



22 December 2006

## ***EPCM contract for Phu Kham executed***

Global mining and mineral process engineering and project management service provider Ausenco Limited (ASX: AAX) today announced it had executed the contract to deliver the Phu Kham Copper-Gold Project in Laos. The project will be completed on an engineering, procurement and construction management (EPCM) reimbursable basis, with fee, on behalf of exploration and mining company Pan Australian Resources Limited (ASX: PNA).

The contract is characteristic of Ausenco's proven ability to generate repeat business recognising the completion of the project feasibility study based on a 9 million tonnes per annum (Mtpa) throughput during 2005. As a result of the study, the operation was increased to 12 Mtpa and in January 2006, Ausenco was awarded the contract to commence front-end engineering and design works. Ausenco's Manila office executed the detailed engineering design, consistent with the company's strategy to develop and utilise global resources to expand its international operations.

Managing Director Zimi Meka said that Ausenco had developed an excellent relationship with Pan Australian and was extremely pleased to have increased its contribution on this project.

Mr Meka said "One of Ausenco's primary strengths is its ability to successfully manage the evolution of a project from concept design through to full project execution. We are able to offer our clients a comprehensive range of services encompassing all aspects of project development including operational support and maintenance through our wholly-owned subsidiary, Ascentis. This continuity in approach maximises the efficiencies generated throughout the project lifecycle and delivers tangible benefits to our diverse client base".

Commissioning of the Phu Kham project is anticipated to start in late 2007 ready for first concentrate production in mid-2008.

Ausenco has extensive knowledge of the region through the award winning Sepon Gold and Copper Projects in Laos. "Our previous experience will enable us to utilise personnel with a detailed understanding of the dynamics of the environment who can capitalise upon information gained, established systems and local resources for the betterment of the Phu Kham Copper-Gold Project" said Mr Meka.

The Phu Kham Project is located approximately 100km north of the Lao capital of Vientiane and contains a mineral resource of 1.2 million tonnes of copper and 1.5 million ounces of gold. The Phu Kham Copper-Gold Project, which has an estimated

development capital value of US\$232 million, is the second phase of development of the Phu Kham deposit, based on transitional and primary mineralization.

In addition to the Phu Kham Project, Ausenco is also executing the Nui Phao Tungsten-Fluorspar Project in Vietnam and the Hidden Valley Gold Project in Papua New Guinea, reaffirming its established position as a leading provider of EPCM services to the Asian mineral processing market.

Further information:

Zimi Meka  
Managing Director  
Ausenco Limited  
Ph: (07) 3112 8200

Craig Allen  
Chief Financial Officer  
Ausenco Limited  
Ph: (07) 3112 8200

Anna Whybird  
Manager, Finance and Investor Relations  
Phillips Group  
Ph: (07) 3230 5000  
Mbl: 0400 611 155

### **About Ausenco**

Diversified minerals processing engineering and project management services provider Ausenco Limited was established in 1991 and has completed projects with an installed capital value in excess of \$1 billion in 33 countries. Ausenco is currently working on projects with an installed capital value of \$1.8 billion.

Ausenco is internationally recognised for its expertise in the provision of engineering and project management services to the global mining and mineral processing industries. Its clients include the world's foremost mining organisations including BHP Billiton, Rio Tinto, Oxiana, Barrick Gold, Newmont Mining, Sino Gold, and Kingsgate Consolidated.

### **About Pan Australian Resources**

In 2005 Pan Australian made the transition from explorer to miner with the development of the Phu Bia Gold Mine in Laos. Pan Australian's assets are strategically located within South East Asia, one of the fastest growing economic regions in the world, which also offers ready markets for mineral products and considerable downstream processing capacity.

Pan Australian owns a 100% interest in Phu Bia Mining Limited, a Lao registered company that is party to a Mineral Exploration and Production Agreement (MEPA) with the Government of Laos. This agreement regulates exploration and mining activities within a contract area of 2,595 square kilometres (the Phu Bia Contract Area). Pan Australian is also earning up to a 70% interest in the Puthep Copper Project in Thailand.