

ASX / MEDIA ANNOUNCEMENT

311 - 313 Hay Street
SUBIACO WA 6008
P: + 61 8 6489 0600
F: + 61 8 9388 3701
ABN: 45 098 448 269

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Kopex Repayment Update

Pan Asia Corporation Limited (ASX: PZC) (“**the Company**” or “**Pan Asia**”) advises that it’s 75% owned subsidiary PT Transcoal Minergy has received on the evening of Friday 19 June 2015, from PT Kopex Mining Contractors (“Kopex”), a demand for repayment of the Kopex loan (being USD 2,767,500 plus interest) by 30 June 2015. The Company is a guarantor to the Kopex loan.

The Company believes it has a number of avenues available to it and PT Transcoal Minergy to deal with the settlement of the Kopex loan to the satisfaction of all parties. Importantly, the Company does not believe the loan is reasonably required to be settled by 30 June 2015 but fully intends to facilitate reasonable timing for the settlement of this debt.

The Company has been actively undertaking a number of important value adding steps which include having the Kopex Loan dealt with. These important steps include:

- As announced on 4 June 2015, the Company has executed a heads of agreement with Universal Coal Pte. Ltd (“Universal”) to sell the TCM asset to Universal who has agreed to undertake an SGX Catalist IPO. Universal has further agreed to assume the liabilities of the Company and its subsidiary, Innovation West Pty Ltd (“IWPL”) as guarantor under the guarantee and indemnity made between Pan Asia, IWPL and Kopex as financier (“Guarantee and Indemnity”) with Pan Asia and IWPL to be released under the Guarantee and Indemnity. The Company is working with Universal to complete the transaction and have Universal assume the Guarantee and Indemnity.
- In April 2015, the Company also executed an AUD \$5m convertible note (with \$2m available in year 1 and \$3m to be available in year 2) with Coleman Ventures Limited. This convertible note allows the Company to draw on it over the next two years to assist it to complete the Universal Coal deal and have the Kopex loan settled in due course. The Company is also in the final stages of undertaking a AUD \$2m Rights Issue to provide shareholders with an opportunity to participate at the same price as the convertible note holder (\$0.007).

As has occurred in the past, the Company fully intends to continue to work with Kopex as a priority to enable a mutually acceptable outcome to be reached for all parties in the near future.

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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 build significant projects, de-risking them ready for development partners / offtake agreements with quality, life of mine partners.

Alan Hopkins
Chief Executive Officer
Pan Asia Corporation Limited
Tel: + 61 8 6489 0600

Jason Campbell
Commercial Manager & Company Secretary
Pan Asia Corporation Limited
Tel: +61 8 6489 0600