

ASX/MEDIA ANNOUNCEMENT
30 June 2009

FIRB approval received for GRAM investment

PanAust is pleased to announce that Guangdong Rising Assets Management Company Limited (GRAM) has received notice that Foreign Investment Review Board (FIRB) approval has been granted for its intended 19.9% investment in PanAust Limited.

PanAust's Managing Director, Gary Stafford, said "It's pleasing that FIRB approval has been granted quickly and unconditionally. The GRAM investment also requires Chinese regulatory approvals and PanAust shareholder approval at the 8 July Extraordinary General Meeting".

On 26 May 2009, PanAust announced that it had entered into a share placement agreement with GRAM, a major Chinese investment group. GRAM will invest a total of A\$216 million through a cornerstone investment of A\$180 million at A\$0.395/share and top up investment of A\$35 million at A\$0.28/share to acquire a 19.9% interest in PanAust.

"We look forward to welcoming GRAM as a cornerstone investor in PanAust. The proposed investment will allow PanAust to significantly reduce its debt and enhance its future funding flexibility" Mr Stafford said.

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