

28 February 2017

## TCM PROJECT – UNIVERSAL COAL & POLO RESOURCES

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Pan Asia Corporation Ltd “The **Company**” or “**Pan Asia**” advises it has received notification from Polo Investments Ltd “**Polo**” that Universal Coal Resources Pte Ltd “**Universal**” is in default under the terms of a Convertible Loan Agreement (“**CLA**”) entered into between Polo & Universal. Polo has requested that Universal rectify this default as soon as possible,

Polo advised this default by Universal arises as a result of Pan Asia not yet having convened a shareholder’s meeting to seek approval for the transfer of Pan Asia’s shares in Innovation West (the holding company of the Company’s interest in the TCM Project) under the terms of Sale and Purchase Agreement entered into between Universal & Pan Asia.

As previously announced by the Company, there are significant preconditions to be met by Universal before this meeting is to be called & the Company is seeking to have these fulfilled as a matter of priority to enable the planned meeting to be called expeditiously.

In the event Universal does not rectify the default, then Polo may seek to exercise any rights under the CLA with Universal & also under the Deed of Share Pledge entered into between Polo & Pan Asia where the Company’s interest in the TCM project is pledged as a security.

As previously reported, the Company has also been independently approached to sell the TCM project. In the event that opportunity materialises on beneficial terms, the Company would seek to discuss with Polo the commercial restructuring of the current security provided in support of the current proposed sale of the project to Universal.

**ENDS**

### **About Pan Asia**

Pan Asia Corporation Limited aims to be a supplier of key energy resources into the expanding Asian markets.

Our flagship TCM Project is a high CV thermal coal project in South Kalimantan. The Company seeks to generate significant projects, de-risking them ready for development partners / offtake agreements with quality, life of mine partners.