

ASX ANNOUNCEMENT**22 June 2009****Declaration of Force Majeure**

We refer to the ASX Announcement made earlier today “SAG Mill Motor Breakdown – Downtime Minimised”.

PanAust advises that its Lao-registered subsidiary, Phu Bia Mining Limited, has declared force majeure on all of its sale contracts until such time as the Phu Kham Copper-Gold Operation can resume normal operations, concentrate stockpiles can be built and shipping resume.

As advised earlier today, it is anticipated that the Phu Kham process plant will be down for between 11 and 23 days. The force majeure will remain in force for an estimated 30 days.

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Forward-Looking Statements

This announcement includes certain “Forward-Looking Statements”. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding forecast production performances of PanAust Limited are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.