

29 June 2010

The Manager
Company Announcements Platform
Australian Securities Exchange
Exchange Plaza, 2 The Esplanade
PERTH WA 6000

Dear Shareholders

TCM COAL PROJECT PRODUCTION LICENSE APPROVED

HIGHLIGHTS:

- **Production & Operation IUP (license) granted for TCM; including**
- **Environmental Impact Analysis (AMDAL) approval**

The Directors of **Pan Asia Corporation Ltd (the “Company”; ASX: PZC)** are very pleased to announce the successful issuance of a Production and Operation IUP and AMDAL approval for the TCM Coal Project located in south Kalimantan, Indonesia.

This Production and Operation IUP facilitates the commercial extraction of coal from the license area for a period of 15 years (renewable). This process included obtaining approval for the Environmental Impact Analysis over the intended mining operations. The total area covered by this license is 3,440 hectares.

CEO Alan Hopkins commented “Obtaining the Production & Operation IUP and AMDAL clearance for TCM is another significant step forward for this project. It enables the Company to confidently advance discussions with our international & local partners as to the best manner of extracting the high quality thermal coal from this project area”.

Summary of Coal Asset

The TCM Coal Project is located in Southern Kalimantan, approximately 250km south-south-west of Balikpapan (Figure 1). The 3,440Ha project area is situated immediately adjacent to the ATA open pit coal mining operations owned and operated by PT Arutmin, one of Indonesia’s largest coal producers (Figure 2). Coal seams being mined by PT Arutmin are seen to dip at a shallow angle (~5-10°) into the TCM concession (Figure 3). ATA currently produces 2Mtpa of high quality thermal coal.

Based on the initial drilling undertaken to date, the TCM Project comprises a JORC compliant 19.7 Mt Indicated resource of coal, plus an 11 Mt Inferred resource.

The Company has executed a Memorandum of Understanding with Zhongding International Engineering Co Ltd (ZIEC) and KOPEX Mining Contractors for the further advancement of the project.

Upon completion of the company's acquisition of Innovation West Pty Ltd and the execution of the final transaction documents between Innovation West Pty Ltd and PT TransCoal Minergy, the Company would acquire ownership of a minimum of 75% of the TCM Project.

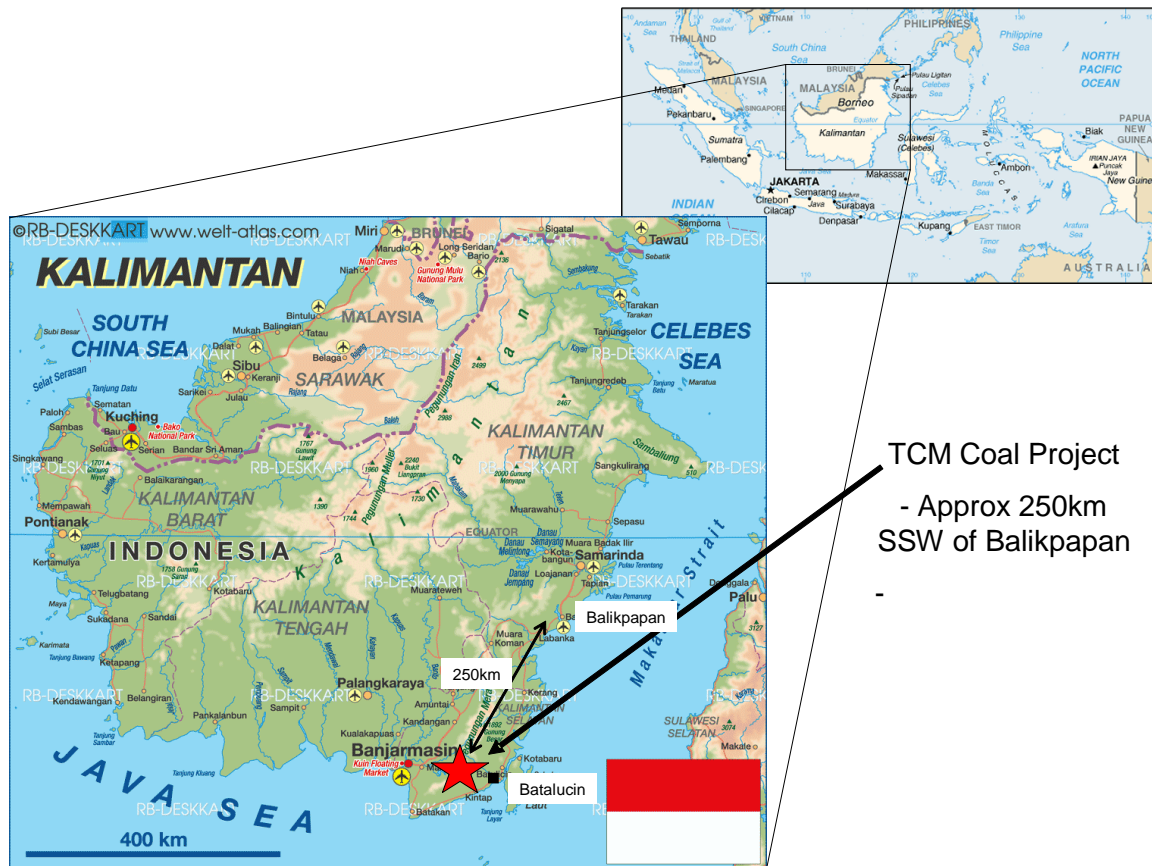


Figure 1 – Location of TCM Coal Project in Southern Kalimantan, Indonesia.

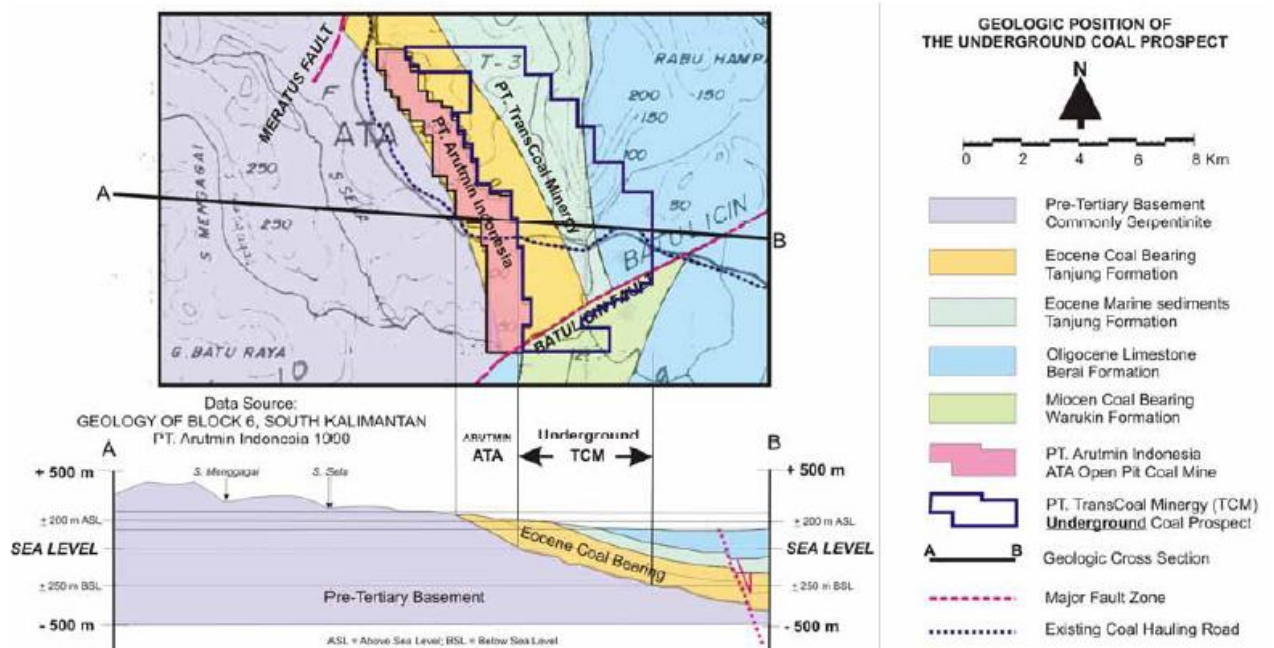


Figure 2 – Location of the TCM concession within the Tanjung coal-bearing sequence immediately adjacent to PT Arutmin’s ATA coal mines.

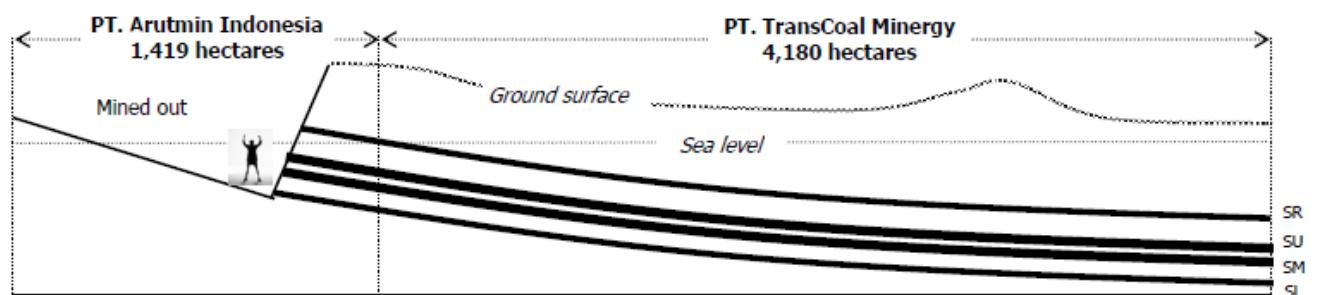


Figure 3 – Conceptual cross-section showing the four coal seams mined in the ATA pit (left) dipping into the large TCM concession, shown on the right.

Yours faithfully

ALAN G. HOPKINS
Chief Executive Officer

About Pan Asia Corporation Limited

Pan Asia Corporation Limited is a rapidly growing resources company primary listed on the Australian Securities Exchange and secondary listed on the Frankfurt Stock Exchange and with offices in Perth and Sydney, Australia and Jakarta, Indonesia.

The Company aims to be a major supplier of key resources into the expanding Asian markets and is well advanced in its due diligence and requirements for regulatory and shareholder approval for the acquisition of a number of significant coal assets in Indonesia. This diversified portfolio of assets includes exposure to projects in both production, and advanced exploration stages as well as key offtake positions which will complement these projects.

The evaluation and development of the current suite of assets in addition to new opportunities that arise from a strong local partner network will be the foundation for the Company's aim to become a significant coal company in Indonesia over the next three years. An extensive international financial network provides support for the Company's rapid growth plans.