

ASX ANNOUNCEMENT

7 March 2008

PAN AUSTRALIAN RESOURCES LIMITED

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Communication with Shareholders

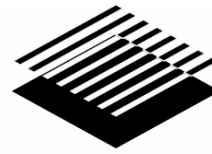
In accordance with Listing Rule 3.17, we attach a copy of the communication today sent to shareholders.

The letter advises shareholders of their option to either continue receiving a printed copy of the annual report or to receive notification of the availability of an electronic version of the annual report. This communication is consistent with recent changes to the Corporations Act regulating the form of communication with shareholders.

For further information contact:

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Pan Australian Resources Limited

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**PAN AUSTRALIAN
RESOURCES LIMITED**

7 March, 2008

Dear Shareholder

ABN 17 011 065 160

CHANGES TO THE WAY WE COMMUNICATE WITH YOU - A MORE SUSTAINABLE ALTERNATIVE

I am writing to inform you that the Australian government has changed the legislation concerning the way that listed companies communicate with their shareholders. The new legislation provides that a listed company may now elect to provide its annual report on its website, as opposed to mailing printed copies to shareholders. However, shareholders may still elect to receive a printed copy of the annual report.

WE NOW REQUEST YOU TO CHOOSE ONE OF THE FOLLOWING OPTIONS:

OPTION 1: Elect to receive email notification of when your annual report and other shareholder communications become available online. We will notify you how to access the annual report when it is released.

OPTION 2: Elect to continue receiving a printed copy of the annual report.

Please indicate your preference on the form provided and return it in the enclosed envelope by 31 March, 2008.

If you do not wish to receive email communications from the Company and you do not require a printed annual report, then you do not need to take any action. You do not need to complete and return this form.

With your notice of annual general meeting, you will be provided with notification that the annual report is available on the Company's website with directions as to how to access it.

The Company encourages you to elect to receive your shareholder communications electronically; the more sustainable and cost-effective option. Over the past 12 months, the number of Pan Australian shareholders has increased by almost 35% to 16,000. Whilst the Company is extremely pleased with this increase in its shareholder base, the combined cost of producing and distributing printed copies of the annual report, sustainability report and other communications to all shareholders is now approaching \$250,000 per year.

By receiving shareholder communications electronically, you will substantially reduce the consumption of paper and ink, and reduce the costs associated with printing and postage by approximately \$200,000 a year.

Consistent with Pan Australian's move to a more sustainable approach to shareholder communications, the Company has decided that it will no longer distribute printed copies of quarterly reports. However, the level of information available to you will remain unchanged. The Company's website has been revamped in the last 12 months and provides you with user-friendly access to all of the Company's announcements and other useful information. We intend to continually improve the website and welcome your feedback.

Please note that whatever your election, you may contact the Company at any time and request a copy of the Company's latest annual report (or any other publication) to be mailed to you free of charge. All shareholder communications, including a new half-year company update, will be available on the Company's website at www.panaustralian.com.au.

I thank you for your support in assisting with the implementation of this initiative.

Yours faithfully

Paul Scarr
Company Secretary

