



PANAX GEOTHERMAL

1 April 2009

ASX ANNOUNCEMENT

Progress with World Bank Geofund in Central Asia

Panax Geothermal Ltd ("Panax") is pleased to advise that it has received notification from the World Bank's Geofund ("Geofund") requesting formal Project Proposals to be submitted for Project Grants and Geological Risk Insurance for exploration projects in Kyrgyz Republic and Tajikistan.

The request for formal Project Proposals to be submitted, follows the original Expressions of Interest that were lodged with the Geofund in December 2008 as well as recent meetings between Panax and World Bank Officials in Istanbul.

The projects in question are :

- The Inylchek Geothermal Exploration Project in Eastern Kyrgyz Republic, including the drilling of two 500m holes and two 2,000m wells. The Expression of Interest as lodged was for a grant of between \$US 3.5 to \$US 4.0 million; and
- The Tajikistan General Geothermal Exploration Programme, including the drilling of a 2,000m deep exploration well. The Expression of Interest as lodged was for a grant of \$US 2.0 million



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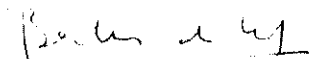
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A key aspect of the Project Proposals to be submitted relate to the ability of Panax to demonstrate the full support of the Government in the development of the proposed project. Panax is making solid progress in this area, particularly in respect of the Inylchek Geothermal Exploration Project in Kyrgyz Republic where formal title to the area has been granted.

The formal Project Proposals are required to be lodged by 30 April 2009.

The two projects are a Joint Venture between Panax and ASX Listed Kentor Gold Limited (KGL).

The Expression of Interest lodged for the Puga Project in India was noted and as expected by the company not considered at this time as India is currently not included in the current Geofund scheme.



Bertus de Graaf
Managing Director

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About Panax Geothermal Ltd

Panax Geothermal is a Brisbane based listed company (ASX: PAX), whose principal focus is on the exploration and development of conventional geothermal energy in Australia as well as in Asia and Europe.

Its most advanced project is the Penola Project in the Limestone Coast area of South Australia, which targets a well explored hot sedimentary aquifer. This project is associated with Australia's largest measured geothermal resource and is located in close proximity to the national grid. A Pre-Feasibility Study, independently reviewed by GeothermEx Inc., has indicated that the Penola Project could generate electricity at a Total Cost (capital and operating) of AUD\$63 per MWh (net). Spudding of the first production well is scheduled for September, 2009.