

12 June 2012

TCM NORTH DRILLING UPDATE - ALL HOLES HIT COAL

HIGHLIGHTS

- **All holes drilled have intersected the target seams at this high CV coal project**
- **3 holes remain to be drilled**
- **Re-optimisation of current mine design is underway based on first 5 of these holes**
- **Company on track to expand total project resource target to 200Mt- 220Mt**

Pan Asia CEO Alan Hopkins said, "The TCM Project continues to generate good results. This augers well for a strong development deal to be done with one of the many interested parties".

Pan Asia Corporation Ltd (ASX: PZC) is pleased to announce a progress update to the current Phase 4 Drilling Programme in the north of the TCM Project concession.

The first 6 holes of the current drilling program have been completed ahead of schedule and have all intersected the target coal seams as expected. Five (5) of these holes have been geophysically logged with the results of the sixth hole expected within a week.

Following overleaf is the table showing seam depth and thickness correlated from drill logs and geophysical logging for drill holes TCM055 – TCM059.

Hole ID	Seam ID	From	To	Thickness	Mining Height
TCM_055	S5 (SU)	356.80	358.15	1.35	4.00
	parting			0.15	
	S6 (SM)	358.30	360.80	2.50	
TCM_056	S5 (SU)	548.30	549.80	1.50	3.70
	parting			0.20	
	S6 (SM)	550.00	552.00	2.00	
TCM_057	S5 (SU)	364.25	366.30	2.05	4.15
	parting			0.40	
	S6 (SM)	366.70	368.40	1.70	
TCM_058	S5 (SU)	452.60	454.90	2.30	4.60
	parting			0.30	
	S6 (SM)	455.20	457.20	2.00	
TCM_059	S5 (SU)	418.90	420.90	2.00	4.30
	parting			0.50	
	S6 (SM)	421.40	423.20	1.80	

Below is a table showing coal quality for drill holes TCM 055 – TCM 059.

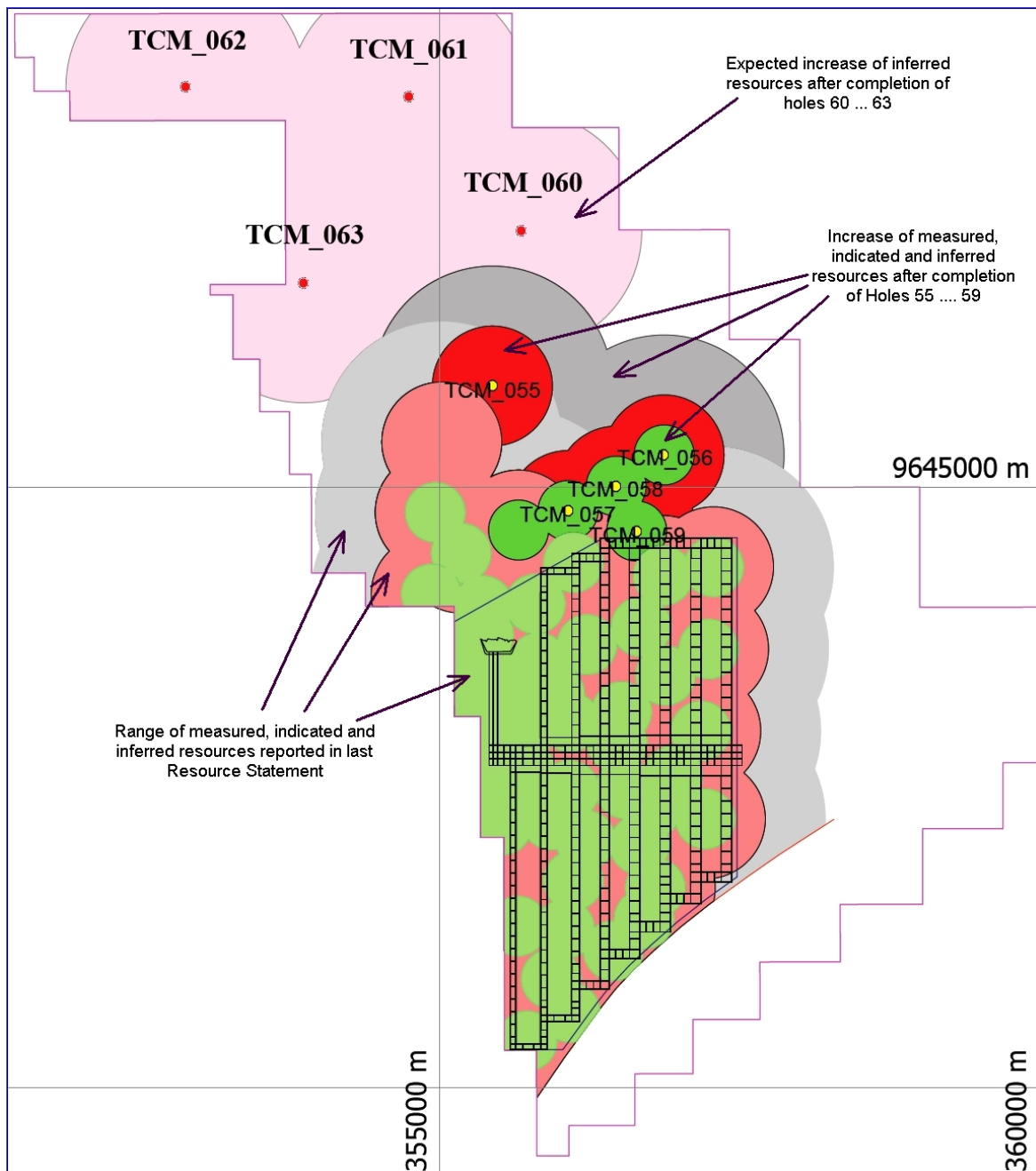
Preliminary Coal Quality Analysis

Customer Sample ID	Total Moisture % ar	Ash % adb	Volatile Matter % adb	Fixed Carbon % adb	Total Sulphur % adb	Calorific Value cal/g adb	Calorific Value cal/g ar	Hardgroove Grindability Index Index Point
TCM-55 SUFSMR (C)	5.43	35.69	32.48	28.27	1.23	4550	4462	-
TCM-55 SUF SMR (B)	-	-	-	-	-	-	-	-
TCM-56 SU T.M.B	4.93	18.07	40.89	37.79	3.30	6272	6163	-
TCM-56 SUF SMR (C)	3.31	86.17	12.36	0.63	0.43	118	117	-
TCM-56 SUF SMR (B)	-	-	-	-	-	-	-	-
TCM-56 SM T.M	4.38	12.96	42.85	41.04	1.65	6760	6674	-
TCM-57 SU M, SU B	4.41	9.28	43.03	43.93	2.02	6999	6952	44
TCM-57 SUF SMR (C)	3.93	48.29	29.08	19.93	0.31	3451	3408	-
TCM-57 SUF SMR (B)	-	-	-	-	-	-	-	-
TCM-57 SM T, M, B	3.91	15.39	42.17	39.33	0.38	6450	6396	44
TCM - 58 SU	5.10	12.82	43.04	40.67	0.97	6759	6645	-
TCM - 58 SM	4.35	13.14	42.59	40.96	0.54	6688	6616	44
TCM - 59 SU	4.91	15.05	41.86	39.73	2.58	6538	6433	43
TCM - 59 SU	4.69	12.04	42.66	41.75	0.30	6807	6727	42

All holes have been cored through the target seams to obtain coal quality data. Geological interpretation of the intersected coal by the Pan Asia and Kopex geological team conforms to the known coal formation and coal quality is expected to be in line with all quality data obtained from all the drilling in the south to date.

Interpretation of coal intercepts from this latest drilling and re-optimisation to extend the current mine design further north and update the base case feasibility study is underway. It is expected that the updated mine design and financial model will be completed by early July.

The remaining 3 holes to be drilled are expected to be completed in mid-July. On completion of the programme and receipt of all coal quality analysis the technical team will interpret all drill hole data and update the geological model. A further release to the market updating the JORC resources is expected in mid-August.



The JORC resource as at 15 April 2012 is outlined as follows:

	15 APRIL 2012
MEASURED (tonnes)	50,270,464
INDICATED (tonnes)	38,108,017
INFERRED (tonnes)	40,436,597
TOTAL (tonnes)	128,815,078

PARAMETERS USED IN JORC UPGRADE OF 15 APRIL 2012

1. Completed 55 boreholes (typically >200m depth);
2. All finished boreholes were drilled vertically and geophysically logged at the completion of the each borehole;
3. A number of boreholes have been 'touch' cored for coal quality analysis;
4. All borehole locations were surveyed;
5. Profiles, logs of boreholes, seams correlation and collar co-ordinates completed;
6. Laboratory testing: quality, geotech, gas methane completed;
7. All data was put into an electronic database;
8. Minimum thickness of 0.20m coal is reported in the model;
9. Maximum thickness of parting included in seam thickness is 0.10m;
10. Minimum thickness of 1.00m is established for resources dedicated for potentially underground exploitation.

Based on the level of complexity of the TCM deposit, Kopex sub-divided resources into categories based on the following drill spacing:

- Measured <500m
- Indicated 500 - 1000m
- Inferred 1,000 - 2,000m

Measured Resources (current statement 15 April 2012)

The Measured Resources are summarized below and are reported in accordance with the requirements of the JORC Code (2004).

Seam	Area	Thickness	Tonnes
	[m²]	[m]	[T]
S1	0.00	0.23	0.000
S2	3,541,657	0.25	1,186,455
S3U	6,560,991	0.28	2,608,650
S3L	5,623,324	0.21	1,676,875
S4 (SR)	5,575,455	0.97	7,409,222
S5 (SU)	6,547,568	2.00	17,940,336
S6 (SM)	6,639,986	1.62	14,736,785
S6L (SL-1)	5,340,734	0.57	4,109,695
S7 (SL-2)	1,174,358	0.38	602,446
Total		6.51	50,270,464

Indicated Resources (current statement 15 April 2012)

The Indicated Resources are summarised below and are reported in accordance with the requirements of the JORC Code (2004).

Seam	Area	Thickness	Tonnes
	[m ²]	[m]	[T]
S1	4,564,120	0.23	1,406,662
S2	6,673,600	0.25	2,235,656
S3U	4,010,430	0.28	1,594,547
S3L	4,190,691	0.21	1,249,664
S4 (SR)	4,813,395	0.97	6,396,521
S5 (SU)	4,220,021	2.00	11,562,857
S6 (SM)	4,127,603	1.62	9,160,802
S6L (SL-1)	4,419,789	0.57	3,401,028
S7 (SL-2)	2,144,795	0.38	1,100,280
Total		6.51	38,108,017

Inferred Resources (current statement 15 April 2012)

The Inferred Resources are summarised below and are reported in accordance with the requirements of the JORC Code (2004).

Seam	Area	Thickness	Tonnes
	[m ²]	[m]	[T]
S1	5,779,964	0.23	1,781,385
S2	4,622,180	0.25	1,548,430
S3U	4,370,221	0.28	1,737,600
S3L	3,963,228	0.21	1,181,835
S4 (SR)	4,643,488	0.97	6,170,731
S5 (SU)	4,468,422	2.00	12,243,476
S6 (SM)	4,468,422	1.62	9,917,216
S6L (SL-1)	4,061,063	0.57	3,124,988
S7 (SL-2)	5,323,462	0.38	2,730,936
Total		6.51	40,436,597

Coal Quality Resource Summary as at 15 April 2012

One hundred and forty three (143) samples were analysed to confirm the coal quality data. Average coal quality results for the deposit are as follows:

Seam ID	TM (% ar)	IM (% adb)	Ash (% adb)	VM (% adb)	FC (% adb)	TS (% adb)	CV (ar) (Kcal/kg)	CV (adb) (Kcal/kg)	CV (daf) (Kcal/kg)	RD g/Cc
S3U	3.81	3.25	22.76	41.31	32.68	0.67	-	5,929	8,013	-
S3L	5.07	2.92	19.01	40.81	37.26	0.41	-	6,173	7,907	1.42
S4 (SR)	5.78	3.99	11.96	42.14	41.91	2.32	6,912	6,714	7,954	1.37
S5 (SU)	5.82	3.84	13.00	41.99	40.25	1.70	6,583	6,638	7,946	1.37
S6 (SM)	6.37	3.80	13.06	41.94	40.42	0.36	6,339	6,638	7,971	1.37
S6L(SL1)	5.28	3.54	12.66	42.89	40.92	0.41	6,713	6,717	8,000	1.35
S7 (SL2)	5.16	4.14	15.00	42.11	38.75	0.48	-	6,439	7,963	-
Average Value	5.93	3.79	12.96	42.09	40.58	1.13	6,550	6,649	7,962	1.37

Note:

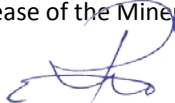
The Company has stated that it has an exploration target of 200 to 220 million tonnes of 6500 – 6800 CV (adb) coal for the TCM project (including the current JORC resource for the TCM coal project of 128.8Mt). The basis for this target is that the current JORC Resource of 128.8Mt has been based on drilling only part of the concession. The potential quantity & quality target is however currently conceptual in nature with insufficient exploration undertaken to define a mineral resource and it is uncertain if further exploration will result in a mineral resource.

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.



MAREK ROSA M.Sc. (Geology), MAusIMM

Forward Looking Statements

Statements regarding plans with respect to the Company's exploration properties are forward looking Statement. There can be no assurance that the Company's plans for development of its properties will proceed as currently expected. There can also be no assurance that the Company will be able to confirm the presence of additional deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on the Company's exploration property. Such information contained herein represents management's best judgement as of the date hereof based on information currently available. The Company does not assume the obligation to update any forward looking statement.

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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