

28 November 2013

\$1.5M FINANCING

- **Placements to raise \$1.52m at 2.1cps**
- **\$1.5m underwriting for subsequent rights issue at 2.1cps**
- **Possible sale of interest in TCM Project**
- **Key Value Adds for TCM Project**
- **Company Cost Restructure and Board Reduction**

CEO Alan Hopkins said “These funding arrangements put in place the necessary funding for the Company’s operations, as well achieve our key near term value add goals. The negotiations on the possible sale of our interest in the TCM Project, if completed, may see the Company’s asset related with a retained interest funded to production.”

Funding Arrangements

The Company has received a firm commitment for the placement of 24m shares at AUD \$0.021 per share to raise AUD \$504,000 to be settled on 6 December 2013 (“**Placement Shares**”). The Placement Shares will be made to Tata Artha Group (“**TAG**”) and/ or clients of TAG who are sophisticated investors.

TAG is an Indonesian group with Hong Kong financing support. Additional Indonesian ownership is seen by the Company as a key to benefit from the significant recent mining regulatory changes within Indonesia.

TAG has further committed to a placement of 48m shares to TAG and/ or its clients, with the following tranches (subject to the Company obtaining any necessary shareholder approvals):

- (a) 24M shares at AUD \$0.021 per share for total consideration of AUD \$504,000 on or before 31 January 2014; and
- (b) 24M shares at AUD \$0.021 per share for total consideration of AUD \$504,000 on or before 28 February 2014.

Following the issue of the Placement Shares and the additional 48m shares to be issued in January and February 2014, Pan Asia intends to commence a rights issue at an offer price of \$0.021 per share to all shareholders of the Company prior to 31 March 2014. Details of the rights issue will be confirmed closer to the time, but TAG and its clients have agreed to underwrite an amount of AUD \$1.5m of the rights issue.

Possible Sale of Interest in TCM Project

The Company is currently in advanced negotiations with a Singaporean group for the possible sale of Pan Asia's 75% interest in the TCM project in a way that, if completed, may see the Company's asset re-rated with a retained interest funded to production.

It is proposed that, subject to successful due diligence which is due to be completed by 15 December 2013, the parties may enter into binding arrangements to progress the transaction, subject to all regulatory and shareholder approvals.

Key Value Adds

In parallel with the above efforts, the Company is progressing with two key value adds:

- Establishing arrangements for quicker, more cost effective access to the coal seams; and
- Completing all outstanding permits required before the project could be brought to production.

Increased Indonesian ownership assists the Company with both of these endeavours.

Company Cost Restructure and Board Restructure

As part of its ongoing internal reviews, the Company has significantly cut its cost structure to ensure maximum efficiency of its operations and better align it for expected developments.

The Company advises that Mr Mitch Jakeman has resigned as a Non-Executive Director of the Company effective today, 28 November 2013 but continues to provide consulting services to the Company. The Board would like to express its appreciation to Mr Jakeman for his contribution to the Company throughout the period of his directorship.

END

About Pan Asia

Pan Asia Corporation 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.

For Further Information Contact:

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