

8 November 2012

## HUGE INCREASE (> 70%) IN JORC RESOURCE MINEABLE SEAMS TCM PROJECT

### HIGHLIGHTS

- JORC Resource (all seams) increased from ~128 million tonnes to ~177 million tonnes (measured, indicated & inferred) at Pan Asia's high CV (~6200 GAR kcal/kg) flagship TCM Coal Project
- JORC Resource (mineable seams) increased from ~ 75million tonnes to ~129 million tonnes
- Represents a huge 70% increase in JORC resource on the commercially important mineable seams

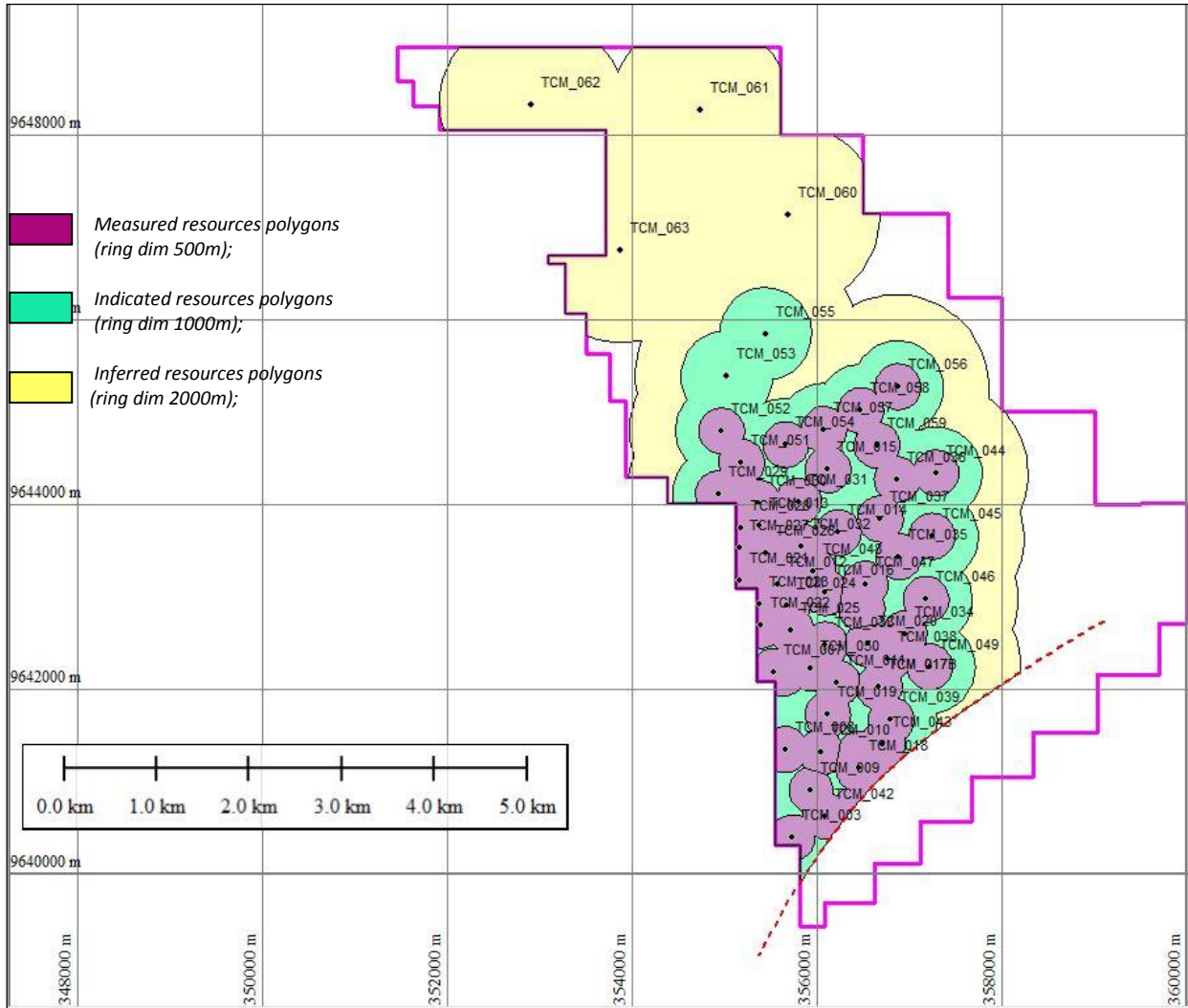
Pan Asia Corporation Ltd (ASX: PZC) is pleased to announce a further JORC upgrade at its flagship TCM High CV Coal Project in South Kalimantan, Indonesia, to **177 million tonnes** (measured, indicated & inferred) and importantly an increase to 129 million tonnes on the mineable seams.

### JORC RESOURCES UPDATE: TCM PROJECT

	CURRENT				PRIOR
	Measured Mt	Indicated Mt	Inferred Mt	TOTAL Mt	TOTAL Mt
Mineable Seams					
SU (5)	20.43	12.25	32.03	64.71	41.74
SM (6)	17.19	12.22	35.04	64.45	33.82
<b>Sub Total</b>				<b>129.16</b>	<b>75.56</b>
Other Seams	15.79	10.95	21.37	48.11	53.25
<b>TOTAL</b>	<b>53.41</b>	<b>35.42</b>	<b>88.44</b>	<b>177.27</b>	<b>128.81</b>

CEO Alan Hopkins said "This very large increase in tonnes allows us to target a mine life of more than 30 years and significantly expands the resource base for the planned updated feasibility study. Combined with the now expected higher mining recoveries and lower capex, we have the chance to really boost the NPV for this high CV project."

## Resource Map of Underground Mineable Seams S5 + S6



## Coal Quality Resource Summary of Underground Mineable Seams S5 + S6

Seam ID	TM	IM	Ash	VM	FC	TS	CV (adb)	RD
	(% ar)	(% adb)	(% adb)	(% adb)	(% adb)	(% adb)	(Kcal/kg)	g/Cc
S5	5.2	3.9	12.8	41.7	41.6	1.65	6,655	1.36
S6	5.0	3.6	12.7	42.3	41.5	0.39	6,705	1.36
<b>Weighted average value for S5+S6</b>	<b>5.10</b>	<b>3.75</b>	<b>12.75</b>	<b>42.00</b>	<b>41.55</b>	<b>1.02</b>	<b>6680</b>	<b>1.36</b>

### Indicative 14% Ash Coal Specification – After Washing

Proximate Analysis		14% Ash Spec	
Total Moisture	ar	8.5	
Inherent Moisture	adb	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	
	adb	6600	
	daf	8000	
<b>Ultimate Analysis - From F1.6 Analysis</b>			
Carbon	daf	79.6	
Hydrogen	daf	6.05	
Nitrogen	daf	1.12	
Total Sulfur	daf	0.75	
Oxygen + error	daf	12.48	
<b>Ash Fusion Temperature</b>			
		Reducing Atmosphere	Oxidising Atmosphere
Deformation	°C	>1600	>1600
Spherical	°C	>1600	>1600
Hemispherical	°C	>1600	>1600
Flow	°C	>1600	>1600
<b>Ash Chemistry - From F1.60 coal analysis only</b>			
Silica as SiO <sub>2</sub>	%	51.4	
Aluminium as Al <sub>2</sub> O <sub>3</sub>	%	31.0	
Iron as Fe <sub>2</sub> O <sub>3</sub>	%	8.6	
Calcium as CaO	%	2.35	
Magnesium as MgO	%	0.50	
Titanium as TiO <sub>2</sub>	%	3.05	
Sodium as Na <sub>2</sub> O	%	0.50	
Potassium as K <sub>2</sub> O	%	0.12	
Manganese as Mn <sub>3</sub> O <sub>4</sub>	%	0.039	
Phosphorus as P <sub>2</sub> O <sub>5</sub>	%	0.221	
Sulfur as SO <sub>3</sub>	%	1.15	
Crucible Swelling Number		-	
<b>Physical Properties</b>			
Hardgrove Grindability Index		45	
Nominal Top Size	mm	50	
Minus 2mm	%	15	
<b>Estimated Yields -</b>			
Based on 3.63m of coal and 0.79m parting		78%	

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

## PARAMETERS USED IN JORC UPGRADE

1. A total of 64 boreholes was used for the update of the 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 undertaken;
6. Some of the coal quality data has been obtained from boreholes with less than 95% linear recovery. The lower core recoveries typically result from the weak, brittle nature of Indonesian coals, high vitrinite contents and drilling techniques used. The removal of geotechnical samples from the coal seams has also affected sample recovery for coal quality testwork in some boreholes. Coal quality contour plans indicate a relatively consistent spatial distribution of key quality parameters, including air-dried ash content and calorific value. The low degree of spatial variability is typical of the seams of the Tanjung Formation, which typically do not exhibit the degree of variability observed in many Australian coal formations. This has been further verified by statistical analysis of geological data over the TCM concession area, which has illustrated that the quality values are within expected ranges and have not been affected by boreholes with less than 95% recovery.
7. A full version of an updated resource statement has been elaborated with the recent drilling and laboratory testing completed.

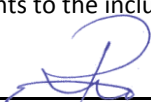
Future resource statements will only report resources within the S5 and S6 seams as they are expected to be economically viable by underground mining methods. All other seams will be excluded.

### **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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**MAREK ROSA** M.Sc. (Geology), MAusIMM

### **About Pan Asia**

Pan Asia Corporation is moving to become a significant long term supplier of key energy resources into the expanding Asian markets. With offices in Jakarta (GKBI), Perth and Sydney, our flagship project ("TCM") is a high CV thermal coal project in South Kalimantan.

Pan Asia seeks to build significant projects; de-risking them ready for development partnership / offtake agreements with quality, life of mine partners.

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