

ASX ANNOUNCEMENT
19 May 2009

33% increase in Measured/Indicated Mineral Resource at the Puthep Copper Project, Thailand

PanAust is pleased to announce the revised Mineral Resource estimate for the PUT 1 copper deposit in northern Thailand (Figure 1); one of two deposits that comprise the Puthep Copper Project. The Project is a joint venture between PanAust and Padaeng Industry Public Company Limited (listed on the Stock Exchange of Thailand).

The Puthep Copper Project feasibility study is scheduled to be completed during 2009 for announcement in 2010. The Environmental and Social Impact Assessment, which is being advanced in parallel with the feasibility study, is expected to be completed in 2010.

The revised Mineral Resource estimate incorporates data from the 59,000-metre infill drilling program which was completed in October 2008. This program was successful in meeting its objective of elevating the confidence of the mineral resource by increasing in-situ copper in the Measured and Indicated categories by 33% to 546,000t.

By comparison with the previous (28 July 2008) estimate, at a cut-off grade of 0.3% copper, the combined Measured and Indicated Resource increased by 22.7 million tonnes and the copper grade of the Measured category increased by 9%.

PUT 1 Mineral Resources as at 1 May 2009 (100% equity basis)¹, Puthep Copper Project, Thailand

0.3% copper cut-off grade	Tonnes (Mt)	Copper Grade (%)	Gold Grade (g/t)	Copper In-Situ (000 t)	Gold In-Situ (000 oz)
Measured	41	0.58	0.08	240	102
Indicated	60	0.51	0.10	306	186
Inferred	60	0.50	0.10	300	183
Total	160	0.53	0.09	846	471

The Mineral Resource estimates are based on an ordinary kriged model constrained by weathering and geological boundaries.

Mineralisation at the PUT 1 deposit extends for a strike length of over three kilometres and a width of up to one kilometre.

The revised Mineral Resource estimate will be adopted for feasibility mining and engineering studies. Previous studies have indicated that the PUT 1 deposit is likely to support a bulk flotation operation, similar to the Company's low operating cost Phu Kham Copper-Gold Operation in Laos. The joint venture goal is to complete a feasibility study to support the

¹ For ownership details refer to page 2 of this announcement

development of an operation with a capacity to process 10-12 million tonnes of ore per annum to produce 50,000 tonnes of copper (for a PanAust equity share of at least 30,000 tonnes) in concentrate.

The mineralisation commences close to surface and preliminary work indicates that a significant proportion of that mineralisation would require little or no blasting, which provides potential for the development of a low strip ratio and low operating cost mine.

Background

PanAust will earn a 51% interest in Puthep upon completing a feasibility study on the PUT 1 deposit and has further options to acquire a total 60-70% interest. Under the provisions of the Thailand-Australia Free Trade Agreement, Australian companies can own a 60% interest of a Thai mining company (and can own an interest above 60% with government approval).

The Project comprises two deposits, the PUT 1 and PUT 2 deposits, located 12 kilometres apart in north-east Thailand near the provincial centre of Loei. The feasibility study is based on the PUT 1 deposit. The Project is only three hours' drive from the Company's Vientiane office in Laos, and is approximately 750 kilometres by major roads to sea ports near Bangkok.

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Competent Person Statement

The data in this report that relates to Mineral Resources is based on information reviewed by Mr Dan Brost who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Brost is a full time employee of PanAust Limited.

Mr Brost has sufficient experience relevant to the styles of mineralisation and type of deposits 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 Mineral Resources in the form and context in which they appear.

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 potential mineralisation, resources and reserves, exploration results and future development plans and 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.

Figure1: Location of the Puthep Copper Project

