

8 June 2011

STUDY INDICATES VIABILITY OF 53Mt INDONESIA COAL PROJECT

HIGHLIGHTS

A study by leading underground mining group KOPEX for the 53m tonne JORC resource underground mine project in Kalimantan Indonesia (“TCM project”) indicates:

- **A production target of 1.5mtpa + saleable coal (6,534 kcal/kg adb) with a 15 + year mine life is considered achievable**
- **The project is viable and economic**
- **Based on assessment of geotechnical data to date ground conditions are expected to be better than at Indominco - where successful underground trial mining was undertaken by KOPEX**
- **Retreat longwall mining considered most appropriate**
- **KOPEX recommends project be advanced to final feasibility stage**
- **Drilling underway on 25 holes for 6500+ metres with all associated testwork**

Pan Asia Corporation Ltd (ASX: PZC) (“PZC or the Company”) holds a 75% interest in the TCM project and commissioned KOPEX to undertake an Independent Study (“The Study”) on all key aspects.

CEO Alan Hopkins said “The completion of this study provides the Company with a roadmap to deliver the project to full production.

We now look forward to undertaking all work required to complete the Final Feasibility Stage and bringing this project into production”.

Key Conclusions and Recommendations

Based on the outcomes from the Study, the indications are that the original target, with production of at least 1.5 million saleable tonnes per annum over a 15 year period (following initial construction), is considered achievable.

Based on the levels of detail in the Study, the target underground area at the TCM mine presents a viable and economic opportunity.

Additional underground reserves may exist in the North area. Current resources for the TCM concession area, dated 31 January 2011 are stated as 53,237,303 tonnes, comprising 22,418,736 tonnes of Indicated Coal Resources and 30,818,567 tonnes of Inferred Coal Resources.

The quality of coal has an average calorific value (adb) of 6534 Kcal/kg, moisture 5.65%, ash 14.24% and TS 1.16. Retreat longwall mining methods are considered most appropriate providing the best option to attain the target production levels established for the project.

Mine designs are expected to be conservative with respect to potential longwall extraction rates. Increased longwall dimensions would increase reserves, overall productivity, & project economics.

The access to the seams has been assumed to be by inclined drifts from the surface. KOPEX recommends that the option of access from an opencut highwall should be pursued as part of the future studies.

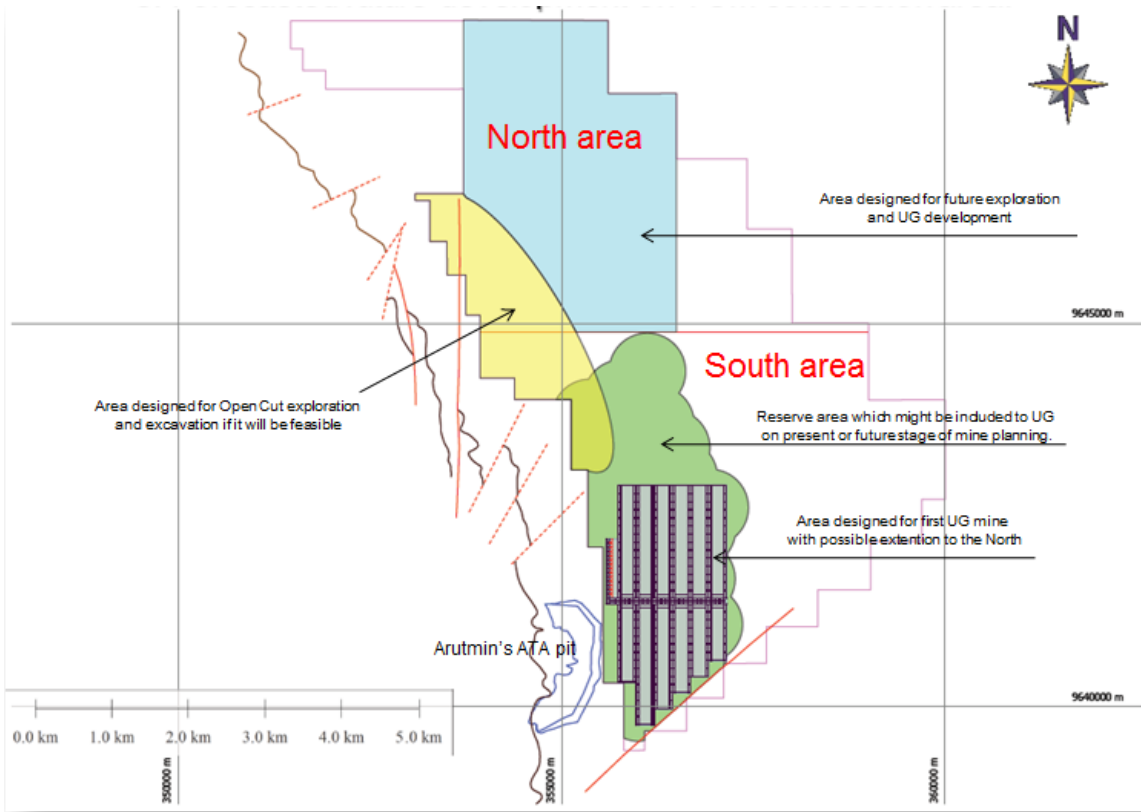
Initial indications from the geotechnical assessment are that the ground conditions will be better than those encountered at the Indominco underground mine in East Kalimantan. This is an important and positive factor to the project as there were no major geotechnical issues encountered at the Indominco mine. Based on the potential benefits as described, KOPEX recommends that the TCM project be advanced to full final feasibility stage.

The Company and KOPEX reiterate that there remains some geological risk that applies to the whole mining activity and results from the limited information from the drilling carried out to date. Additional drilling and geophysical investigation is required to increase the level of confidence of resources, improve the understanding of the magnitude and intensity of faults, frequency and location of possible seams & parting thickness variation and changes in seam gradients, which would impact on the mine design. Given the limited rock data, further test work to ascertain a full suite of rock characteristics for the coal and immediate roof strata at various locations has to be undertaken in the next phase of work as well as all gas testing.

The Company has recently commissioned this next phase of drilling and - further detailed testwork required for the completion of the Full Final Feasibility Study. The drilling results will also be utilised in the Full Final Feasibility Study to upgrade the existing JORC resource and for detailed mine planning, as well as assessing the open pit potential.

The drill programme is planned to comprise:

- 13 holes for 4270 metres to:
 - Progress the southern underground mining area through to Full Final Feasibility Study
 - Increase the level of confidence (resource and reserve estimates) in the proposed southern underground mining area.
 - Conduct all necessary test work (geotechnical, hydrogeological, methane gas and spontaneous combustion tests) required to commence an underground coal mining operation.
 - Expand resources to the east.
- Up to 9 holes for 1342 metres to target a potential open pit area.
- 3 holes for 1050 metres to test the extension of the resource to the North and a possible further underground mine.



TCM Project Adjacent to PT Arutmin ATA Coal Mine

Competent Persons' Statement

The information in this release that relates to the Coal Resources of PT. Transcoal Minergy ("TCM") is based on information compiled and reviewed by Mr. Marek Rosa, who is a Member of the Australasian Institute of Mining and Metallurgy (The AusIMM) and works full time for PT Kopex Mining Contractors based in Jakarta, Indonesia (Member of Kopex Group Poland).

Mr Rosa is a qualified geologist who has more than 20 years of relevant mining and geological experience in coal, working for major mining companies in Poland (17 years) and in Indonesia (4 years) as a consultant. He has National Polish geological license No II-1140 for research, exploration, resource and reserve estimation of deposits of basic minerals and coalbed gas methane. During this time he has either managed or contributed significantly to numerous mining studies related to the estimation, assessment, evaluation and economic extraction of coal in Poland and Indonesia. He has sufficient experience which is relevant to the style and type of deposit under consideration especially for Underground Mining and to the activity he is undertaking to qualify him as a Competent Person for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

The estimates of Coal Resources have been carried out in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (December,2004) and Mr Rosa consents to the inclusion in this release of the Mineral Resources in the form and content in which it appears.

About Pan Asia

Pan Asia Corporation Limited is a rapidly growing resource company listed on the Australian Securities Exchange (ASX: PZC) with offices in Perth, Sydney, and Jakarta.

The Company aims to be a major supplier of key resources into the expanding Asian markets and has a balanced mix of thermal coal assets in Indonesia including:

- 1) A Flagship Pre Development project that has a JORC resource in South Kalimantan (TCM)
- 2) A Flagship Exploration project that has large tonnage potential (BCKP)
- 3) Cashflow from production via its financing and offtake arrangements of projects in East Kalimantan with Ranrich
- 4) A Pipeline of other project opportunities covering each of the above categories.

The evaluation and development of the current projects, in addition to the many new opportunities arising from a strong local partner network, will be the foundation for the Company's aim to become a significant supplier of key resources to the growing Asian markets over the coming years.

Pan Asia brings together an experienced Board and management team with a proven track record in the identification, funding and development of resources projects around the world.

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