

**ASX/MEDIA ANNOUNCEMENT**  
**30 June 2009**

## **Normal operations resume at Phu Kham**

PanAust is pleased to announce that normal operations resumed last night at the Phu Kham Copper-Gold Operation in Laos following the shutdown caused by a SAG mill motor failure on 19 June.

By way of background, the process plant grinding circuit comprises a SAG mill and a ball mill with each mill being driven by two identical 6.5MW motors. Ordinarily, a fifth motor is carried in the Operation's store as a spare. The failure of the SAG mill motor followed a failure in March of one of the ball mill motors, which was replaced by the spare motor.

Downtime has been limited to 11 days because compatibility of serviceable components from the two failed motors enabled one of the motors to be repaired so that the Operation now has a complement of four serviceable motors. The causes of the two failures (one a rotor and one a stator) have been identified and appropriate corrective measures implemented. The Company is assessing a number of options to ensure that it can have ready access to a spare motor in the shortest possible time-frame.

A seven-day shutdown for a SAG mill reline was brought forward from July resulting in only a nett four days of unscheduled downtime. The next major shutdown for a ball mill reline is planned for January 2010.

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