

Gold Resource Update – Golden Terrace South

Redcliffe Project – Leonora WA

Announcements Office

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Gold Resource increase of 54% at Golden Terrace South

Increased resource estimate from 44,000 ounces to 68,000 ounces of gold at Golden Terrace South.

The 54% increase has been estimated following infill and extensional drilling.

It raises the Redcliffe Project gold resource estimate from 151,000 ounces to over 175,000 ounces of gold.

Potential for additional ounces remains high with the mineralisation open to the south and at depth within Pacrim's 100% owned mining lease.

Preliminary pit optimisation studies suggest robust project economics. Detailed operation planning for open pit mining has been initiated with gold production anticipated in the second half of 2010.

UPDATE

Pacrim Energy has closed out 2009 with a major upgrade in the gold resource at Golden Terrace South. The deposit forms part of Pacrim's Redcliffe Gold Project resource inventory. The initial resource estimate of 44,000 ounces has been markedly increased (by 54%) to 68,000 ounces of gold. (See breakdown of classifications in Redcliffe Project Background later in this report.)

Significant mineralised intercepts located to the south of the current resource are yet to be incorporated into the estimate as further data is required.

The recent interpretation of data, incorporating infill and extension drilling, has considerably raised tonnage estimates of mineralisation and as a consequence, will tend to decrease the likely waste to ore stripping ratio.

Pacrim has engaged BM Geological Services Pty Ltd to construct a block model based on the interpretation and fellow Kalgoorlie based mining consulting group, Minecomp, has carried out a preliminary pit optimisation exercise using estimated costs and a range of gold prices.

Following the positive outcome, Pacrim has engaged consulting mining engineering services to coordinate development of the Golden Terrace South mining operation, with the Company anticipating the commencement of gold production in the second half of 2010.

A programme of triple tube diamond drilling (with some RC and pre-collars) is to be undertaken to provide material for further detailed metallurgical test work, confirm interpretations, and provide geotechnical information for detailed pit design.

It is expected by Pacrim that detailed studies currently underway will result in upgrading of the classification of much of the resource to a status facilitating project financing alternatives. This will assist in limiting the need for further shareholder dilution as the Company moves towards production in 2010.

Sterilisation AirCore drilling has been conducted across areas that were proposed for location of waste dumps and stockpiles. Plus 1g/t intercepts from single metre splits included 1m @ 3.93 g/t, 1m @ 2.94g/t, and 1m @ 1.32g/t) require additional drilling to determine the extent of mineralisation.

Redcliffe Project Background

Pacrim's 100% owned Redcliffe Project is located in the north eastern Goldfields of Western Australia, 10-90km from Leonora. The Project covers approximately 65 kilometres of strike length of the Mertondale Shear Zone along with parallel and associated structures. An estimated 400,000 ounces of gold has been produced from the Mertondale Shear Zone from historic mines and pits that operated in the 1980s and 1990s. These include the shallow Nambi and Redcliffe pits that produced in excess of 90,000 ounces from within the Pacrim project tenements.

The Company's Redcliffe Gold Project exploration led to the initial resource estimate of 151,000 ounces of gold, (consisting of an Indicated Resource of 385,000 tonnes @ 3.42g/t and an Inferred Resource of 1,678,000 tonnes @ 2.0g/t). This has now been increased to 175,000 ounces (consisting of an Indicated Resource of 1,007,000 tonnes @ 2.72g/t and an Inferred Resource of 1,565,500 tonnes @ 1.73g/t).

The resources are headed by the Golden Terrace South deposit, where the previously estimated resource of 44,000 ounces has been expanded to 68,000 ounces of gold (now consisting of an Indicated Resource of 735,000 tonnes @ 2.50g/t and an Inferred Resource of 189,500 tonnes @ 1.68g/t for a total of 925,000 tonnes @ 2.3g/t gold).

The updated Golden Terrace South resource was estimated using information from 124 drill holes including 35 new Reverse Circulation holes. The resource estimate was compiled utilising a lower cut off 0.5g/t, an upper cut in supergene mineralisation of 20g/t and an upper cut in primary mineralisation of 40g/t gold.



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The information in this report, as it relates to Exploration Results and Resource Estimates, is based on information compiled and/or reviewed by Rodney Foster who is a Member of The Australasian Institute of Mining and Metallurgy. Rodney Foster is the Managing Director of the Company. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Rodney Foster consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report, as it relates to Mineral Resource Estimates, is based on information compiled and/or reviewed by Andrew Bewsher who is a fulltime employee of BM Geological Services Pty Ltd and is a Member of the Australian Institute of Geoscientists. He has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Andrew Bewsher consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.