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DRILLING CONFIRMS POTENTIAL FOR SECOND UNDERGROUND DEPOSIT

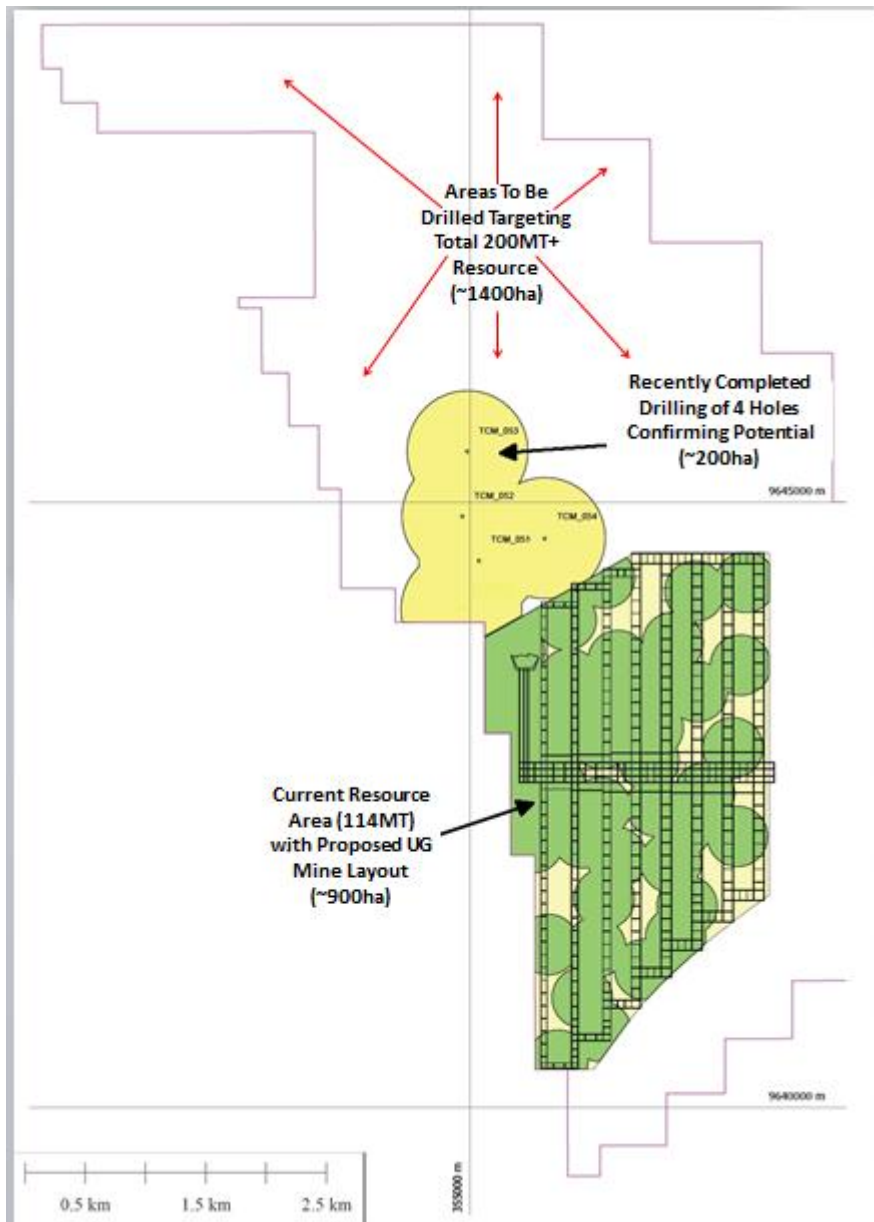
Pan Asia Corporation Ltd (ASX: PZC) is pleased to announce confirmation of a potential second underground deposit in the north of the TCM coal concession in South Kalimantan.

After completing 4 exploratory drill holes in the north of the concession, drill core and geophysical logging have confirmed continuity of the same coal seams from the TCM North deposit (which contains a 114mt JORC resource and is undergoing a feasibility study for an underground longwall mining operation).

The spacing of these drill holes extended ~1.5 kilometres north from the previously drilled limit of the TCM South deposit and it remains open for another ~4 kilometres to the north (see diagram below).

Pan Asia CEO Alan Hopkins said “This is an excellent result confirming the probability of a similar deposit in the northern half of the concession.”

FLAGSHIP TCM PROJECT MAP (SOUTH KALIMANTAN)



The current JORC resources at the TCM Project, following completion of 35 boreholes in October 2011, are:

	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%

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

PARAMETERS USED IN JORC UPGRADE IN OCTOBER 2011

1. A total of 35 boreholes was used for the update of the resource estimation;
2. This preliminary resource update was made for the purpose of re-estimating the resource numbers and evaluating the tectonic structure of the rocks;
3. All finished boreholes were geophysically logged, samples taken and sent to laboratories;
4. Profiles, logs of boreholes and seam correlations have been completed;
5. Collar coordinates have been completed;
6. Laboratory testing: quality, Geotech, gas methane underway;
7. Quality model to be updated;
8. 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

Fundamental Change in the Calculation of Resources

Based on the better understanding of the complexity of the deposit achieved through the drill programme, Kopex 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

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 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. 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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