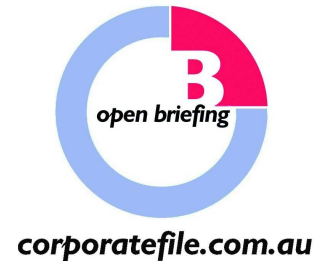


**Attention ASX Company Announcements Platform
Lodgement of Open Briefing®**



Level 2,
99 Melbourne Street
South Brisbane, QLD 4101

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Title: Open Briefing®. Pan Australian. Latest on Phu Kham & Exploration

Record of interview:

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Pan Australian Resources Ltd. (ASX code – PNA) last week announced that it had brought forward the anticipated start up of production at the Phu Kham Copper-Gold Mine in Laos by several months, and that the project remained within budget. To what do you attribute the successful implementation of this project and what are the remaining risks to meeting this schedule and staying within the US\$241 million budget?

MD Gary Stafford

The answer to your first question is very simple – good management. Sure we have had a bit of good fortune at times, but Pan Australian recruited a high quality management team through the feasibility study that have not only delivered on the schedule for construction of the Phu Kham Copper-Gold Mine but have also turned around the heap leach gold operation, so that it is now achieving record levels of gold production. In addition, our EPCM contractor Ausenco Limited ensured that major long lead time items of equipment, like the mills, were delivered to site on-time.

In terms of the remaining risks, we recognise that there are the normal risks associated with commissioning and so we have put a big effort into operational readiness through the recruitment of a highly experienced team of operators to take the operation through the commissioning and ramp-up phases. In relation to budget risk, I think there is only a remote risk that we will run over the US\$241

million budget given that most commitments have been made and construction is nearly complete.

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You have already indicated it is likely that there will be an increase in the copper-gold ore reserve at Phu Kham and you announced plans for a US\$40 million expansion to be completed by mid-2010. Why do you have such confidence that the ore reserve will get bigger and that you can deliver on an expansion by that date?

MD Gary Stafford

At Phu Kham, infill and resource extension drilling has intersected broad zones of mineralisation outside the current open-pit design limits and with copper and gold grades comparable to the current ore reserve. Therefore, we made a decision to proceed with plans to expand throughput from 12 million tonnes per annum (Mtpa) to 16 Mtpa. At current ore reserve grades, this should lift annualised rates (after ramp-up) of copper production from 50,000 tonnes in 2008 to 65,000 tonnes by mid-2010 and gold and silver production from 50,000 oz gold and 400,000 oz silver to 60,000 oz and 550,000 oz respectively over the same period.

We will complete a new ore reserve estimate and updated study for Phu Kham during the 2008 March quarter, which will generate a more definitive production profile.

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You have announced copper concentrate sales commencing next year at very favourable terms. Can you give more detail on the copper concentrate sales arrangement with BHP Billiton and what are current and expected future market conditions for concentrate sales?

MD Gary Stafford

BHP Billiton is our agent for concentrate sales, which gives us access to unparalleled expertise in the copper concentrate market. During the September quarter, BHP Billiton completed a third party tender for an initial spot sale contract covering 40,000 dry metric tonnes of Phu Kham copper-gold-silver concentrate for delivery in four 10,000-tonne lots during 2008. The treatment and refining charge (TC/RC) under the contract will be less than US\$0.03/lb copper with no price participation compared to our feasibility study assumption for TC/RC of over US\$0.20/lb.

We think that current tight market conditions for copper concentrate will continue to be fuelled by the unprecedented growth of China and the corresponding growth in global demand for copper. In addition, on the supply side of the equation, the supply of concentrate cannot keep pace with the increase in smelter capacity. We therefore expect copper prices will stay high for the foreseeable future and TC/RC terms will stay low.

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As soon as you complete the construction at Phu Kham, no doubt the market will want to know what Pan Australian will do to maintain its exceptional rate of growth. In addition to the planned growth at Phu Kham you have commenced resource drilling and a pre-feasibility study at the nearby Ban Houayxai Gold-Silver Project. Can you explain why Ban Houayxai looks so promising? What is the drill program to define a reserve that would support that scope of operation?

MD Gary Stafford

I don't think for one moment that we have fully evaluated the potential of the Phu Kham deposit and resource potential within the immediate vicinity of that deposit. We will continue a program of step-out holes north of the recently completed resource drilling as a consequence of identifying the potential for mineralisation to extend beyond previously interpreted limits on deposition.

At Ban Houayxai, exploration intersected broad zones of gold-silver mineralisation over a one kilometre strike length. We have now embarked on a resource drilling program to be completed by the end of this year to provide assay and geological data for a mineral resource estimate to be completed during the 2008 March quarter and pre-feasibility study completed during the June quarter. Subject to a successful outcome from the pre-feasibility study, we will proceed with a further phase of drilling and a feasibility study with the aim of establishing an ore reserve that will support a project producing plus 100,000 oz gold per annum with a target for first production in 2011.

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You announced in your September quarterly report that heap leach gold production had recommenced ahead of schedule and that production has ramped up to record levels. What contribution does your heap leach gold operation make to the Company?

MD Gary Stafford

In absolute terms, the heap leach gold operation does not make a significant contribution to the valuation of Pan Australian. However, it has made a substantial contribution to the development success of the Phu Kham Copper-Gold Mine, as we have been able to recruit an experienced operations team and train our local workforce in readiness for the much bigger copper-gold operation.

In addition, the heap leach gold operation is profitable and is fully exposed to the current gold price.

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What exposure do you have to the recent increase in the gold price?

MD Gary Stafford

Under the original terms of the project debt facility, we were not required to hedge any copper but we were required to hedge approximately 50% of planned gold production between 2008 and 2013 from the combined (copper-gold and heap

leach gold) operations. Following the recent rise in the gold price, we have been able to agree with the syndicate banks a revised hedging protocol whereby we have substituted most of the committed forward gold sales with gold put options and have thereby increased Pan Australian's exposure to the recent increase in the gold price.

Under the revised protocol, we will be an unhedged copper producer and a substantially unhedged gold producer with the forward sales component representing only 2% of anticipated revenue from Phu Kham over the four years from 2009 onwards (based on a copper price of US\$3.00/lb and a gold price of US\$650/oz).

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What is the longer term growth strategy?

MD Gary Stafford

Pan Australian has reason to reflect on the last two years with just satisfaction not only because of the delivery progress of the construction at Phu Kham but also because of the stunning success of exploration drilling to extend the ore reserve at Phu Kham and the discovery success at the Ban Houayxai gold deposit.

To continue the pursuit of organic growth, we will inject US\$25 million into exploration and evaluation over 2008 to advance the numerous exploration targets within our 2,600 square kilometre Contract Area in Laos and at our Puthep Copper Project in Thailand. We have also developed a corporate evaluation capability to evaluate organic and corporate growth opportunities.

After the initial development of the Phu Kham Copper-Gold Mine, its expansion and the potential development of Ban Houayxai will go a long way towards meet our five-year plan to double production between 2009 and 2011.

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Thank you Gary.

For further information on Pan Australian please visit www.panaustralian.com.au or call Gary Stafford or Allan Ryan on (07) 3846 1811.

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