

8th February 2011

73% INCREASE IN TCM PROJECT JORC RESOURCE TO > 53MT

HIGHLIGHTS

- **JORC Resource increased to 53.2 million tonnes (indicated & inferred)**
- **High Calorific Coal quality > 6500 kcal consistent with phase 1 work**
- **Results support rapid advancement of TCM Project**

Pan Asia Corporation Ltd (ASX: PZC) today announced that the second phase of drilling undertaken at the Company's flagship predevelopment TCM Coal Project in South Kalimantan, Indonesia has substantially increased the Project's JORC Resource to 53.2 million tonnes comprising 22.4 million tonnes of Indicated coal resources and 30.8 million tonnes of Inferred Coal Resources.

Prior to this phase 2 drilling programme, the JORC Resource for TCM was 30.7 million tonnes, comprising 19.7 million tonnes of Indicated Coal Resources & 11 million tonnes of Inferred Coal Resources.

The quality of the coal has an average calorific value of 6,566 kcal /kg (ADB), 6.41% total moisture, 13.52% ash and 1.52% sulphur.

This compares with the phase 1 drilling quality of coal having an average calorific value of 6,682 kcal/kg (ADB), 4.64% total moisture, 12.09% ash & 1.83% sulphur.

CEO Alan Hopkins said *"The TCM Project features strongly in our corporate strategy to be a major supplier of key resources into the expanding Asian markets. The substantial increase in the Project's JORC Resource is great progress"*.

"TCM continues to generate consistently good results. We are confident this Project has great potential to re-rate the Company, and we look forward to moving forward rapidly to the next phase."

The JORC Resource calculation was undertaken by leading coal industry group Kopex Mining Contractors (part of the KOPEX Group).



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 diversified resources company primary listed on the Australian Securities Exchange (ASX: PZC) and secondary listed on the Frankfurt Stock Exchange and with offices in Perth and Sydney, Australia and Jakarta, Indonesia.

The Company aims to be a major supplier of key resources into the expanding Asian markets and via the acquisition of Innovation West has a number of significant coal assets in Indonesia. These assets provide a balanced mix of thermal coal assets in Indonesia and include:

- 1) Projects that generate cashflow (eg via repayment of loan, royalty and offtake from Ranrich projects)
- 2) A Flagship Pre Development project that has a JORC resource in South Kalimantan (TCM)
- 3) A Flagship Exploration project that has large tonnage potential (BCKP / SIM)
- 4) A Pipeline of other project opportunities covering each of the above categories.

The evaluation and development of the current suite of assets in addition to new opportunities that arise from a strong local partner network will be the foundation for the Company's aim to become a significant resource company in Asia over the coming years. An extensive international financial network provides support for the Company's rapid growth plans.

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

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