

16 July 2014

## FULLY UNDERWRITTEN RIGHTS ISSUE TO RAISE \$1.6M

- **1 for 3 fully underwritten, non-renounceable rights issue**
- **Approximately 76,295,428 new shares at \$0.021 per new share**
- **Rights Issue to raise \$1.6m to fund TCM project costs and working capital**
- **Fully underwritten by major shareholder Nexus Link Limited**

Pan Asia Corporation Limited (ASX: PZC) (“Pan Asia” or “the Company”) announces, a fully underwritten, non-renounceable rights issue to shareholders on the basis of one (1) share for every (3) shares held at 5:00pm WST on 22 July 2014 (“Record Date”) at a price of \$0.021 each (“Rights Issue”).

The Rights Issue is non-renounceable and is available to all shareholders of the Company whose details appear on the Company’s register of shareholders as at the Record Date with a registered address in Australia or New Zealand or are otherwise eligible under all applicable securities laws to receive an offer of shares under the Rights Issue (**Eligible Shareholders**).

The maximum number of shares which may be issued under the Rights Issue is 76,295,428 to raise \$1,602,204 (before expenses). Funds raised from the Rights Issue are intended to be used to fund further pre development initiatives at the Company’s flagship TCM Project and working capital. An offer letter containing your entitlement will be sent to you on the date referred to in the timetable below.

The Rights Issue is fully underwritten by Nexus link Limited, a major shareholder of the Company. In addition to their entitlement, Eligible Shareholders may also apply for shortfall shares.

Shares issued under the rights issue will rank equally with existing shares and the Company will apply for official quotation of the shares.

Option holders are not entitled to participate in the Rights Issue without first exercising their options to be registered as a Shareholder on the Record Date, in accordance with the terms and conditions of the options.

An Appendix 3B, a notice under section 708AA(2)(f) of the Corporations Act and an Offer Document in respect of the Rights Issue accompany this announcement. The Company confirms that it is in compliance with its continuous disclosure obligations.

Further information on the Rights Issue (including the timetable) will be set out in an offer document for the offer which is intended to be dispatched to shareholders on Friday, 25 July 2014.

The timetable for the Rights Issue is as follows:

<b>Event</b>	<b>Date</b>
<b>Announcement of Offer</b>	Wednesday, 16 July 2014
<b>Lodgement of section 708AAA Cleansing Notice</b>	Wednesday, 16 July 2014
<b>Application for quotation of New Shares (Appendix 3B)</b>	Wednesday, 16 July 2014
<b>Notice of Offer sent to Optionholders</b>	Wednesday, 16 July 2014
<b>Notice of Offer sent to Shareholders</b>	Thursday, 17 July 2014
<b>“Ex” Date</b> (Date from which securities commence trading without the entitlement to participate in the Offer)	Friday, 18 July 2014
<b>Record Date (5:00pm (WST))</b> (Date for determining Entitlements of Eligible Shareholders to participate in the Offer)	Tuesday, 22 July 2014
<b>Offer Document dispatched to Shareholders and announces that this has occurred</b>	Friday, 25 July 2014
<b>Opening Date</b>	Friday, 25 July 2014
<b>Closing Date (5:00pm (WST))</b>	Tuesday, 19 August 2014
<b>Securities quoted on a deferred settlement basis</b>	Wednesday, 20 August 2014
<b>Notification to ASX of under subscriptions</b>	Friday, 22 August 2014
<b>Issue Date</b>	Tuesday, 26 August 2014
<b>Mailing of Holding Statements</b>	Tuesday, 26 August 2014
<b>Normal ASX trading of New Shares commences</b>	Wednesday, 27 August 2014
<b>Issue of New Shares to Underwriter</b>	Monday, 1 September 2014

These dates are indicative only and may be subject to change. Subject to the Listing Rules and other applicable Laws, the Directors reserve the right to vary the dates of the Offer. The Directors also reserve the right not to proceed with the whole or part of the Offer.

The proposed capital structure post Rights Issue is as follows:

<b>Capital Structure</b>	<b>Shares</b>	<b>Options</b>	<b>Gross Amount Raised</b>
Existing	228,886,286	6,100,000	
Rights Issue Shares	76,295,428		\$1,602,204
<b>Capital Structure at completion of the Offer</b>	<b>305,181,714</b>	<b>6,100,000</b>	

**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:****Alan Hopkins**

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**Media**

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## NOTICE UNDER s 708AA OF THE ACT

The Company hereby notifies ASX under section 708AA(2)(f) of the Act that:

- (a) the Company will offer the Shares for issue without disclosure to investors under Part 6D.2;
- (b) the Company is providing this notice under paragraph 2(f) of section 708AA of the Act'
- (c) as at 16 July 2014, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company;
- (d) as at 16 July 2014, the Company has complied with section 674 of the Act;
- (e) as at 16 July 2014, there is no information:
  - (i) that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - (ii) that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
    - A. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
    - B. the rights and liabilities attaching to the Shares; and
- (f) the potential effect of the Rights Issue will have on the control of the Company is as follows:
  - (i) if all shareholders take up their entitlements under the Rights Issue, then the issue of the Shares under the Rights Issue will have no effect on the control of the Company;
  - (ii) the Offer is fully underwritten by Nexus Link Limited, a company incorporated in the British Virgin Islands and may result, if all Eligible Shareholders do not take up their entitlements, with Nexus Link Limited holding 32.86% of shares in the Company; and
  - (iii) the Company does not anticipate that any Eligible Shareholders not taking up their entitlements to have any effect on the control of the Company and does not expect there to be any consequences for shareholders other than a normal dilutionary effect in respect of shareholders who do not accept their entitlement.