

ASX / MEDIA ANNOUNCEMENT



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5 September 2012

INVESTOR PRESENTATION – SEPTEMBER 2012

Pan Asia Corporation Ltd (the “**Company**”; **ASX: PZC**) is pleased to provide the attached Company presentation which was presented by CEO, Alan Hopkins this week at the Kalimantan Coal Conference, in Balikpapan Indonesia.



COMPANY PRESENTATION

“IT’S TIME!”

**Underground Coal Mining
in Indonesia**

September 2012



- **Why Underground Now?**
- **Key Factors to Consider**
- **The TCM Project**



Long History of Underground Mining

GOLD

- Traditional underground mining since 700 AD in Sumatra
- Extensive underground mining in Sumatra and West Java during the Dutch era

TIN

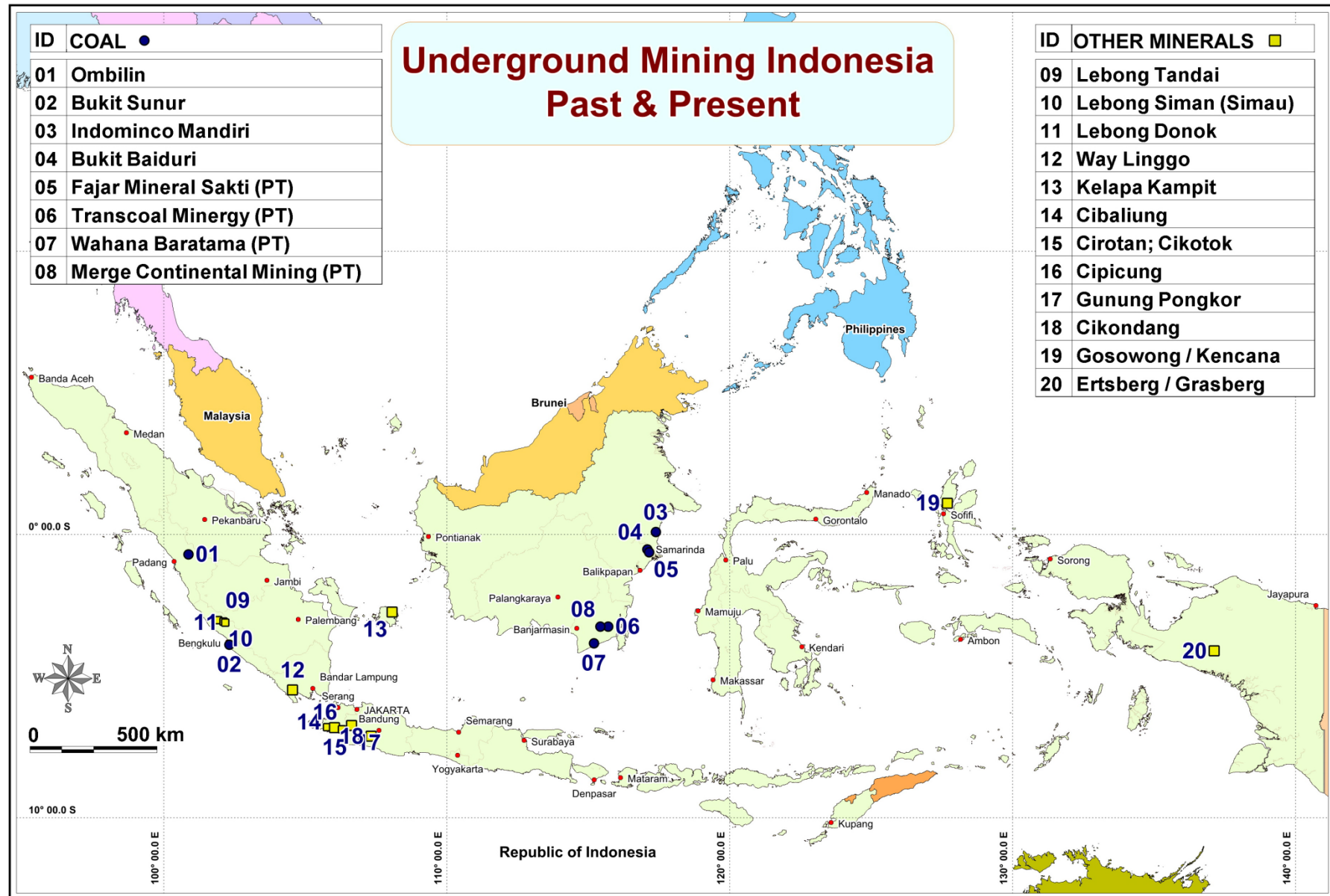
- Largest underground tin mine in the world - Belitung Island; pre World War 2

COAL

- Ombilin in West Sumatra from the late 1800's



Notable Underground Projects – Past & Present



INDONESIA'S COAL CLOCK

3rd Generation Coal Projects

- Near Coast
- High Coal Quality Available
- Infrastructure Already In
- Big Tonnages Possible
- High CAPEX & Mining OPEX
- Minimum Impact



1st Generation Coal Projects

- Open Pit
- Near Coast
- Big Tonnages Available
- Low CAPEX/OPEX

2nd Generation Coal Projects

- Open Pit
- Longer Haul/Barge
- Lesser Coal Quality
- Needs Big Tonnage
- May Need Infrastructure

What Does Underground Mining Offer Investors?

OFFERS

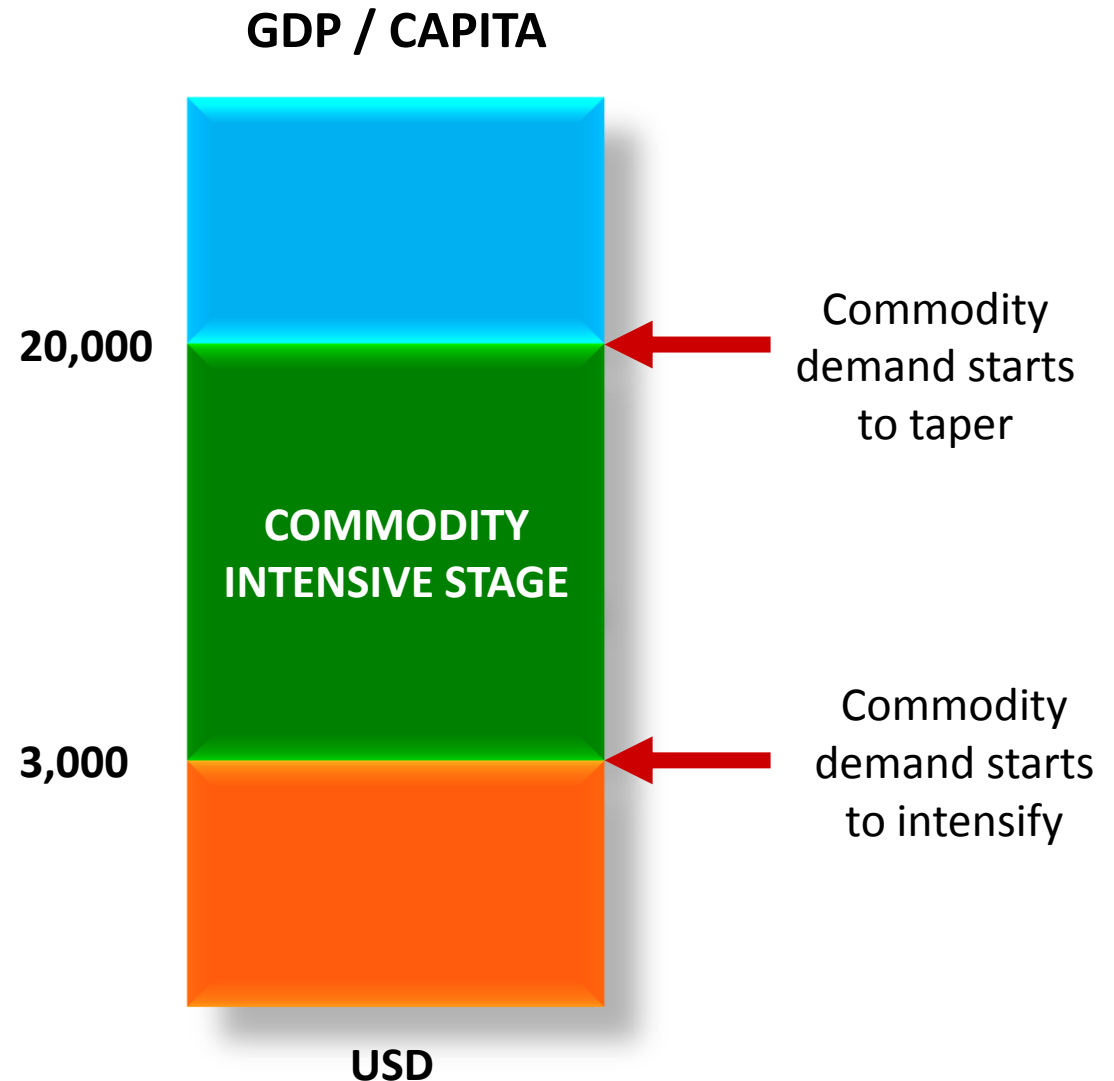
- 
- High Coal Quality
 - Large Tonnage
 - Good Location
 - Infrastructure In
 - Minimum Impact on Other Stakeholders
 - Forestry
 - Possible Incentives

NEEDS

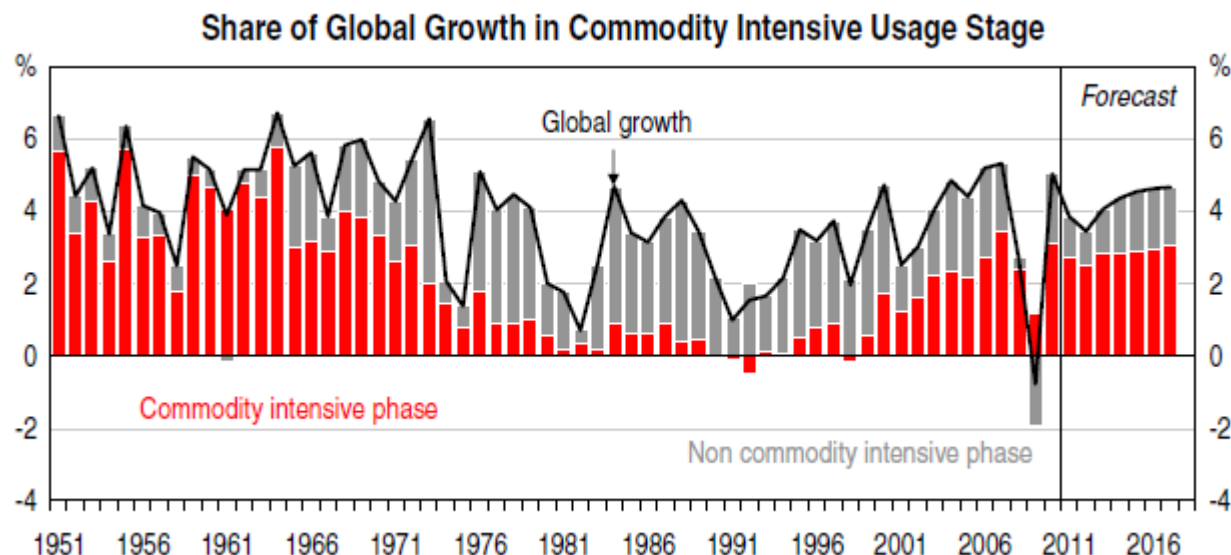
- Expertise
- Technology
- High CAPEX
- Higher Mining OPEX
- Up Front Analysis & Long Term Thinking

Commodity Intensive Stage of Development

- Commodity intensive stage is USD 3,000 - USD 20,000
- 10 years ago, 25% of World population in this phase
- Now 60% of World population in this phase



World Growth – Commodity Demand Driven



Top Ten Countries Based on Per Capita Income Filter (3000; 20000)

Rank	GDP (EKS)		Population	
	1961	2011	1961	2011
1	United States	China	United States	China
2	Germany	India	Japan	India
3	United Kingdom	Russian Federation	Brazil	Indonesia
4	Japan	Brazil	Germany	Brazil
5	France	Mexico	United Kingdom	Russian Federation
6	Italy	Indonesia	Italy	Mexico
7	Canada	Turkey	France	Philippines
8	Brazil	Iran	Mexico	Vietnam
9	Mexico	Thailand	Spain	Egypt
10	Spain	Argentina	Poland	Turkey

Developing Countries Provide Long Term Demand...

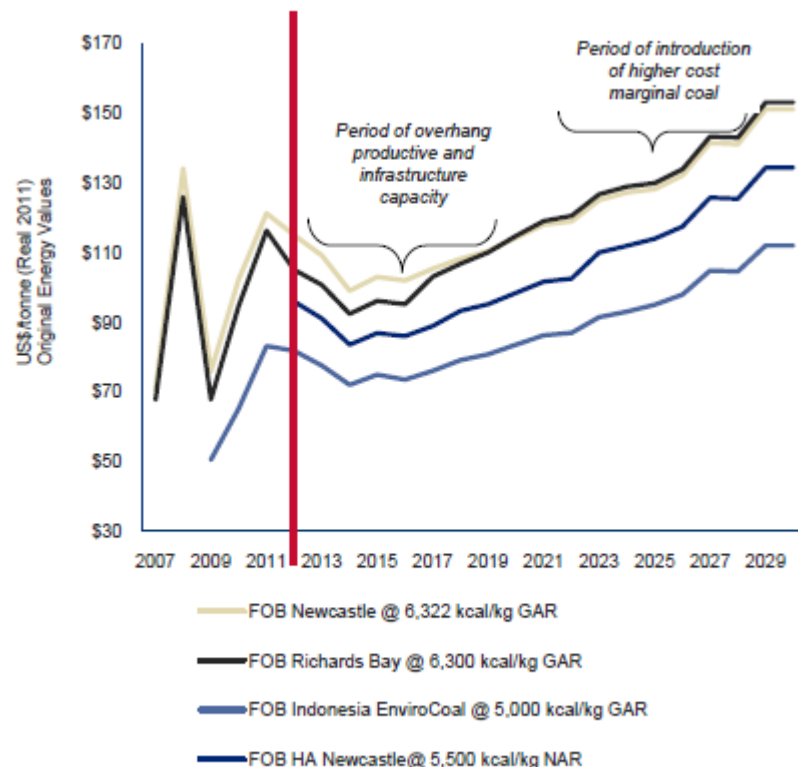
Long cycle ahead....

	Historical 5 Year Growth	China Current Intensity (per person)	Developed Economy Intensity (per person)	Potential Upside	Length of Growth Phase
Electricity Generation	10%	2.8 MWh	10.0 MWh	260%	15 – 20
Coal Demand	8%	2.2 tonnes	6.0 tonnes	170%	15 - 20

1.8 Billion People in Indonesia, India & Brazil also at Early Stage
(Indonesia 0.6MWh/per person & 8.5% p.a growth in electricity consumption/per person)

Coal Outlook Over the Next 15 – 20 Years (Life of Mine)

Long Term: thermal coal stabilises through continued Asian demand and rationalisation of supply



- China and India will drive this rebound with rapidly growing economies which are heavily reliant on coal
- Longer term fundamentals suggest the high demand growth trend will continue
- China and India in particular have little alternative but to expand coal use in the power sector
- Meeting the substantial demand growth will require expansion of existing supply basins and development of new reserves in more remote regions, exerting price pressure across the entire global supply chain
- New mining projects, at current pricing levels and capital intensity, likely to be shelved.

THE BIG PICTURE

- | | | |
|-------------------------------|---|-----------------------------|
| ➤ High Quality Coal | ➔ | High Revenue per tonne |
| ➤ Big Tonnage Potential | ➔ | Supports High CAPEX |
| ➤ Location and Infrastructure | ➔ | Offsets Higher Mining Costs |

KEY DETAIL - Technical

- | | |
|-----------|--|
| ➤ GEOTECH | - Rock Integrity
- Faulting |
| ➤ PARTING | - None or small (washing /yield) |
| ➤ OTHERS | - Gas, water, spontaneous combustion etc |



Flagship Pre Development Project – “TCM”

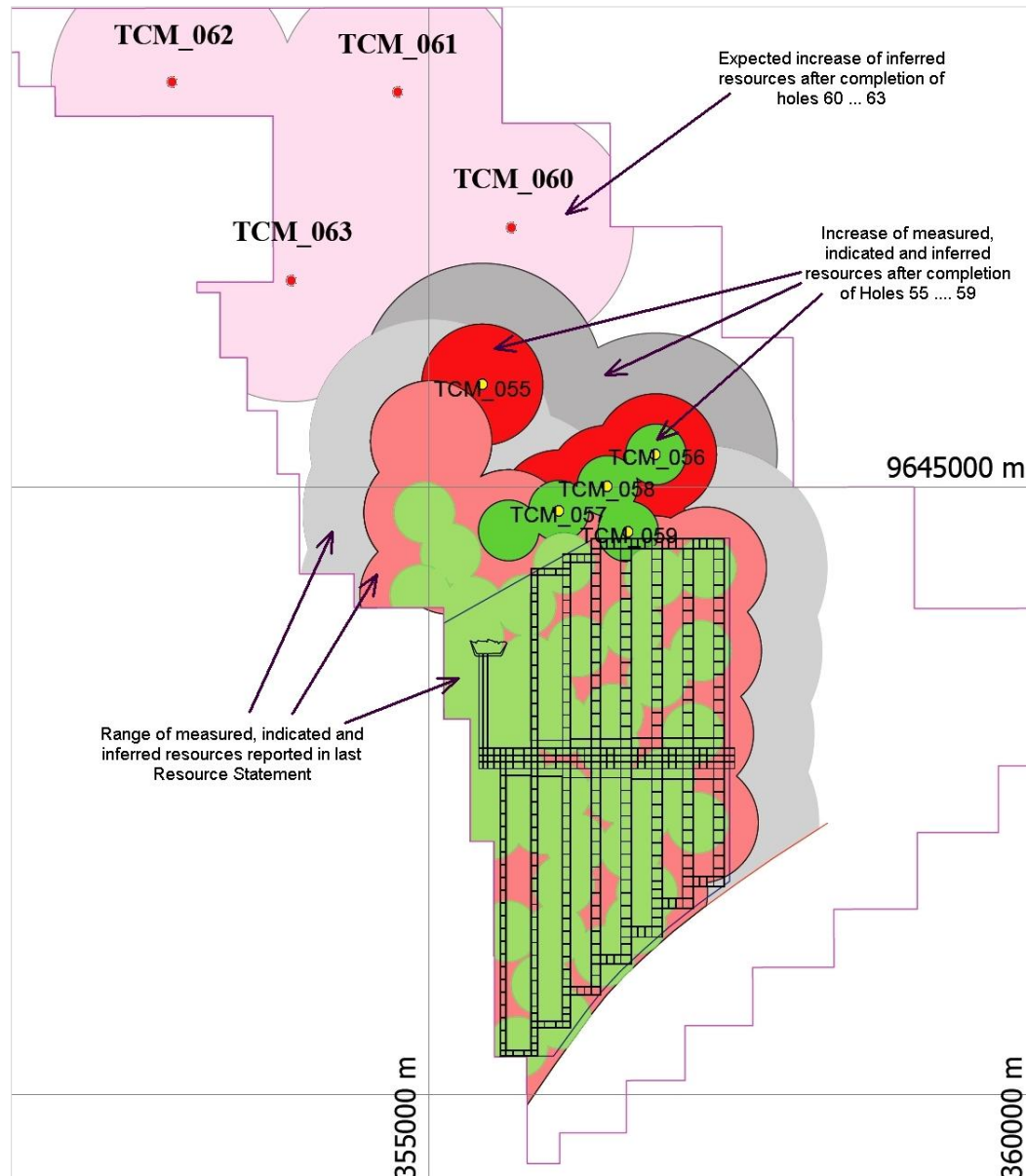
South Kalimantan

75% interest (25% Local Partners) (3,440Ha)

- ✓ Immediately adjacent to PT Arutmin ATA mine
- ✓ Coal seams dip into TCM
- ✓ High calorific value thermal coal
6,200 kcal / kg (AR)
- ✓ 128Mt of JORC measured, indicated & inferred resource, with potential to increase
- ✓ Haul road in
(51kms to Batulicin Barge Loading Terminal)



TCM Project - Drilling



- Feasibility Study based on Southern half (128mt)
- Drilling in North
- Targeting 200 - 220mt Total

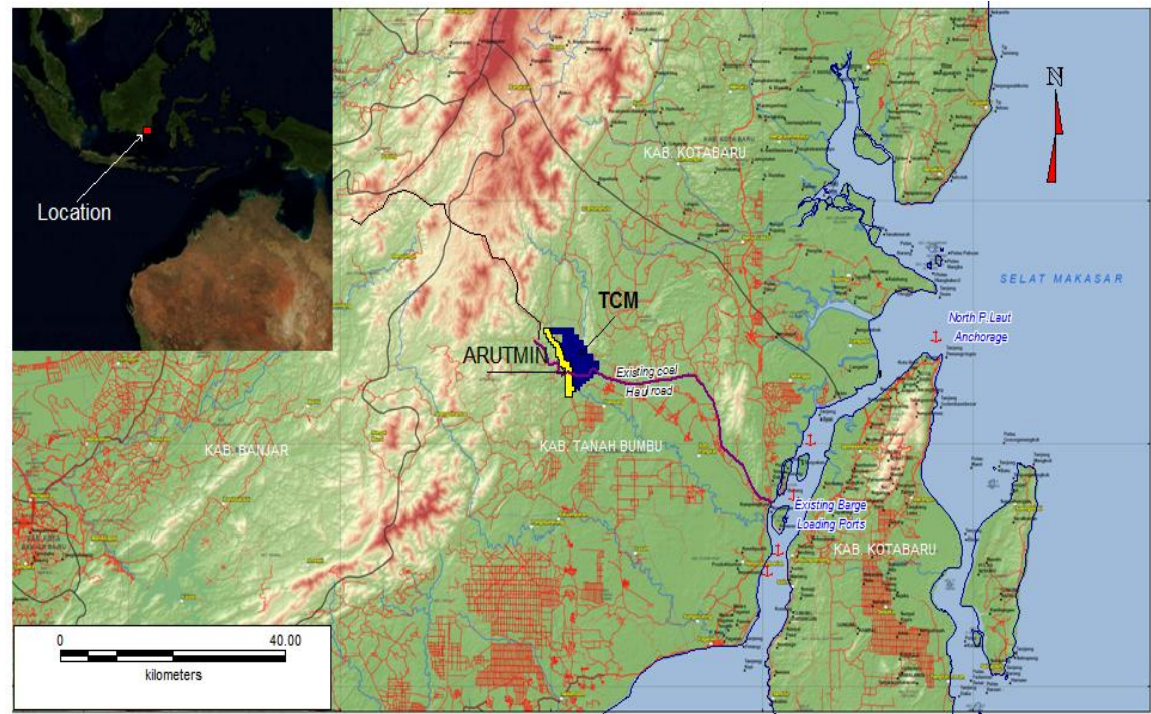
TCM Project - Resource

- JORC measured resource = 50Mt
- JORC indicated resource = 38Mt
- JORC inferred resource = 40Mt

TOTAL JORC RESOURCE = 128Mt*

✓ Production IUP Issued ("C & C")

✓ PMA Status



* Refer Appendix 1 for details

TCM Project Overview

Style of Mining	Mechanized Longwall
Target Sellable Coal	1.5Mt pa
Mine Life	15 years +
Target Sellable Coal C.V	6200 + GAR
Operating Cost /t on Mother Vessel	~ USD\$52/t
CAPEX + OPEX pre production	~ US\$190m

Project parameters targeted by the company as a result of Full Base Case Feasibility Study completed by PT Kopex Mining Contractors (KMC).



Milestones – TCM Project

4th QUARTER 2012

- JORC Update – TCM North
- Optimise Mine Plan
- Discussions with Development Partners

1st HALF 2013

- Development Agreement
- Permitting & Project Execution Plan

2nd HALF 2013

- Project Execution
- Development

1. **It's Time for Underground Coal Mining in Indonesia**
2. **Underground Coal Brings Something New to the Partnership with Indonesia**
 - Expertise / Technology / Large, Long Term Investment
3. **Potential to Deliver Significant New Reserves for Indonesia, with Lowest Impact on Other Stakeholders**
 - Forestry / Agriculture / Local Communities
4. **Mining is “A Marriage, Not A Date”**
 - Underground Mining – A Long Engagement



Forward Looking Statements

This presentation includes certain “forward looking Statements”. All statements other than statements of historical fact are forward looking statements that involve various risks and uncertainties. There can be no assurances that such statements will prove accurate and actual results and future events could differ materially from those anticipated in such statements. 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.

Exploration Targets

The estimates of exploration target sizes mentioned in this announcement should not be misunderstood or misconstrued as estimates of mineral resources. The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in a determination of a mineral resource.

Qualified Person

The technical information in this presentation is derived from Pan Asia’s ASX releases, each of which has been reviewed by our competent person, Marek Rosa, as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Copies of prior releases are available on the ASX website or www.panasiacorp.com.au

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.

A handwritten signature in blue ink, appearing to be 'Marek Rosa', written over a horizontal line.

MAREK ROSA M.Sc. (Geology), MAusIMM

Appendix 1

Current JORC Resources at TCM

	TCM JORC RESOURCES
MEASURED (tonnes)	50,270,464
INDICATED (tonnes)	38,108,017
INFERRED (tonnes)	40,436,597
TOTAL (tonnes)	128,815,078

Coal Quality

Proximate Analysis	%	14% Ash Spec
Total Moisture	ar	8.5
	ad	
Inherent Moisture	b	3.0
Ash content	ar	14.0
Volatile Matter	ar	38.1
	daf	49.8
Fixed Carbon		by difference
Total Sulfur	ar	1.00
Calorific Value	ar	6200
	ad	
	b	6600
	daf	8000

PARAMETERS USED IN JORC UPGRADE

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 have been 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, KMC sub-divided resources into categories based on the following drill spacing:

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



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