

17 October 2011

MASSIVE 115% INCREASE IN TCM PROJECT JORC RESOURCE TO 114.6MT

HIGHLIGHTS

- **JORC Resource increased from ~53 million tonnes to ~114.6 million tonnes (measured, indicated & inferred) at Pan Asia's high CV (~6500 + kcal/kg adb) flagship TCM Coal Project**
- **Represents a massive 115% increase in JORC resource**
- **Newly identified Measured Coal Resource of 35.6 million tonnes**

Pan Asia Corporation Ltd (ASX: PZC) is very pleased to announce a preliminary JORC upgrade at its flagship TCM Coal Project in South Kalimantan, Indonesia, to **114.6 million tonnes** (measured, indicated & inferred).

After completing 18 boreholes from the present phase of drilling (and a total of 35 boreholes drilled to date at TCM) the following upgrade of JORC resources has been made:

	17 OCTOBER 2011	31 JANUARY 2011	INCREASE
MEASURED (tonnes)	35,602,319	No Estimate	<i>NEWLY IDENTIFIED</i>
INDICATED (tonnes)	35,109,149	22,418,736	56.61%
INFERRED (tonnes)	43,910,420	30,818,567	42.48%
TOTAL (tonnes)	114,621,889	53,237,303	115.30%

Pan Asia Chief Executive Officer Alan Hopkins said that while the Company had always anticipated an upgrade to its JORC resources could be made during the current drilling phase, the size of the upgrade had greatly surpassed expectations.

"This massive increase in JORC resource is great news for the Company and its shareholders and surpasses our expectations," he said.

"These results cement the Company's faith in pursuing this quality asset as our flagship project".

"While Drilling is ongoing, the results to date have all but confirmed that the planned scale of operations is well supported by the proven resource. All other testwork is well advanced and is feeding into the full Feasibility Study, which is underway and scheduled for release in Q1 2012."

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

PARAMETERS USED IN JORC UPGRADE

1. Completed 18 additional boreholes from current phase of drilling;
2. A total of 35 boreholes was used for the update of the resource estimation;
3. This preliminary resource update was made for the purpose of re-estimating the resource numbers and evaluating the tectonic structure of the rocks;
4. Approximately 6 boreholes remain to be done in the present drilling program;
5. All finished boreholes were geophysically logged, samples taken and sent to laboratories;
6. Profiles, logs of boreholes and seam correlations have been completed;
7. Collar coordinates have been completed;
8. Laboratory testing: quality, Geotech, gas methane- not yet completed but underway;
9. Quality model still to be updated once all quality results received;
10. Full version of resource statements to be elaborated after all drilling and laboratory testing completed.

Coal Quality Resource Summary

Seam ID	TM	IM	Ash	VM	FC	TS	CV (ar)	CV (adb)	CV (daf)	RD
	(% ar)	(% adb)	(% adb)	(% adb)	(% adb)	(% adb)	(Kcal/kg)	(Kcal/kg)	(Kcal/kg)	g/Cc
S4 (SR)	6.10	4.49	9.88	42.42	43.04	3.08	6,704	6,819	7,977	1.34
S5 (SU)	6.24	4.34	13.85	41.96	39.53	1.88	6,402	6,529	8,004	1.38
S6 (SM)	6.73	4.25	13.75	41.80	39.86	0.37	6,342	6,513	7,967	1.38
Weight average	6.41	4.33	13.52	41.97	40.18	1.52	6,425	6,566	7,986	1.37

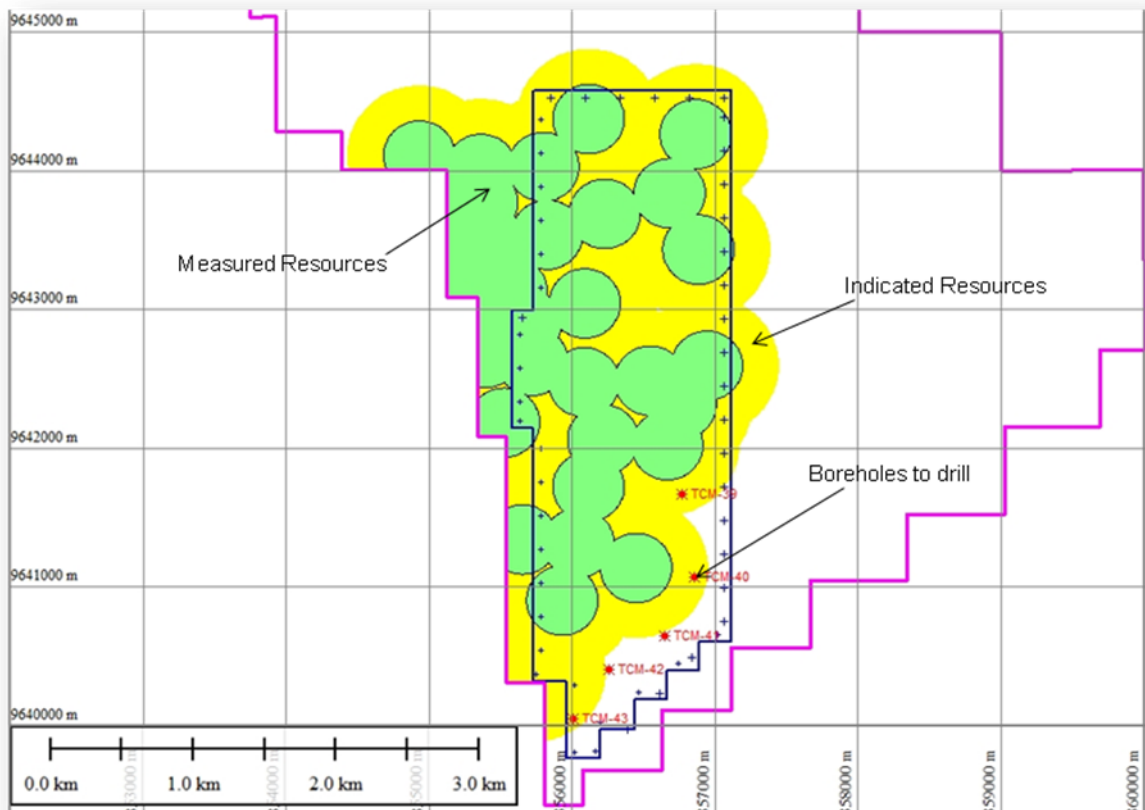
The coal quality model will be further updated when all the coal quality results are in for the current drill programme.

Washability tests and subsequent analysis of the results have been undertaken on a 500t bulk sample to develop a conceptual Coal Handling and Preparation Plant design. Further testwork and analysis of all quality data will lead to a specification of a saleable product, the results of this are expected later this month targeting a TS of ~1.0 with good yield.

Fundamental Change in the Calculation of Resources

Based on the better understanding of the complexity of the deposit achieved through the current drill programme, Kopex has now sub-divided resources into categories based on the following drill spacing:

	17 OCTOBER 2011	31 JANUARY 2011
MEASURED	<500m	<250m
INDICATED	500-1000m	250-500m
INFERRED	1000m-2000m	500m-1000m



Resource Map for Designed Underground Exploitation

Competent Persons’ Statement

The information in this release that relates to the Coal Resources of PT. Transcoal Minery (“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.

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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) An Exploration project that has large tonnage potential (BCKP)
- 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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