

19 December 2011

KOPEX STEPS UP COMMITMENT TO TCM PROJECT

HIGHLIGHTS

- **Kopex increases commitment to ~115mt JORC TCM Project by agreeing to fund additional US \$1 million to cover all costs of expanded drill programme.**
- **Funding repayable at Pan Asia election in cash or convertible in Pan Asia ordinary fully paid shares at AUD \$0.15 per share within 60 days following final feasibility study completion.**

Pan Asia Corporation Ltd (ASX: PZC) is pleased to announce that it has entered into an arrangement for Kopex to commit a further US \$1m to fund the remainder of the expanded drill program at TCM through until the completion of the final feasibility study. Completion of the final feasibility study is expected end of March 2012.

In April 2011, Kopex entered into an Agreement with Pan Asia to co-fund the accelerated infill drilling programme and the final feasibility study at the TCM Project. Kopex's total commitment to date towards the drilling programme at the TCM Project now stands at US \$1.6m.

Pan Asia CEO Alan Hopkins said, "Kopex's strong commitment to the TCM project supports its rapidly rising potential with the final feasibility study continuing to make good progress".

JORC RESOURCES AT TCM PROJECT

In October 2011, the Company upgraded its initial JORC Resource at the TCM Project to 114.6 million tonnes in the following categories:

CATEGORY	JORC TONNES	DRILL SPACING
MEASURED (tonnes)	35,602,319	<500m
INDICATED (tonnes)	35,109,149	500-1000m
INFERRED (tonnes)	43,910,420	1000m-2000m
TOTAL (tonnes)	114,621,889	

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 500kg bulk sample to develop a conceptual Coal Handling and Preparation Plant design. Further testwork and analysis of all the quality data will lead to a specification of a saleable product, targeting TS of ~1.0 with good yield.

PARAMETERS USED IN JORC RESOURCES

1. A total of 35 boreholes drilled for the current resource estimation;
2. All finished boreholes were geophysically logged, samples taken and sent to laboratories;
3. Profiles, logs of boreholes and seam correlations have been completed;
4. Collar coordinates have been completed;
5. Laboratory testing: quality, Geotech, gas methane- not yet completed but underway;
6. Quality model still to be updated once all quality results received;
7. Full version of resource statements to be elaborated after all drilling and laboratory testing completed.

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.


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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) Cashflow from production via its financing and offtake arrangements of projects in East Kalimantan with Ranrich
- 3) Exploration exposure to large tonnage potential
- 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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