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8 April 2013

Mr Cormac Murphy
Adviser, Listings
ASX Limited

Dear Cormac

COMPANY UPDATE

Panax Geothermal Limited ("Panax") is pleased to provide the following update to shareholders and the general market in relation to various corporate and project related matters.

Cost Reduction Initiatives

During the last four weeks, the Directors have completed a detailed review of all staffing levels, contractor arrangements, exploration costs, and all general overhead, administrative and office operating costs.

Significant cost reductions have been implemented in all areas of the business, which will help to reduce monthly cash burn in the coming months.

Directors are mindful of the financial environment that small companies are currently operating in, and will continue to preserve capital as a matter of focus.

New Project Opportunities

The Company is currently seeking to identify a complimentary pipeline of project opportunities.

In this instance the Company is currently reviewing potential project opportunities (comprising both energy and precious metals projects) within Indonesia and other countries.

Further information will be provided to shareholders as opportunities progress.

Geothermal Project Status

The Company has received some interest from two Asian Groups in relation to our portfolio of advanced geothermal development opportunities in Indonesia. Whilst initial contact has been quite informal, it has highlighted the significance of PPA Approval to continuing discussions, as project funding would need to be linked to confirmed revenue streams from these assets.

One of the two Asian groups has completed significant due diligence on the portfolio of projects, at their own expense.

The Company continues to monitor the status and continuing process of PPA approval for our projects, and specifically for the Sokoria and Dairi Prima Geothermal Projects. Documentation is still progressing through the execution stage within the relevant Indonesian Government departments. While this lengthy process is frustrating for the Company, we remain confident of a positive outcome throughout this process.

Extra-Ordinary General Meeting

An Extra-Ordinary General Meeting of the Company was held in Adelaide on Wednesday 3 April 2013.

All resolutions proposed to the meeting were passed unanimously on a show of hands.

All proxies received in advance of the meeting voted overwhelmingly in favor of all resolutions proposed to the meeting.

Company Name Change – Raya Group Limited

At the Extra-Ordinary General Meeting of the Company held on 3 April 2013, shareholders voted and approved to change the name of the Company from Panax Geothermal Limited to ***Raya Group Limited***.

The change in the name of the Company is in line with the Company's stated intentions of seeking to identify new and complimentary projects to assist in expanding and diversifying the Company's project portfolio and pipeline, including non-geothermal related assets.

Raya is a very well-known word and term in Indonesia, and this was also part of the logic behind it.

Capital Raising

Panax is currently reviewing a number of capital raising alternatives, following:

- The recently announced withdrawal of the proposed rights issue;
- New interest from Brokers representing Sophisticated Investors and funding opportunities.

Further announcements will be made in the near future, as these alternatives are further reviewed and considered.

Yours sincerely

Panax Geothermal Limited

A handwritten signature in black ink, appearing to be 'A. Lekkas', written over a light grey rectangular background.

Athan Lekkas

Chairman