



Vision, Commitment, Results

3 October 2008

ASX: PAN

NEWS RELEASE

SAVANNAH “UPPER ZONE” RESERVES UPGRADE TO 37,750t Ni & EXCELLENT “LOWER ZONE” RESULTS

Savannah Upper Zone Reserve Upgrade – 37,750 tonnes nickel, 18,140 tonnes copper, 2,050 tonnes cobalt

Panoramic Resources is pleased to announce an upgrade for the Savannah Project “Upper Zone” Ore Reserve to 2.9Mt at 1.29% Ni for **37,750 tonnes contained nickel** as at 30 June 2008 (Table 1).

Table 1: Savannah Upper Zone Ore Reserve at 30 June 2008

Project	Category	Tonnes (,000)	Ni (%)	Cu (%)	Co (%)	Ni (t)	Cu (t)	Co (t)
Savannah Reserve	Probable	2,926	1.29	0.62	0.07	37,750	18,140	2,050
	Total	2,926	1.29	0.62	0.07	37,750	18,140	2,050

Notes - The Ore Reserve is based on a Ni cut-off grade of 0.7% and sub-level open stoping method, incorporating appropriate mining and dilution parameters.

Comments on the Reserve Upgrade

- The Savannah Project Ore Reserves have increased by approximately 8,500 tonnes contained nickel (~30% increase) before depletion of 2007/08 production;
- Significant Ore Reserve growth was achieved in the Savannah Upper Zone with the discovery of both the Northern Ore Zone and new higher grade mineralisation towards the base of the Upper Zone (refer to 26 August 2008 announcement);
- Further resource growth is expected at Savannah over the next six months as further drilling is completed to define the 500 Fault Zone mineralisation and the Lower Zone mineralisation;
- The reserve upgrade highlights the potential for the Savannah orebody to grow with continued drilling and development;
- Approximately 22,900 tonnes contained nickel has been produced from the Savannah Upper Zone over the last three years and the Upper Zone Reserve has continued to increase with a positive reconciliation each year.

Lower Zone & 500 Fault Zone Drilling Update

Drilling to evaluate the resource in the 500 Fault Zone and the Lower Zone at Savannah is ongoing, and continues to return excellent results. Plans are in place to complete the current phase of resource drilling by the end of the December quarter 2008, and then to undertake mining studies early in 2009 to allow a Lower Zone Reserve to be estimated.

Five holes have been completed and a sixth is in progress to test the north-western contact of the Savannah Lower Zone mineralisation. All five holes have intersected significant mineralisation, with KUD710 reported previously (See Appendix 1). Results for KUD711 and KUD723 are as follows:

- **KUD711** 51.14 metres at 1.68% Ni, 0.46% Cu, 0.08% Co
- **KUD723** 135.97 metres at 1.25% Ni, 0.78% Cu, 0.06% Co
incl. 53.00 metres at 1.50% Ni, 0.89% Cu, 0.09% Co
and 49.95 metres at 1.58% Ni, 1.02% Cu, 0.08% Co



Five holes have been completed to follow-up wide intervals of mineralisation intersected within the 500 Fault Zone. Four of the holes have intersected massive sulphide mineralisation (assays pending):

- KUD746 - 13.7 metres
- KUD749 - 7.8 metres
- KUD751- 32.7 metres
- KUD750 - 14.3 metres

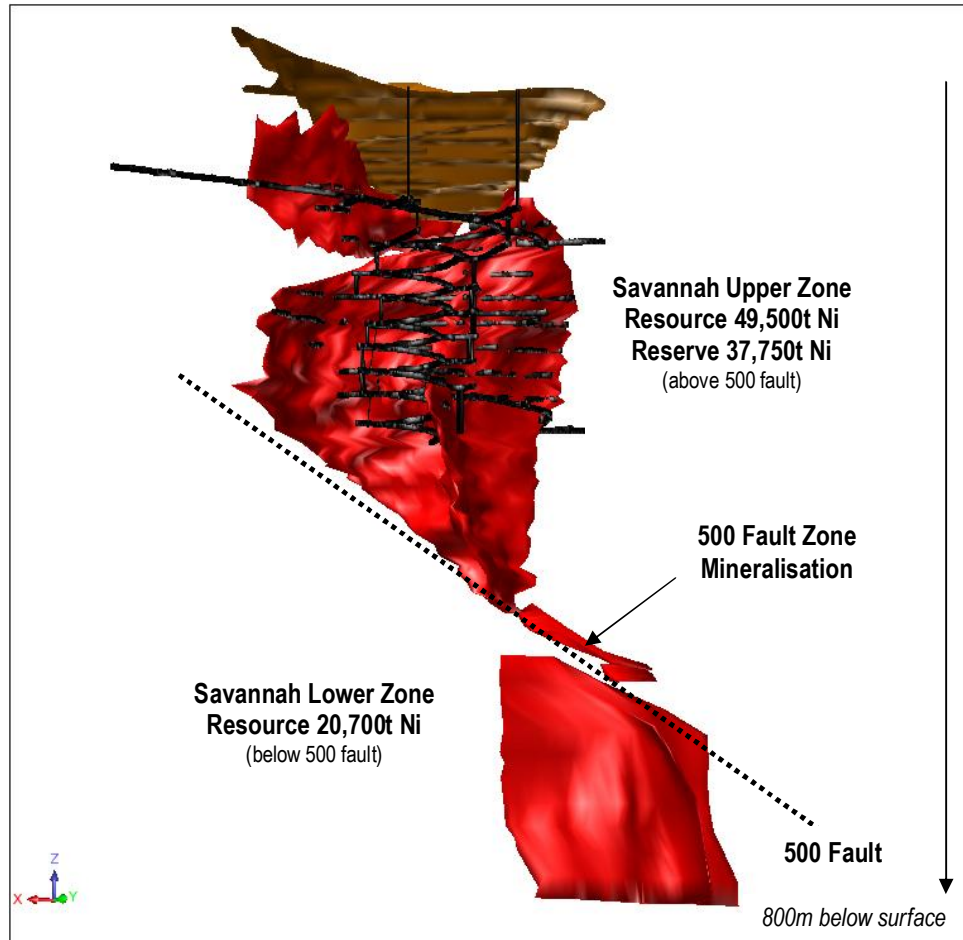


Figure 1: Three dimensional representation of the Savannah Orebody

About the Company

Panoramic Resources Limited (ABN:47 095 792 288) is an established Western Australian based nickel sulphide producer with two underground mines, the Savannah Project (100% owned) in the Kimberley, and Lanfranchi Mine (75% owned and operator) 42km south of Kambalda. In 2007/08 our operations produced close to 15,000t Ni contained and a NPAT of \$53.3M. The Company is on track to achieve its internal target of group production of 20,000t Ni per annum for at least the next 10 years. Panoramic has a significant exploration portfolio in the Kimberley and at Lanfranchi and is expanding exploration activities in order to grow the resource base and to increase the operations' mine life. Panoramic is continuing to assess opportunities to grow the Company through acquisitions of projects and/or companies that would be complementary to existing business, and reflect the Company's commodity expertise and risk profile.

The information in this release that relates to Exploration Results and Mineral Resources is based on information compiled or reviewed by John Hicks who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Hicks is a full-time employee of Panoramic Resources Limited. Mr Hicks has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hicks consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.

Information in this release relating to Ore Reserves has been completed by or reviewed by Lilong Chen who is a Member of The Australasian Institute of Mining and Metallurgy (MAusIMM). Mr Chen is a full-time employee of Panoramic Resources Limited. Mr Chen has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Chen consents to the inclusion in the release of the matters based on his information in the form and context in which it appears.



APPENDIX 1

Best Extensional Drill Results in the Upper Zone and Lower Zone (new results highlighted)

Hole Number	Length (m)	Ni (%)	Cu (%)	Co (%)
Upper Zone				
KUD689	53.86	2.31	1.11	0.12
KUD690	29.95	1.96	0.99	0.11
KUD691	44.34	1.46	0.65	0.08
KUD692	44.48	2.29	0.77	0.12
KUD693	55.12	2.26	1.11	0.11
KUD694	29.98	2.04	0.60	0.10
KUD695	48.37	1.46	0.72	0.08
KUD697	58.92	2.58	1.03	0.13
KUD698	25.77	3.14	0.90	0.15
KUD700	31.77	2.79	0.67	0.14
KUD701	25.95	2.16	0.97	0.11
KUD707	87.03	2.36	1.01	0.12
and	12.86	2.83	0.90	0.13
KUD708	105.63	2.03	0.82	0.10
KUD709	42.29	2.11	1.07	0.11
and	17.61	2.29	0.81	0.13
KUD712	80.33	1.67	0.85	0.09
and	20.40	1.20	0.74	0.06
and	10.87	2.55	0.51	0.12
KUD713	13.59	2.40	0.66	0.12
and	14.52	1.79	0.59	0.09
and	23.64	2.05	0.80	0.11
KUD714	36.09	1.48	0.86	0.08
and	14.38	2.17	0.71	0.11
and	52.03	2.07	0.56	0.10
Lower Zone				
KUD688W2	67.30	0.82	0.53	0.05
including	13.80	1.51	0.60	0.08
KUD704	19.18	0.90	0.35	0.05
KUD710	71.53	1.46	0.42	0.07
including	25.60	1.45	0.61	0.07
and	41.01	1.62	0.33	0.08
KUD711	51.14	1.68	0.46	0.08
including	24.10	1.98	0.41	0.09
and	19.34	1.90	0.67	0.09
KUD723	6.36	3.65	1.90	0.18
	135.97	1.28	0.78	0.06
including	53.00	1.50	0.89	0.07
and	49.95	1.58	1.02	0.08
KUD722	51.3	Assays Pending		
KUD753	49.8	Assays Pending		