

23 August 2011

## RESULTS CONFIRM POTENTIAL OF OPEN PIT AREA AT TCM PROJECT

---

- **14 infill drill holes within existing JORC Resource indicate ~3 million tonnes are potentially open pitable within the TCM side of the boundary with the ATA mine**

Pan Asia Corporation is pleased to announce confirmation of a potential open pit area, from interpretation of results during its Phase 3 in-fill and resource drilling expansion programme, on its 75% owned Trans Coal Minergy coal project in South Kalimantan.

After completion of 14 drill holes, results confirm that in this high CV coal deposit, based on an expected workable strip ratio of  $\leq 20:1$ , there is an open pit resource of approximately ~3 million tonnes that falls within the previously defined JORC resource estimate, undertaken by Kopex in February 2011.

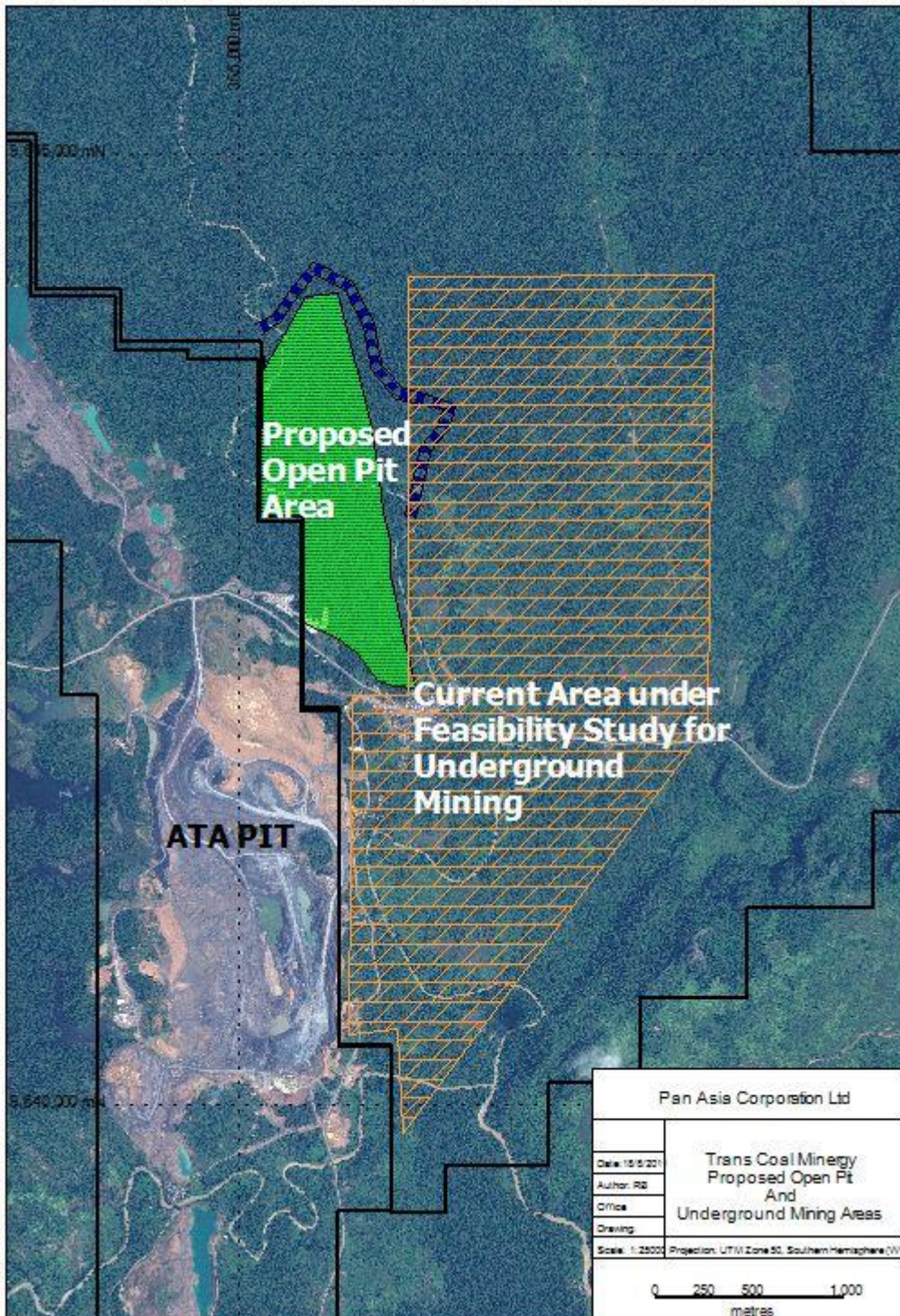
Preliminary Resources designed for Open Cut exploitation. (Level of confidence undefined)*	Area of resource with strip ratio 20:1 [sq m]	Average thickness of coal within resource area [m]	Specific density of coal [tonne/cm]	Resources [tonne]
	328 372	6.60	1.37	2 969 140

*Resources estimation designed for open cut exploitation with strip ratio 20:1.*

The topographic survey over this potential open pit area is expected to be available within 4 weeks. Once received, detailed pit optimisations and sensitivity analysis will be commissioned followed by preliminary pit designs. Further drilling may be required to better define the extent of the open pit area. It is expected that a final design will be completed by the end of the year for inclusion in the Feasibility Study currently being undertaken by Kopex Mining Contractors.

CEO Alan Hopkins “This is extremely encouraging. A preliminary open pit mine, combined with the planned extensive underground mining operations, would bring project cashflows forward while also generating a preferred entry for underground mining.”

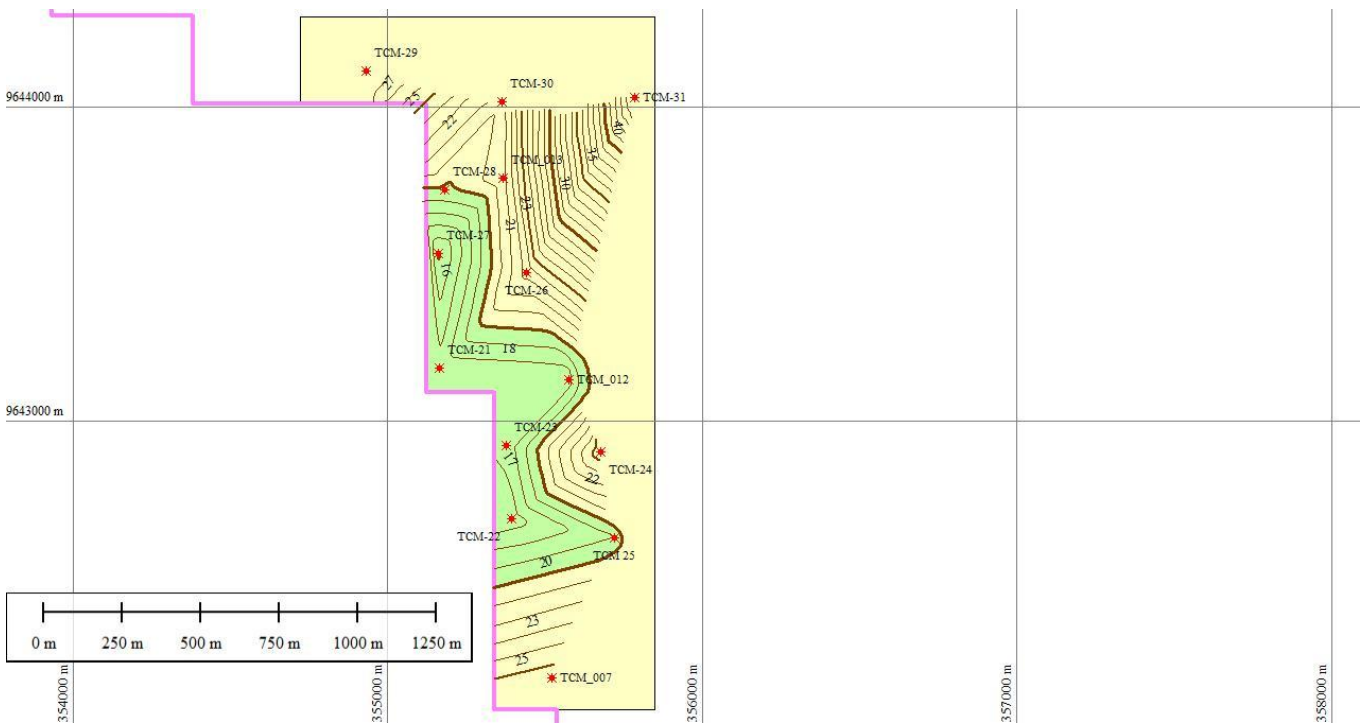
BELOW: Satellite image with overlay of proposed open pit and underground area at TCM Project. Adjacent is the Arutmin ATA pit.



Bh No	X coordinate	Y coordinate	Elevation (m asl)	Depth of (SL) seam [m]	Thickness of overburden [m]	Total thickness of coal [m]	Strip ratio
TCM-07	355521.970	9642186.340	55.85	157.78	151.86	5.92	25.7
TCM-12	355575.000	9643132.440	58.28	141.44	133.64	7.80	17.1
TCM-13	355368.055	9643773.240	39.88	121.43	116.07	5.36	21.7
TCM-21	355165.492	9643167.963	43.26	85.80	81.10	4.70	17.3
TCM-22	355393.753	9642689.369	58.62	122.10	115.10	7.00	16.4
TCM-23	355377.949	9642921.785	69.85	129.90	122.85	7.05	17.4
TCM-24	355676.821	9642903.432	59.54	160.50	154.50	6.00	25.8
TCM-25	355720.135	9642631.277	52.18	173.90	165.20	8.70	19.0
TCM-26	355441.295	9643472.919	57.88	124.50	119.40	5.10	23.4
TCM-27	355161.033	9643532.029	42.02	94.00	88.00	6.00	14.7
TCM-28	355180.945	9643735.047	35.97	101.70	96.80	4.90	19.8
TCM-29	354930.568	9644111.605	48.51	144.90	140.15	4.75	29.5
TCM-30	355361.996	9644014.889	45.79	152.20	145.30	6.90	21.1
TCM-31	355785.400	9644028.439	58.00	255.60	250.10	5.50	45.5

Drill holes identified with a strip ratio of  $\leq 20:1$

### MAP OF STRIP RATIO- TCM

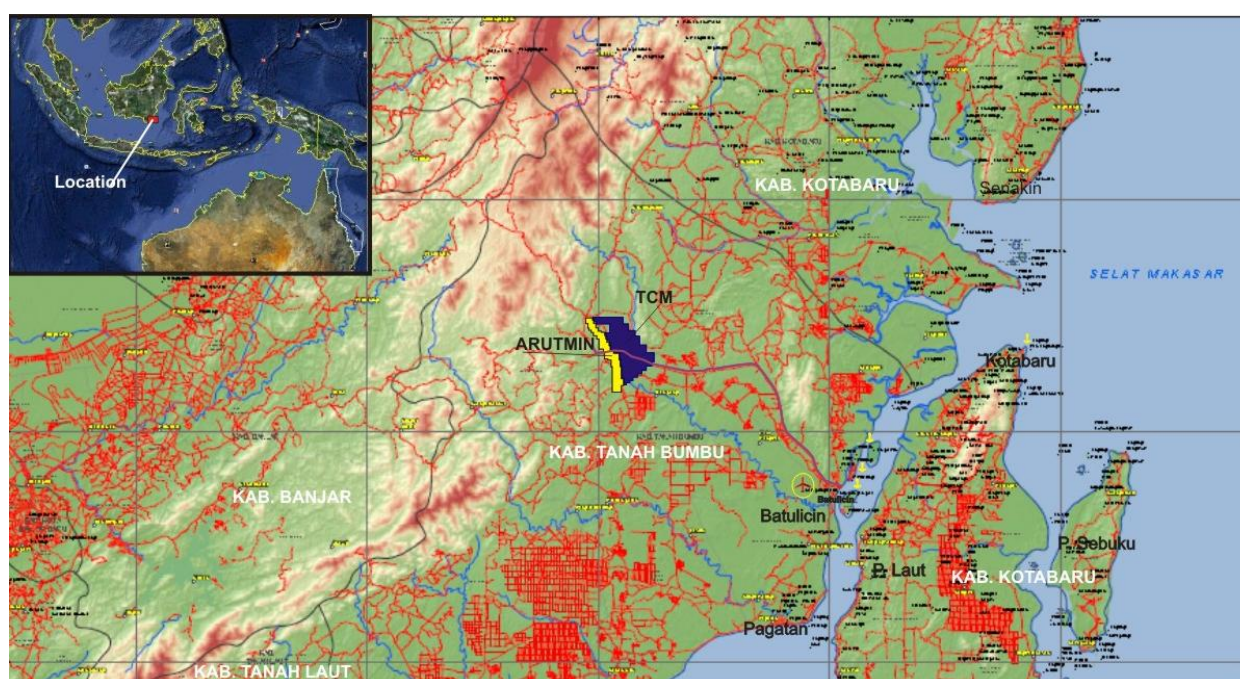


Strip Ratio  $\leq 20:1$

For resource estimation the following cut-off parameters were assumed:

- Minimal thickness of 0.2 m coal seam has been taken to calculation of total coal thickness.
- Maximal value of strip ratio 20:1 was assumed for resources area calculation.
- Average thickness of coal seams used for volume of resources estimation was calculated on boreholes located inside resources area with strip ratio 20:1.
- Last/deepest coal seam taken under consideration is seam SL-1. Seam SL-2 was disregarded due to discontinuous occurrence.
- Strip ratio and overburden rocks thickness were calculated on boreholes only. It is point/linear strip ratio.
- Specific density of coal was assumed as weighted average value for whole TCM deposit.
- For purposes of this study quality model of the deposit was not analyzed.

**BELOW: Situation Map- TCM Project in South Kalimantan**



## **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.

"The Kopex Group offers comprehensive solutions for underground mining. It is a respected and acknowledged manufacturer and supplier of high-class machinery and equipment as well as modern mining technologies and specialist underground mining consultancy works. The Kopex Group comprises over 50 companies worldwide whose activities are complementary to each other during project execution. Kopex is listed on the Warsaw Stock Exchange.

Kopex Mining Contractors has provided an initial geological assessment of the resource and has the ability to complete conceptual, pre feasibility/feasibility studies and underground mine design through to provision of all mining equipment, underground mine construction and operation."

## **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 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 / BIC)
- 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.

## **For Further Information Contact:**

### **Alan Hopkins**

Chief Executive Officer  
Pan Asia Corporation Ltd  
Tel: + 61 8 9381 5819

### **Media**

Annette Ellis / Tamatha Smith  
Purple Communications  
Tel: +61 8 6314 6300;  
0458 200 039 / 0433 569 701