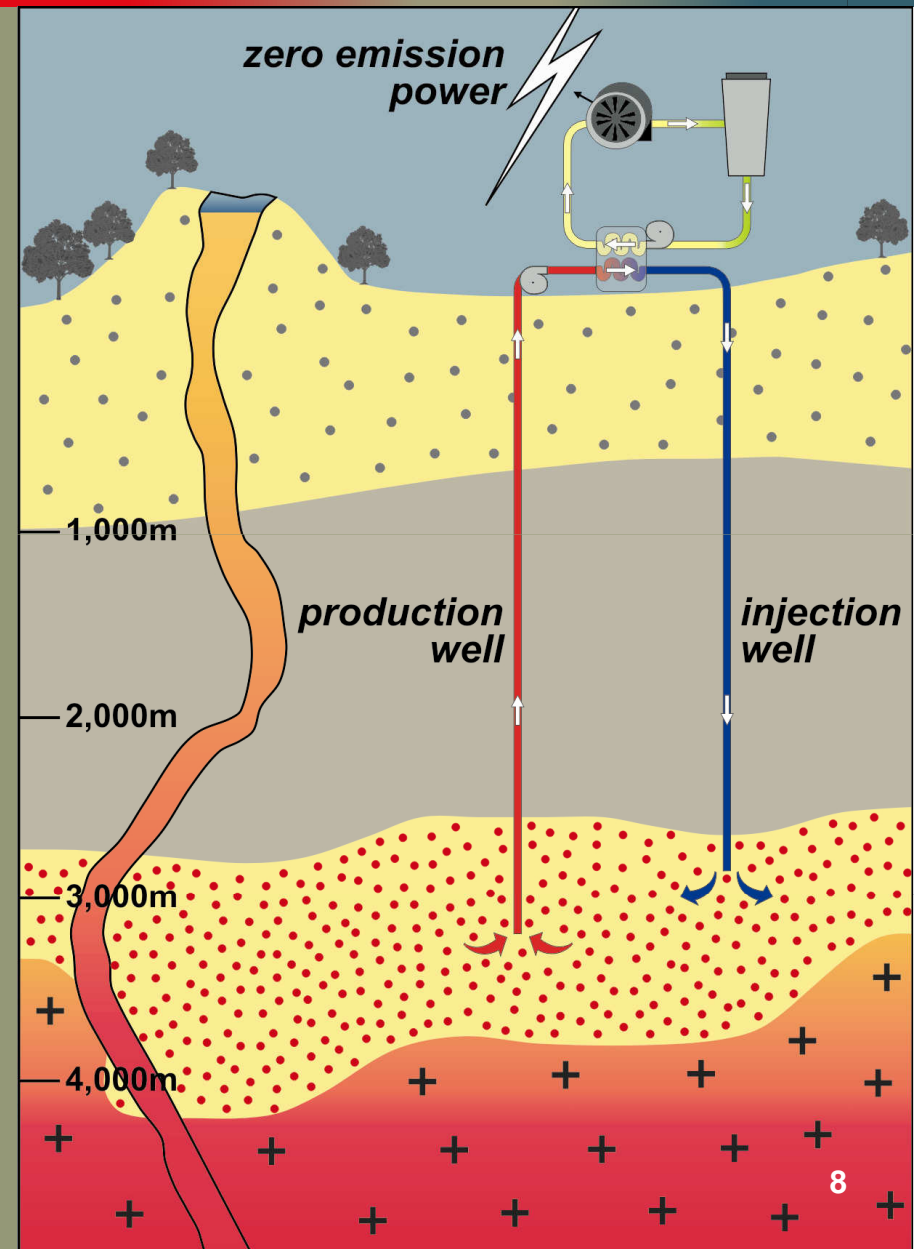
- Large tenement position (3,000km²);
- Excellent infrastructure:
 - National & State grid - HV power lines overhead;
 - Interstate grid connection on leases;
 - Close to customers;
 - Tarmac roads;
 - Flat terrain;
 - Local gas fired station & substation;
 - Local Airport.



Limestone Coast Project

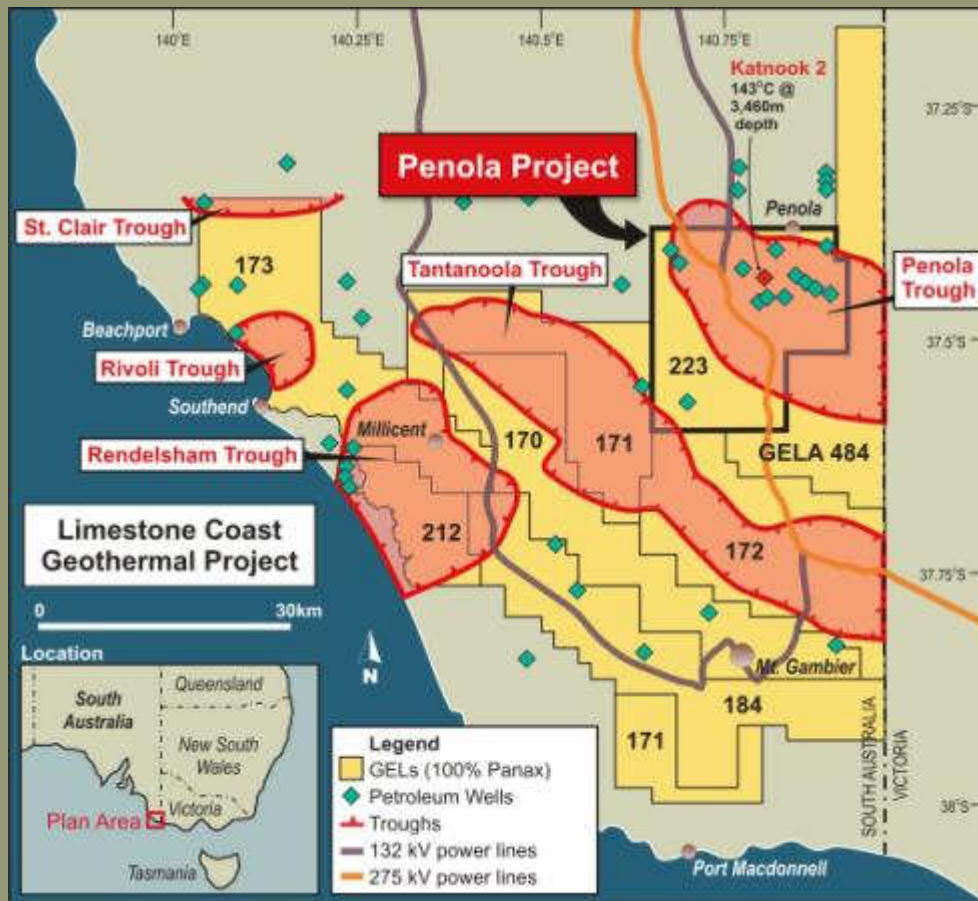
Hot Sedimentary Aquifer

- High Heat Flow
- Insulating layer
- Productive Reservoir
- Geothermal temperatures
- Use of Binary Geothermal Power Plant – ‘closed loop’;
- Off the shelf technology;
- Small environmental foot print;
- One production well at flow rate of 175kg/sec @ 145°C (293°F) generates 4.5 MWe





Limestone Coast Geothermal Project Geothermal Resource Assessment (AGEA Code)



- Four troughs, target HSA;
- Large potential;
- Excellent infrastructure;
- Geothermal resource estimates for four troughs;
- Penola Trough advanced project – Production well September 2009.



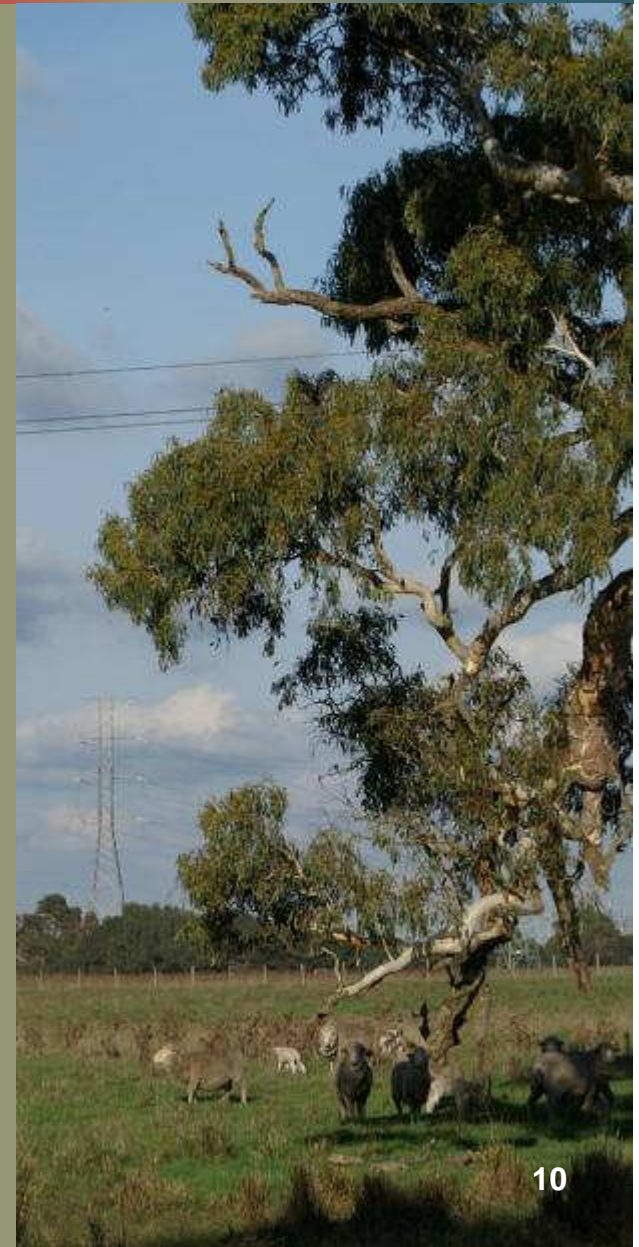
Independent Geothermal Resource Assessment

(AGEA code, HDRPL, Jan./Feb./Mar. 2009)

Limestone Coast Geothermal Resources*)					
Trough	Measured (PJ)	Indicated (PJ)	Inferred (PJ)	Total (PJ)	Report Date
Penola	11,000	32,000	89,000	132,000	18/02/2009
Rivoli & St. Clair			53,000	53,000	28/01/2009
Rendelsham			17,000	17,000	28/01/2009
Tantanoola			130,000	130,000	31/03/2009
Total	11,000	32,000	189,000	332,000	

*) by Dr. Graeme Beardsmore of HDRPL

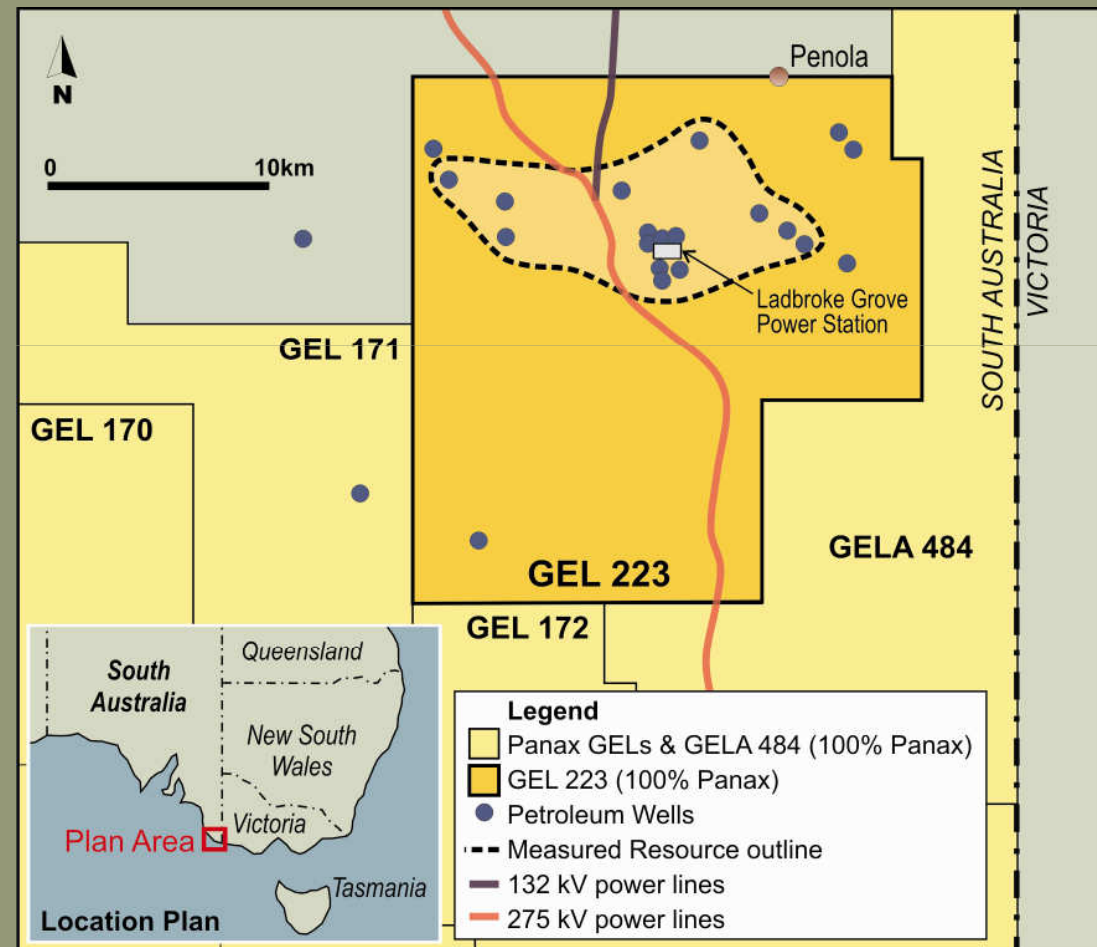
- Large scope of Limestone Coast Project;
- Penola Trough “Measured Resource” the largest in Australia; one out of two;
- 1,000 PJ sufficient for 100 MW power station for 30 yrs;
- Drilling to commence in September 2009.



Penola Project – Measured Geothermal Resource

Measured Geothermal Resource = 11,000 PJ

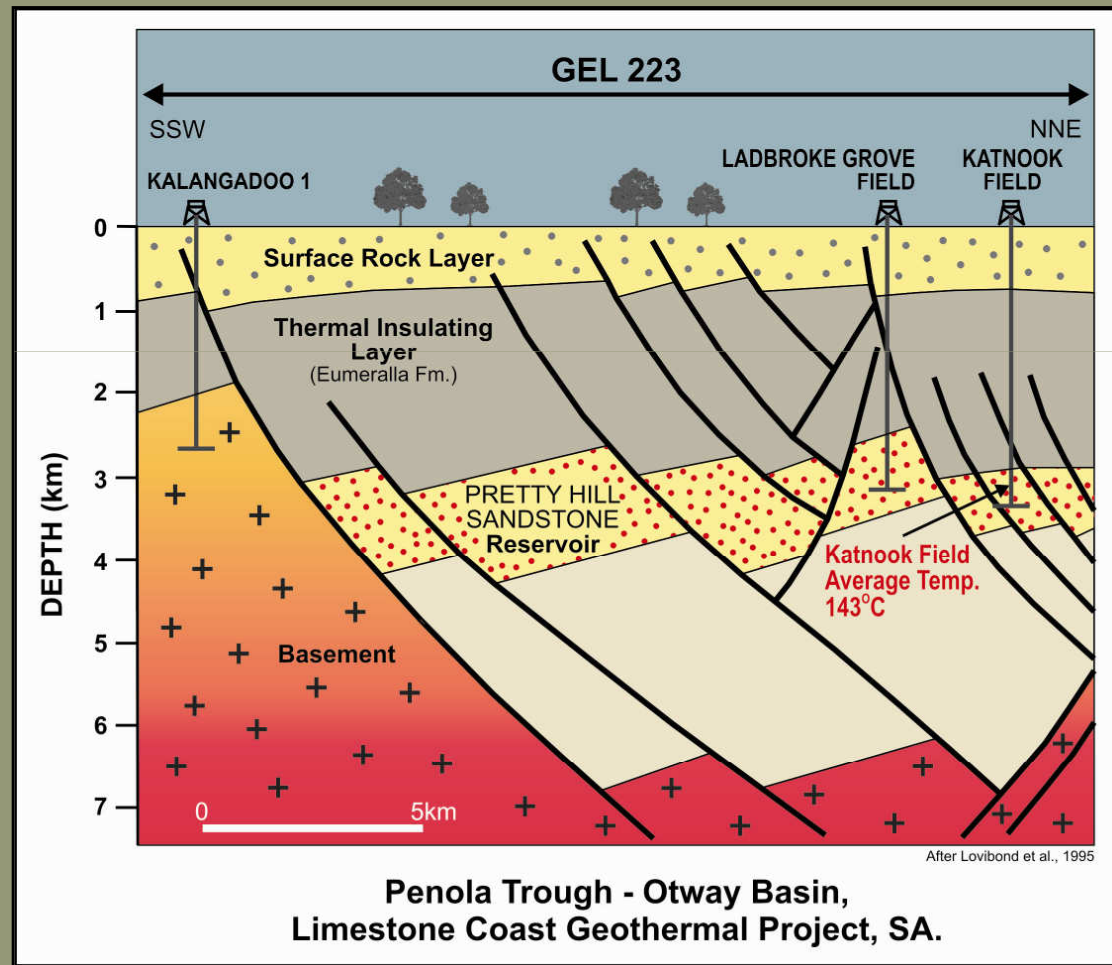
- “Measured Resource” restricted to top 800m of Target Reservoir;
- 28 deep petroleum wells + logs + core + Bottom Hole Temperatures (BHT);
- Deepest wells approx. 3,500m or >600m of target reservoir penetrated;
- 400 km² 3D seismic;
- 1,000 km 2D seismic.





Petroleum Wells & Seismic Data Provide Certainty

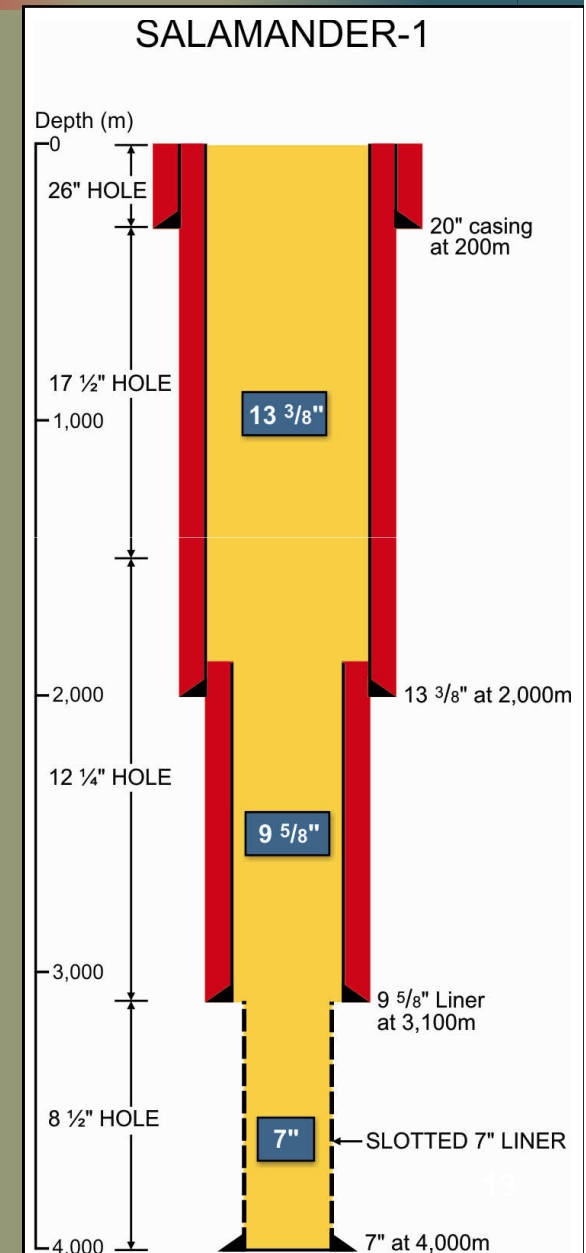
- 600m of Pretty Hill Sandstone; total thickness 1,000m;
- Measured porosity/permeability 10 - 50 Darcy–metres;
- Confirmation of Reservoir Permeability/Porosity (175kg/sec);
- Confirmation of minimum temp. (+/- 145°C or 293°F);
- Production well 175kg/sec → 4.5 MW net;
- Total cost per MWh (capex & opex) approx. AUD\$65 per MWe (<< wind power).





Drilling Salamander-1

- First well to demonstrate conventional geothermal energy in Australia;
- Drilling slot secured for September 2009 (Steam!);
- Well design completed;
- Designed as production well;
- Off set data from more than 20 deep wells;
- Well cost estimate AUD\$12 M.





Penola Project – Pre-Feasibility Study

BASE CASE
(Binary Geothermal Power Plant)

Flow	175 kg/sec
Brine Temp.	145°C (293°F)
Injection Temp.	70°C (158°F)
Ambient Temp. 1)	16°C (61°F)
Gross Output 2)	6.7 MWe
Net Plant Output (MWe) 2)	5.9 MWe
Net Plant / Net Pumps Output (MWe)	4.5 MWe

1) Aust. Bureau of Meteorology.

2) As supplied by ORMAT.

Target Reservoir

**Temp. & Reservoir quality known
from open file data base**





Penola Project – Pre-Feasibility Study

	Total Costs per MWh *) (Capital & Operating Costs)		
	Total No. Prod. Wells	Net/Net output **) (MW)	Total Cost (MWh) AUD
Demonstration Plant	1	4.5	\$79
Phase 1 Plant	3	13.5	\$65
Phase 2 Plant	10	45.0	\$63



*) 30 year life; 95% availability; no financing costs. **) net of all internal plant and pump requirements.

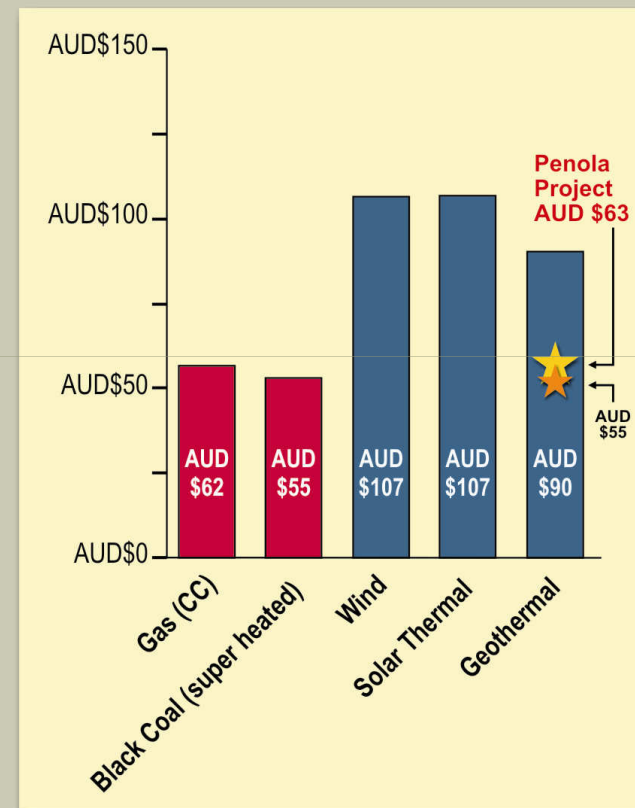
Capital & Operating Costs per MWh (Phase 2 Plant, AUD \$'s)	
Capital Costs	\$51
Operating Costs	\$12
Total Costs	\$63
Grid Connection	\$2
Total	\$65



Penola Project in Context – Unique Position

- Measured Resource of 11,000 PJ;
- Reservoir quality and reservoir temperature known;
- Total Cost per MWh (net plant & net pumps) of AUD \$63;
- Excellent Infrastructure – within sight of the grid – connection costs +/- AUD \$2 per MWh;
- Zero emission base-load power;
- Rapid development profile.

Power Generation Costs (AUD\$/MWh)
(Excluding Carbon Costs / Incentives)



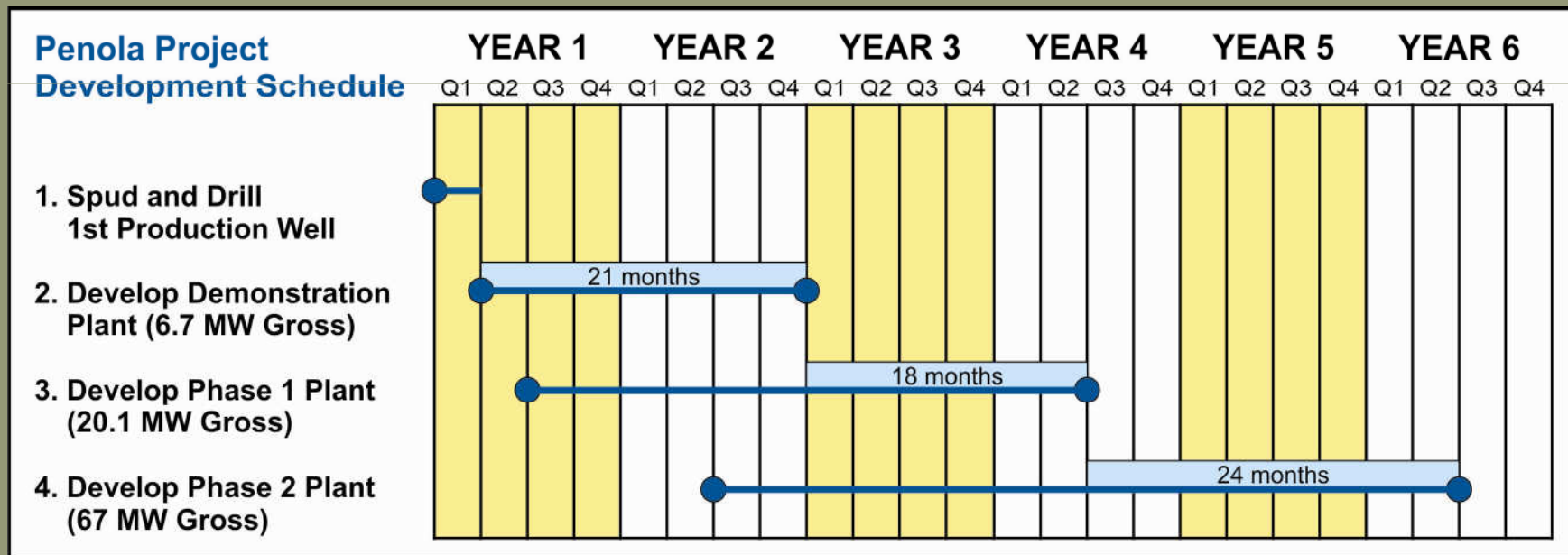
Source: 2008 AGEA Conference.

★ Credit Suisse US, Equity Research: Alternative Energy Sector Review, "The levelized cost of electricity" Jan 2009. (AUD\$ = .65 US\$)



Penola Project Development Schedule

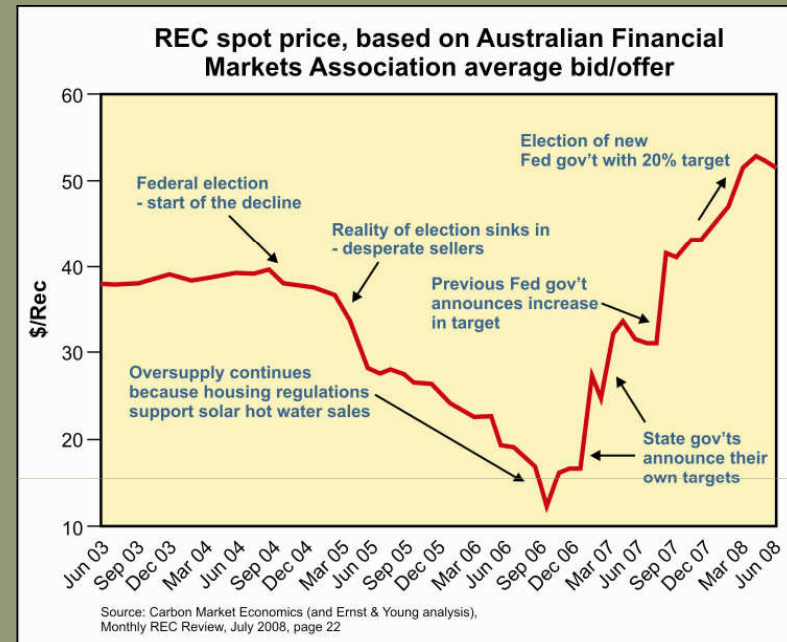
- Spud Salamander-1 Aug./Sept. 2009;
- Grid connected Demonstration Plant – 2nd half 2011.





Clean Electricity Price - Geothermal well placed

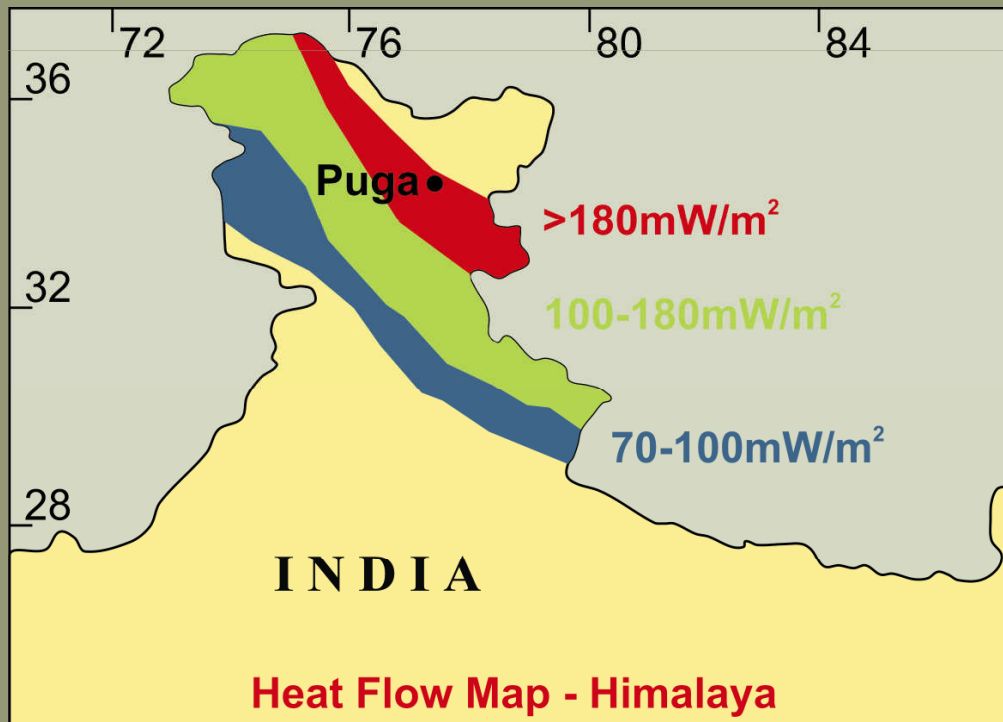
- Australian Government committed to renewable energy target - 20% by 2020;
- Requires \$23 billion of new investment (ESAA, 2008);
- MRET set at 9,500 GWh by 2010, increasing to 45,000 GWh by 2020;
- Current REC spot price approx. A\$50 MWh (06/03/09);
- Penola project (Limestone Coast) well placed to benefit with 'clean' electricity price of AUD\$100 per or more MWh;
- Commercially attractive.



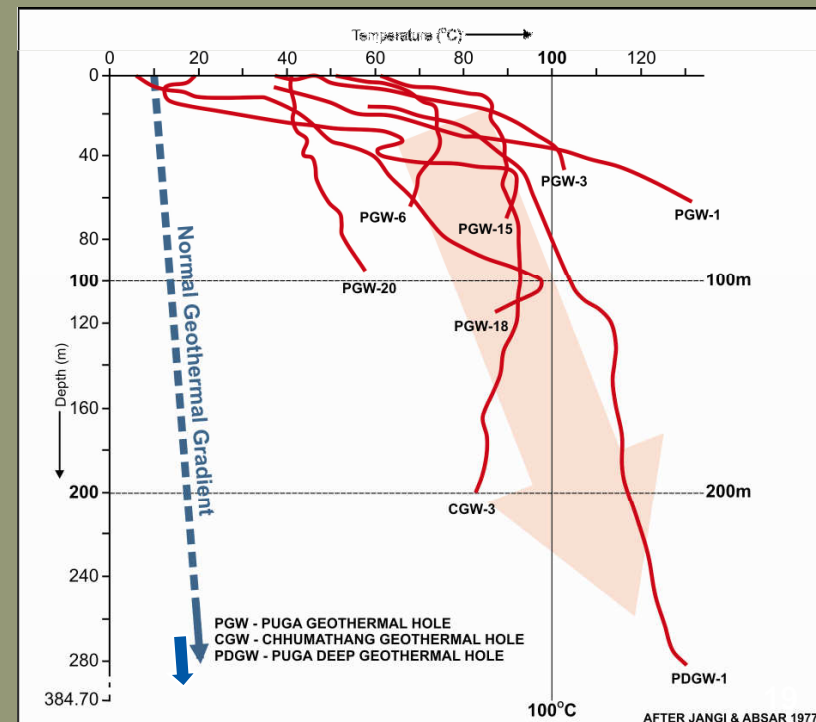


India: Puga Project

- Himalayan Geothermal Province;
- Located in extreme high heat flow zone;
- UNDP drill testing 1970's.



Geothermal waters @ $>120^\circ\text{C}$ @ 200m





Puga Project - Himalayan Geothermal Province

- Earning up to 49% in Puga project (AUD\$6 M);
- Known geo-pressured geothermal wells (UNDP – 1970's);
- Extreme geothermal gradients (e.g. 1.2km 250°C);
- Analogue to Yangbajing geothermal province in Tibet (35 MWe);
- Ready for development (low risk);
- Potential World Bank support, PRI;
- Commercially attractive power tariffs plus CDM.

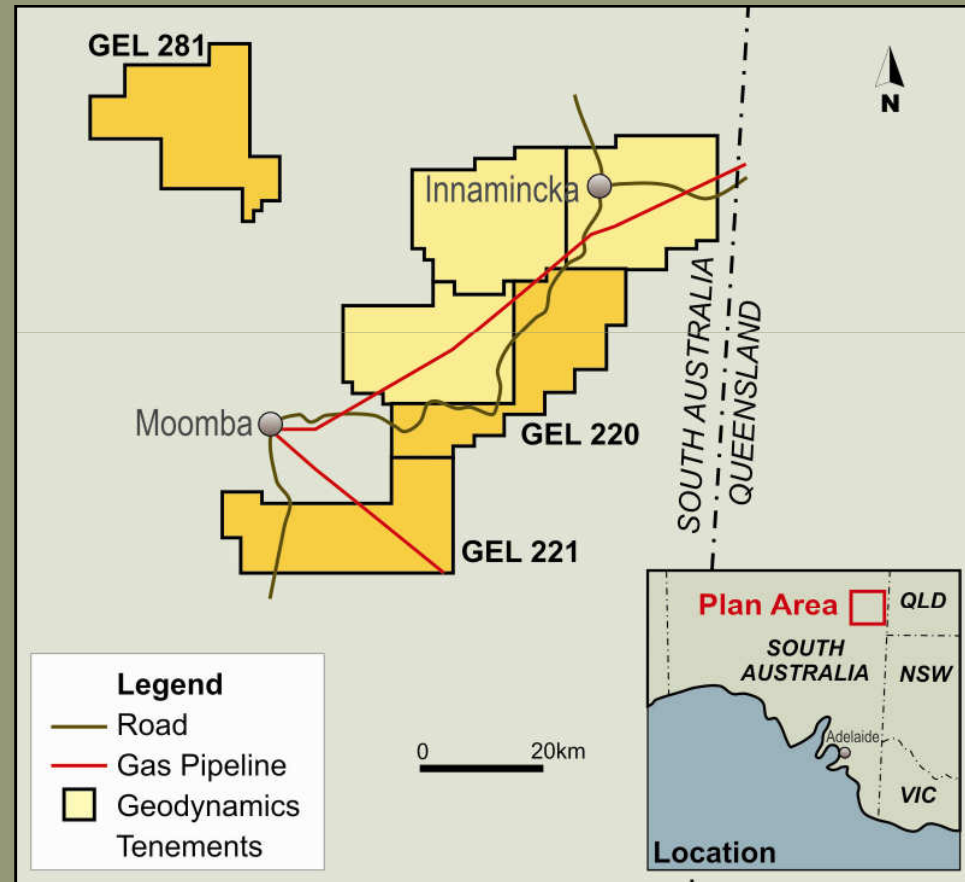
Geopressured well, Puga Valley India (geothermal waters are at boiling temperature which is equivalent to 87°C at this high altitude)





Cooper Basin Region Tenements

- **GEL 220 & 221**
 - geothermal temp. $>260^{\circ}\text{C}$ @ $<3,900\text{m}$, many drill holes, various heat exchangers.
- **GEL 281**
 - Temperatures $120 - 150^{\circ}\text{C}$ (shallow HSA);
 - Many oil / gas wells;
 - Local power requirements.





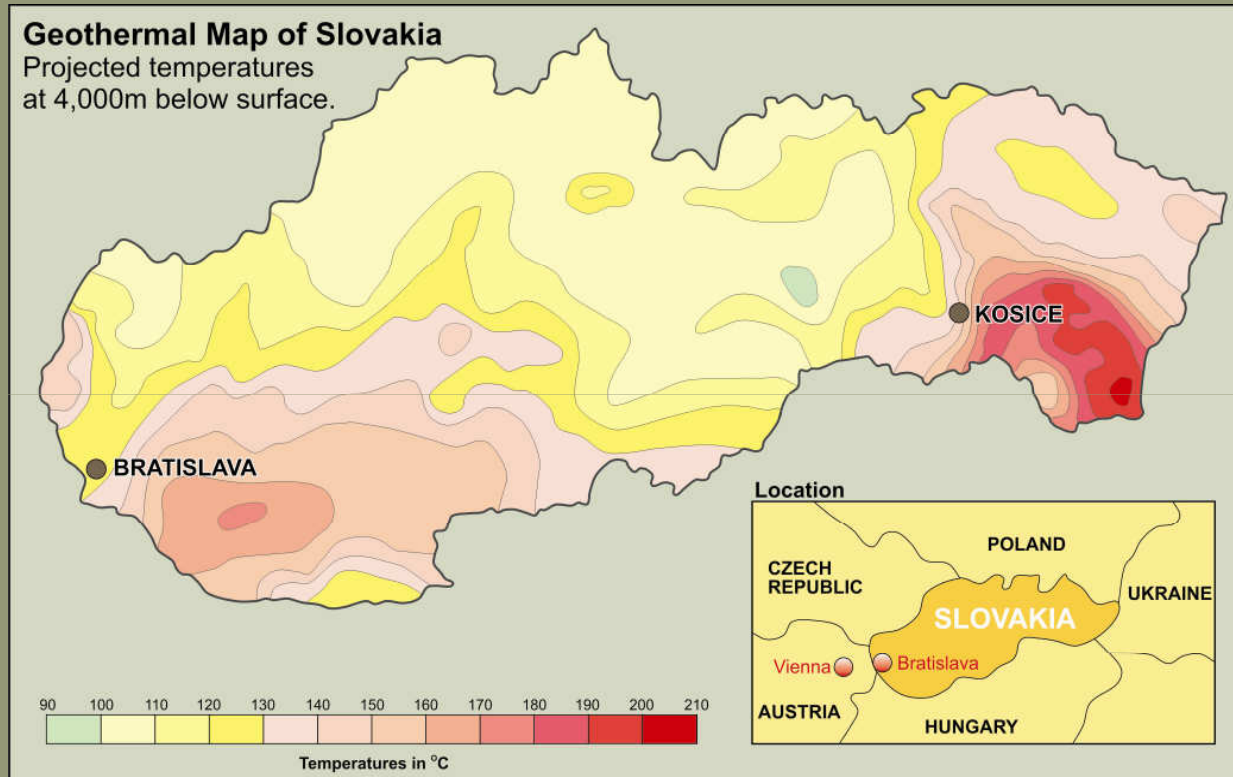
Kyrgyz Republic – Central Asia

- JV with Kentor Gold Limited (ASX:KGL), earning up to 61% in six geothermal licences; JV extends to other countries Central Asia;
- Extreme high heat flows and geothermal gradients;
- High quality Soviet era database;
- Widespread occurrence of thermal springs;
- Government support – World Bank interest;
- Extensive transmission grid, regional power shortages, net exporter of power;
- Connected to Eurasian rail network.





MOU – GeoPark Slovakia



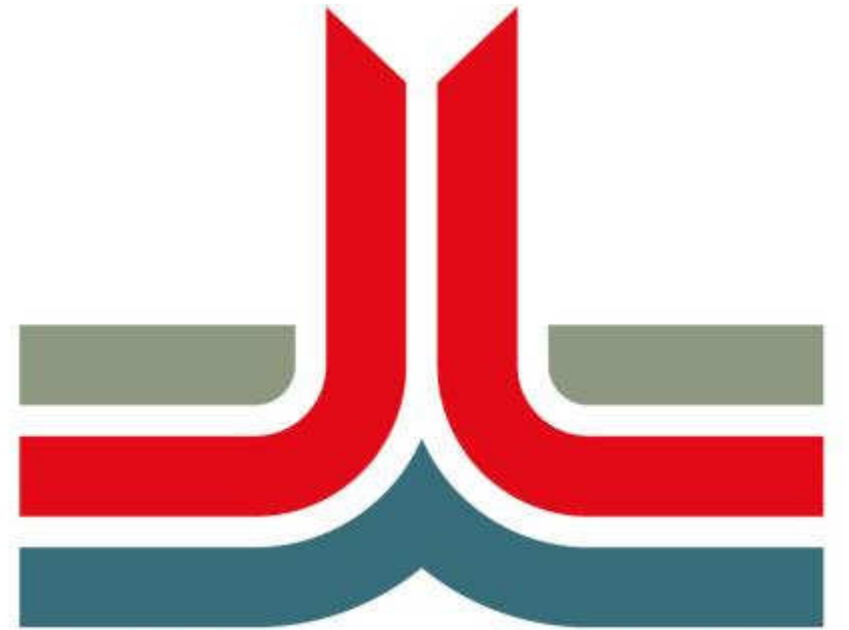
- Hot sedimentary aquifer targets;
- Option to earn 75% in new licences;
- AUD\$385 per MWh guaranteed for 30 years.



Summary

- Focussing on conventional geothermal energy;
- Limestone Coast Geothermal Project has large potential;
- Penola Project is associated with a 'Measured Resource' of 11,000 PJ sufficient for 100's of MW's of power generation.
- Panax is only one out of two Australian Companies with wells within target reservoir and with a 'Measured Geothermal Resource';
- Independently reviewed pre-feasibility study shows Penola project could generate low cost power (total cost of AUD\$65 / MWh);
- Penola production well scheduled to spud in September, 2009;
- Penola Demonstration plant could become first grid connected geothermal power plant in Australia (late 2011).





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