

8 July 2015

PAN ASIA ANNOUNCES \$2 MILLION ENTITLEMENT OFFER

Non-Renounceable Entitlement Offer

Pan Asia Corporation Limited (ABN 45 098 448 269) (**Pan Asia**) is pleased to announce that it will be undertaking a non-renounceable entitlement offer of up to 287,344,687 fully paid ordinary shares (**New Shares**) at an offer price of \$0.007 per New Share to raise up to \$2,011,412 (**Entitlement Offer**).

The offer price of \$0.007 per New Share is equal to the last closing price of Pan Asia shares as at 8 July 2015.

Eligible shareholders will be able to purchase 4 New Shares for every 5 shares held (**Entitlement**) on the record date of 7.00pm (AEST) on 15 July 2015 (**Record Date**).

The Entitlement Offer is not underwritten.

Important: As announced to ASX on 22 June 2015, Pan Asia received a letter from PT Kopex Mining Contractors demanding repayment of a loan guaranteed by Pan Asia in the amount of US\$2,767,500 plus interest by 30 June 2015. Please refer to section 3.2(a) of the Offer Document lodged with ASX today for further information regarding the risks associated with the loan and the associated potential insolvency of Pan Asia.

Overview of Entitlement Offer

The Entitlement Offer is non-renounceable and is open to all shareholders with a registered address in Australia or New Zealand, or who are otherwise eligible under all applicable securities laws to receive an offer of New Shares under the Entitlement Offer (**Eligible Shareholders**) on the Record Date.

All other shareholders (**Ineligible Shareholders**) will not be eligible to participate in the Entitlement Offer. However, pursuant to section 615 of the *Corporations Act 2001* (Cth), the Company has appointed a foreign holder nominee (**Nominee**) to subscribe for the New Shares which Ineligible Shareholders would otherwise have been entitled to apply for had they been eligible to participate in the Entitlement Offer. The Nominee will then sell such New Shares and remit the net proceeds (if any) to the Ineligible Shareholders in proportion to their respective shareholdings.

The maximum number of New Shares which may be issued under the Entitlement Offer is 287,344,687 (subject to rounding and based on the current number of shares on issue). The Entitlement Offer will raise up to approximately \$2,011,412 before expenses.

If you are an Eligible Shareholder, an Offer Document and Entitlement and Acceptance Form specifying your Entitlement will be sent to you on 20 July 2015.

New Shares issued under the Entitlement Offer will rank equally with existing fully paid ordinary shares on issue and application will be made to ASX for official quotation of the New Shares.

Use of Funds

It is intended that the proceeds from the Entitlement Offer will be used in accordance with the table set out below.

Use of funds	Level of subscription			
	25% ¹	50% ²	75% ³	100% ⁴
Project holding costs, expenditure and other new project activities ⁵	\$90,000	\$150,000	\$300,000	\$500,000
Existing creditors	\$300,000	\$300,000	\$300,000	\$300,000
Expenses of the Entitlement Offer	\$30,000	\$30,000	\$30,000	\$30,000
Working capital ⁶	\$82,853	\$525,706	\$878,560	\$1,181,412
Total	\$502,853	\$1,005,706	\$1,508,560	\$2,011,412

Notes:

- Assumes that 71,836,172 New Shares are issued under the Entitlement Offer and the Company raises \$502,853.
- Assumes that 143,672,343 New Shares are issued under the Entitlement Offer and the Company raises \$1,005,706.
- Assumes that 215,508,515 New Shares are issued under the Entitlement Offer and the Company raises \$1,508,560.
- Assumes that 287,344,687 New Shares are issued under the Entitlement Offer and the Company raises \$2,011,412.
- Project holding costs relate to funds that will be used to support the TCM Project, including to maintain the project in good standing. If the Company completes the sale of its interest in the TCM Project (see Section 3.2(b) of the Offer Document for further information) then the Company will be also be seeking a new project over the next 12 months to replace the TCM Project.
- Working capital may include wages, payments to contractors, rent and outgoings, insurance, accounting, audit, legal and listing fees, payments to creditors, interest payments, other items of a general administrative nature and cash reserves which may be used in connection with the Company's projects, as determined by the Board at the relevant time. Specific examples of how the Company may use working capital include to repay the Kopex loan and associated interest (see Section 3.2(a) of the Offer Document for further information) and to fund all costs associated with the Company's proposed sale of its interest in the TCM Project (see Section 3.2(b) of the Offer Document for further information).

Timetable

Event	Date
Announcement of Offer, Appendix 3B, cleansing notice and Offer Document lodged with ASX	8 July 2015
Notice sent to Shareholders	10 July 2015
'Ex' date ¹	13 July 2015
Record Date (7.00pm (AEST)) ²	15 July 2015
Offer Document sent to Eligible Shareholders and announcement of issue of Offer Document	20 July 2015
Opening Date	20 July 2015
Closing Date (5.00pm (AEST))	6 August 2015
Deferred settlement trading commences	7 August 2015
ASX notified of any undersubscriptions	11 August 2015
Issue of new Shares and deferred settlement trading ends	13 August 2015
Issue of holding statements and commencement of trading of new Shares	14 August 2015

Notes:

- The date from which shares commence trading without the entitlement to participate in the Entitlement Offer.
- The date for determining the Entitlements of Eligible Shareholders to participate in the Entitlement Offer.

All dates (other than the date of lodgement of the Offer Document with ASX) are indicative only. Pan Asia reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Offer, including extending the Closing Date or accepting late acceptances, either generally or in particular cases, without notice.

The Offer Document includes details of the Offer and the risks associated with investing in the Company. It is recommended that you read the Offer Document carefully and, if you are interested in participating in the Offer, consult with your professional advisers.

ENDS

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