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The Manager
Company Announcements Platform
Australian Securities Exchange
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PERTH WA 6000

Dear Shareholders

MOU WITH MULTINATIONAL MINING SERVICES COMPANY AND COMMITMENTS FOR \$5M PLACEMENT

The Directors of **Pan Asia Corporation Ltd** (the “Company”; ASX: PZC) are very pleased to announce that the Company has signed a Memorandum of Understanding (“MOU”) with PT Kopex Mining Contractors (“KMC”) and has also received commitments for its \$5,000,000 placement.

The MOU with KMC covers the Mantewe/TransCoal Minergy (“TCM”) project in South Kalimantan, Indonesia. The Kopex group, of which KMC forms part, has considerable experience in underground coal mining in Indonesia and abroad and is one of the largest producers of mining technology and equipment in the world. The group will be known to Australians for having acquired Waratah Engineering late last year.

KMC, the Indonesian mining subsidiary within the group, is headquartered in Jakarta and has expertise in the planning and designing of underground coal mines, offering a range of professional consultancy services as well as having the capability to construct, develop and operate underground coal mines. The MOU also envisages the possibility of KMC providing assistance with project development financing once a preliminary review of the TCM project has been completed.

Following the recent confirmation of a JORC resource at the TCM coal project, the earlier signing of an MOU to investigate the possible expansion of the adjacent ATA open pit coal mine into the TCM concession and the recent signing of an MOU with Zhongding International Engineering Co Ltd regarding potential underground mining operations at the TCM concession, the signing of this MOU with KMC is another important step towards the optimum development of this project.

As a result, upon completion of the Company’s acquisition of Innovation West and the execution of definitive transaction documents between Innovation West and PT TransCoal Minergy, the Company would have not only ultimate ownership of a minimum of 75% of the TCM project, but also a network of service providers in place to assist it on this project.

Meanwhile, the Company also confirms that it has received commitments for the \$5,000,000 placement and anticipates that all paperwork and funds will be received by Friday 21 May 2010.

This will provide the Company with funds to invest in further promising projects, including the Nadvara and Perdama Maju Utama projects in East Kalimantan.

CEO Alan Hopkins commented "The signing of an MOU with a highly respected underground mining services company and the receipt of commitments for the \$5,000,000 placement strengthens the Company's plans to expedite the rapidly emerging TCM project. Additionally, it enables the Company to progress its involvement in the other highly prospective coal assets being acquired via the pending acquisition of Innovation West."

Yours faithfully



ALAN G. HOPKINS
Chief Executive Officer

About Pan Asia Corporation Limited

Pan Asia Corporation Limited is a rapidly growing diversified 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 and manganese assets in Indonesia. This diversified portfolio of assets includes projects in both production and exploration stages as well as a significant opportunity to participate in commodity trading 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 top tier coal and manganese company in Indonesia over the next three years. An extensive international financial network provides support for the Company's rapid growth plans.