

ASX ANNOUNCEMENT  
15 April 2009

## Phu Kham contributes US\$33.2 million to EBITDA in the March quarter 2009

PanAust Limited (PanAust) is pleased to announce that the Phu Kham Operations average cash cost (C1) for the March quarter 2009 was US\$0.70/lb of copper after precious metal credits<sup>1</sup>. Phu Kham contributed US\$33.2 million in EBITDA<sup>2</sup> to PanAust's net profit after tax for the March 2009 quarter of US\$13.5 million.

Operating cost performance is well below the target average cash cost for 2009 of less than US\$0.90/lb<sup>3</sup> due to the combined effect of strong production performances, lower input prices for consumables including steel (grinding media) and fuel, and the higher prevailing gold price.

Production for the quarter was 51,644t of concentrate containing 13,150t of copper, 10,446oz of gold and 87,022oz of silver, and 5,890oz of gold in doré. With further scheduled improvements in head grade and copper recovery rates through the balance of the year, the Operation remains on track to achieve the production target for 2009 of more than 65,000t of copper, 65,000oz to 75,000oz of gold (includes heap leach gold doré) and 400,000oz to 600,000oz of silver.

PanAust Managing Director, Gary Stafford said, "the cost performance positions PanAust as a very competitive copper producer in global terms and is particularly encouraging as the quarter included a planned major four-day shutdown in March to reline the ball mill and three days of unscheduled stoppages for a faulty mill motor that was ultimately replaced."

Further production details will be included in the March quarter production report which is scheduled to be released later this month.

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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 cash flows and financial performance, potential mineralisation, resources and reserves, exploration results and future expansion plans and development objectives 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.*

<sup>1</sup> Based on invoiced pricing for gold and silver through the quarter

<sup>2</sup> Earnings Before Interest, Tax, Depreciation and Amortisation

<sup>3</sup> Precious metal credit assumptions: US\$700/oz gold and US\$10/oz silver