

ASX ANNOUNCEMENT

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High-grade gold and broad zones of copper-gold intersected at the Puthep Copper Project, Thailand

Ongoing exploration drilling at the Puthep Copper Project in northern Thailand (Figure 1), has increased the potential for a significant primary copper-gold mineral resource to be defined beneath the identified PUT 1 deposit transitional (near-surface and partially oxidised) copper mineral resource.

The Puthep Copper Project is located in north-east Thailand near the provincial centre of Loei, within three hours' drive of the Company's Vientiane office in Laos. It comprises two copper deposits; PUT 1 and PUT 2, which are 14 kilometres apart (Figure 1).

Previous work at the PUT 1 deposit has identified a total near-surface **transitional Indicated and Inferred Mineral Resource of 85 million tonnes at 0.4% copper** (see Table 1 for the PUT 1 deposit and the PUT 2 deposit mineral resource estimates). This shallow resource has been defined to an average depth of 100 metres. The objective of the 2008 exploration program will be to identify a significant primary copper-gold mineral resource to complement the transitional resource.

Drill hole P1RD035 (Table 2) intersected **significant copper-gold primary mineralisation** beneath the transitional mineralisation consistent with the results of previous drilling (reported in the December 2007 quarterly report). The best intercept in P1RD035 was:

- **90 metres at 0.6% copper and 0.2g/t gold from a down-hole depth of 204 metres including 24 metres at 0.9% copper and 0.3g/t gold from a down-hole depth of 224 metres.**

In addition, drilling has intersected a new zone of high-grade gold mineralisation hosted within a vertical diatreme breccia zone. Drill hole P1RD037 (Table 2) intersected:

- **14 metres at 15.8g/t gold, 41g/t silver and 0.3% copper from a down-hole depth of 178 metres.**

The breccia was intersected in two other holes drilled on the same section. Drill hole P1RD035 intersected the breccia approximately 250 metres vertically below P1RD037 and returned 20 metres at a grade of 1.1g/t gold, 20g/t silver and 0.3% copper from a down-hole depth of 424 metres. Drill hole P1RD021 intersected the breccia mid-way between the two holes but was abandoned due to poor ground conditions.

The Company's target is to define mineral resources and ore reserves (initially at the PUT 1 deposit) capable of supporting a conventional bulk flotation operation producing a Pan Australian equity share of circa 30,000 tonnes of contained copper per annum.

The Puthep Project is a joint venture between Pan Australian and Padaeng Industry Public Company. Pan Australian can earn a 51% interest in Puthep by completing a feasibility study on the Puthep Copper Project and has further options to acquire a total 60-70% interest.

The Project is currently at the pre-feasibility study stage with completion of a feasibility study scheduled for the first quarter of next year subject to ongoing success with the primary mineralisation drilling program.

Table 1 – Puthep transitional Mineral Resources (0.1% copper cut-off), PUT 1 and PUT 2 deposits

| Deposit | Resource Category | Tonnes (Mt) | Copper Grade (%) | Copper In-situ (t) |
|-----------------------|-------------------------------|-------------|------------------|--------------------|
| PUT 1 deposit | Indicated | 22 | 0.4 | 95,000 |
| | Inferred | 62 | 0.4 | 275,000 |
| | Total | 85 | 0.4 | 370,000 |
| PUT 2 deposit | Indicated | - | - | - |
| | Inferred | 36 | 0.4 | 150,000 |
| | Total | 36 | 0.4 | 150,000 |
| Total - Puthep | Indicated and Inferred | 120 | 0.4 | 520,000 |

Tonnes are rounded to three significant figures. Grades are rounded to one decimal place

Table 2 – Drill Results

| Hole No. (depth of hole) | Interval (m) | Depth From (m) | Copper Grade (%) | Gold Grade (g/t) | Peak copper-gold interval |
|--------------------------|--------------|----------------|------------------|------------------|---|
| P1RD035 (445.1m) | 268.0 | 172.0 | 0.3 | 0.2 | 90m at 0.6% copper, 0.2g/t gold from 204m Including: 24m at 0.9% copper, 0.3g/t gold from 224m 20m at 0.7% copper, 0.2g/t gold from 256m |
| P1RD037 (250.3m) | 126.0 | 0.0 | 0.3 | 0.1 | New high-grade gold zone |
| | 14.0 | 178.0 | 0.3 | 15.8 | |
| P1DD038 (312.8m) | 64.0 | 16.0 | 0.3 | 0.1 | 36m at 0.6% copper, 0.1g/t gold from 216m 12m at 0.9% copper, 0.1g/t gold from 176m |
| | 42.0 | 100.0 | 0.3 | 0.1 | |
| | 114.0 | 176.0 | 0.4 | 0.1 | |

All drill holes drilled at -60 towards an azimuth of 090deg. Composite grades are down-hole length weighted calculations. Grades are rounded to one decimal place.

For further information contact:

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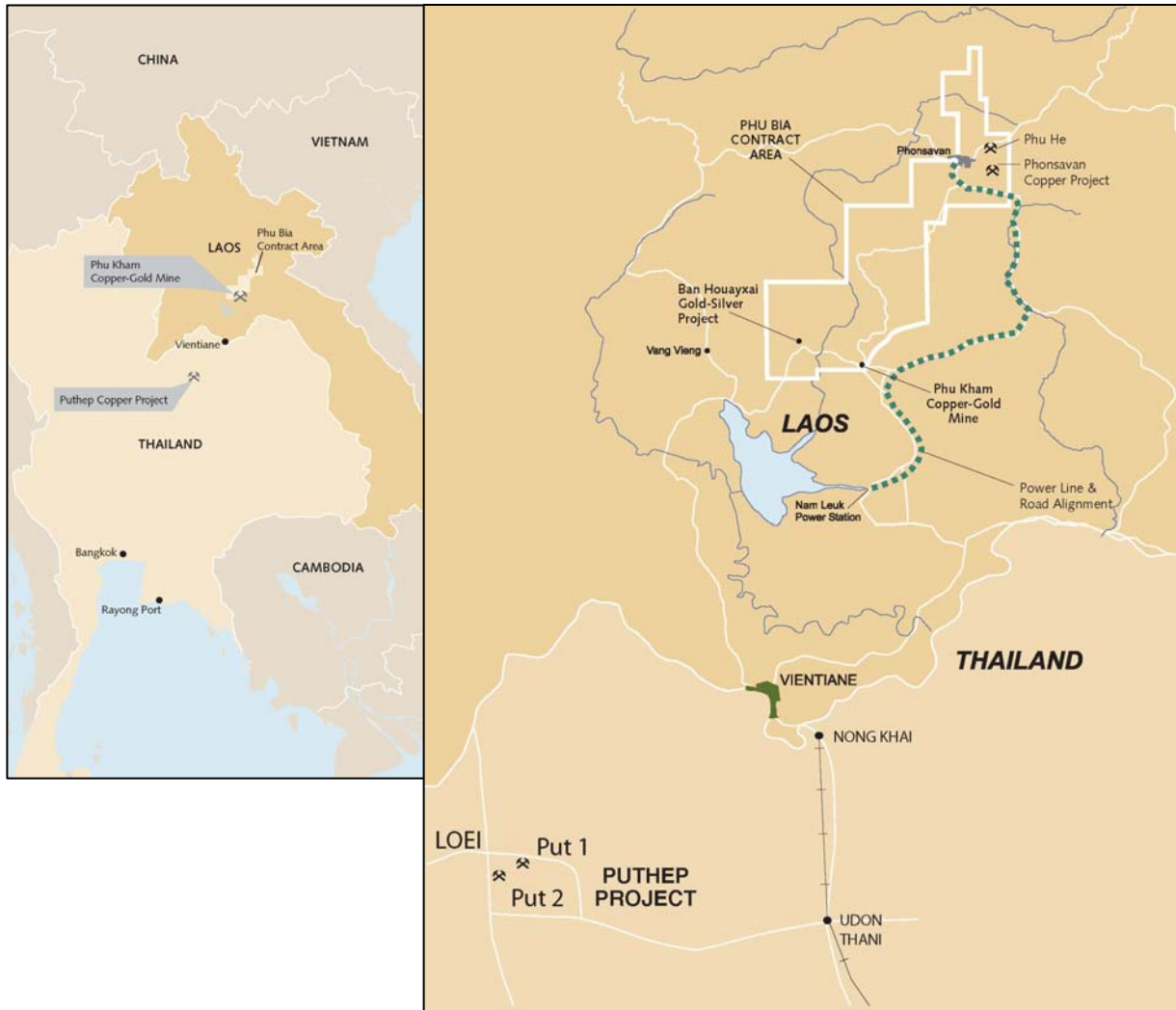
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Figure 1



Competent Person Statement

The data in this report that relates to Exploration Results and Mineral Resources for the Puthep Copper Project, Thailand, are based on information reviewed by Mr Daniel Brost who is a Member of the Australasian Institute of Mining and Metallurgy.

Mr Brost is a full time employee of Pan Australian Resources Limited. Mr Brost has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Brost consents to the inclusion in the report of the Exploration Results in the form and context in which they appear.