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ASX Announcement

5th September 2007

Panax Joins Kentor in Geothermal Energy Partnership

Kentor Gold Limited (Kentor) has formed an alliance with one of the pioneers of hot fractured rock (HFR) geothermal energy developments in Australia as part of its plans to advance its geothermal exploration interests.

Panax Geothermal Pty Ltd (Panax) and Kentor have signed a Memorandum of Understanding (MOU) to form a joint venture to explore and develop the four geothermal energy licences held by Kentor in the Kyrgyz Republic.

Panax is a dedicated geothermal energy company run by Dr. Bertus de Graaf. Dr de Graaf, the former and founding Managing Director of Geodynamics Limited, has been prominent in the development of HFR geothermal energy in Australia, and is widely regarded as one of the authorities in the field. He has also played a pivotal role in helping Australia to become a leading player in this rapidly emerging global industry.

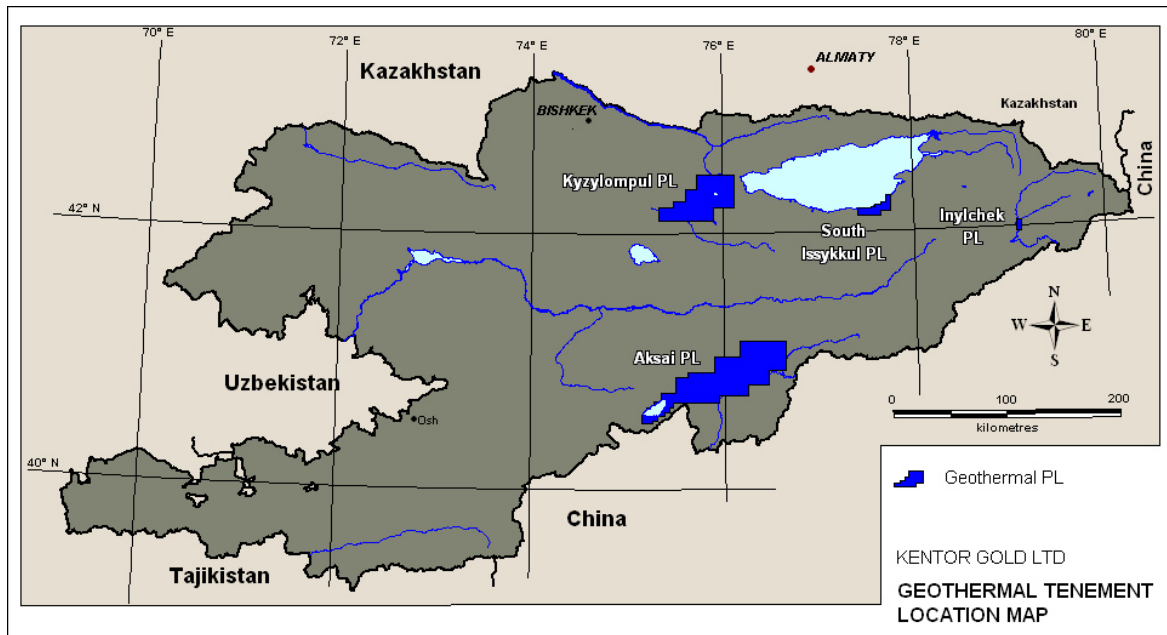
Panax is in the process of merging its geothermal interests in Kyrgyzstan and in India with Uranoz Limited (URO), a company which is also acquiring the Limestone Coast Geothermal Project through its merger with Scopenergy Limited. Upon completion of these transactions (and subject to shareholder approval), Dr de Graaf will be appointed Managing Director of URO. URO is listed on the ASX and has a cash position in excess of \$10 million.

Following an initial 6 months evaluation period, Panax will earn the right to a 51% interest in the project through the expenditure of \$5m over a four year period. Panax may also choose to earn an additional 10% interest in the project through the expenditure of a further \$1m.

Thereafter, Panax and Kentor will either contribute funding relative to their equity interest in the project or choose to dilute their stake according to an agreed formula.

Panax and KGL have also agreed to cooperate in identifying other possible geothermal energy projects in countries within the former Soviet Union.

Simon Milroy, Managing Director of KGL, said he welcomed the association of Panax adding that "Bertus de Graaf's considerable experience and expertise in the development of geothermal resources will provide significant benefits to the project".



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