PACRIM ENERGY LTD

PO Box 63 Wendouree
Victoria 3355 Australia
523 Ligar Street, Ballarat
Victoria 3350 Australia

Telephone: +61 3 5333 3200
Facsimile: +61 3 5333 3650
www.pacrimenergy.com.au
ABN 63 010 856 014

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21 December 2007

Announcements Officer
Australian Stock Exchange Limited
Sydney NSW

Deeper RC Drilling Gold Intercepts – Single Metre Samples Golden Terrace South Prospect

Assay results have been received and compiled for single metre samples from a programme of deeper RC drilling at the Golden Terrace South prospect confirming wide zones of gold mineralisation (composite result of 55m @ 3.60g/t from hole GTRC 83 was reported on 21 November).

Highlights

- **TWO ZONES** Single metre assays from GTRC 83 outlined two zones of gold mineralisation being;
  - **19m @ 4.78g/t, and**
  - **25m @ 3.97g/t gold.**
- **DEEPER** A deeper RC hole drilled on the same section as GTRC 83 (GTRC 88) intersected mineralized zones continuing strongly below, including intercepts of;
  - **10m @ 4.71g/t, and**
  - **9m @ 2.55g/t gold.**
- **ALONG STRIKE** Additional deeper RC holes were drilled where existing rig access was available. Results included;
  - **22m @ 3.05g/t (**20m South of GTRC 83), and
  - **15m @ 4.12g/t (**120m north of GTRC 83).

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Golden Terrace South

As reported previously, relatively shallow RC drilling as previously reported, has intersected substantial supergene gold mineralisation, above the base of oxidation, including results of 22m @ 12g/t, 9m @ 15g/t, 8m @ 22g/t, and 34m @ 3.83g/t gold.

A larger RC drilling rig was recently contracted to drill an additional 6 holes for a total of 1027 metres where existing rig access was available prior to obtaining approval for further clearing to enable completion of an extended programme in the area. Five of the holes were designed as a deeper test of the mineralised zone and were between 150 metres and 246 metres deep, one infill hole was drilled to a depth of 120 metres.

The results of composite samples from the first hole of the programme were reported on 21 November due to the material breakthrough they represented. The intercept of 55m @ 3.60g/t gold from hole GTRC 83 provided conclusive evidence of substantial depth continuations of the gold mineralisation at Golden Terrace South.

Single metre results have since been received and compiled for this programme. Results from GTRC 83 outline two zones of gold mineralisation consisting of **19m @ 4.78g/t,** and **25m @ 3.97g/t gold.** (Using a 1g/t lower cut off)

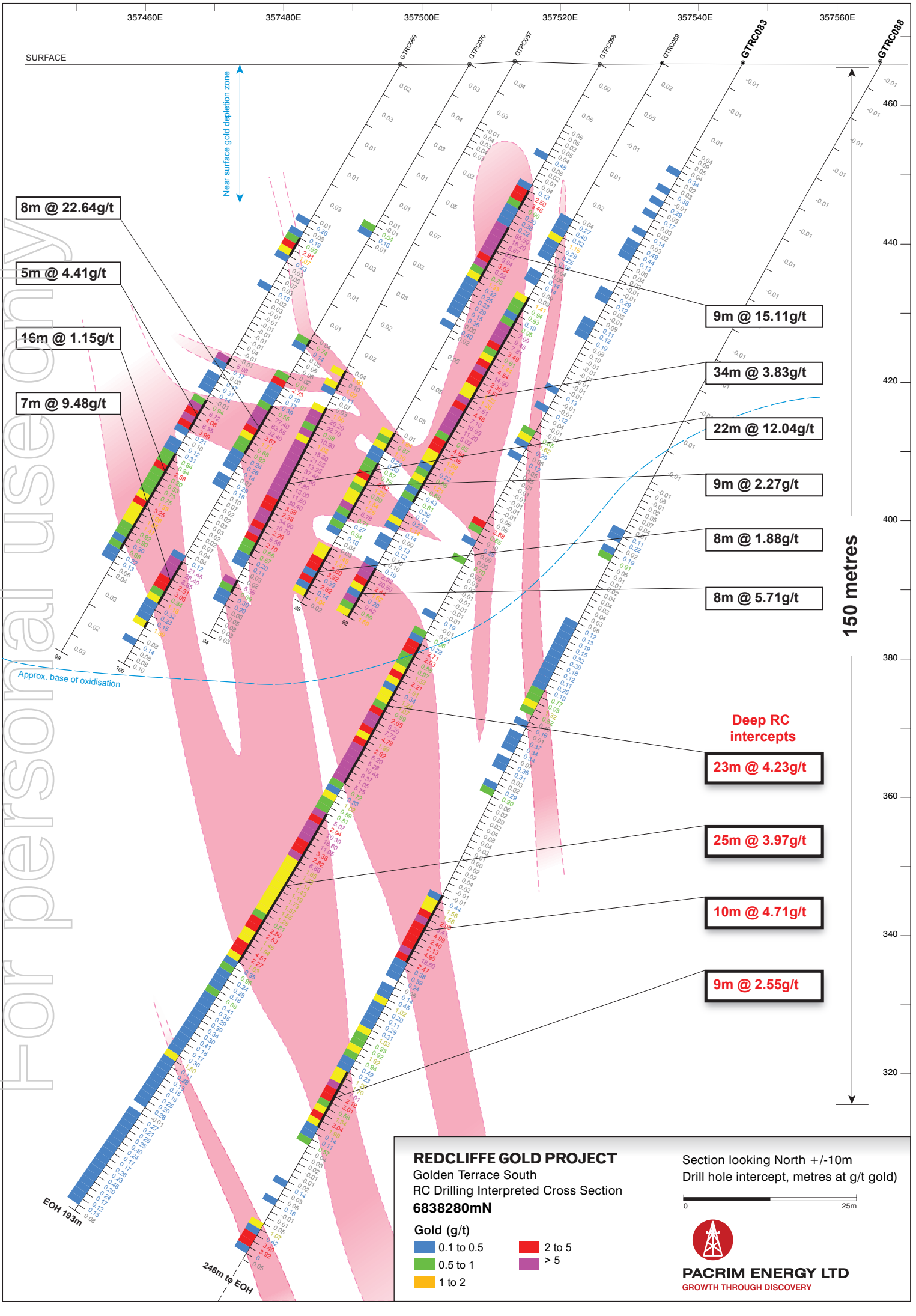
Hole GTRC 88 was drilled on the same section as GTRC 83 and demonstrated the existence of extensions to gold mineralisation to even greater depth, returning intercepts including **10m @ 4.71g/t,** and **9m @ 2.55g/t gold.**

These recent results from single metre samples from hole GTRC 83 and the deeper hole GTRC 88, have resulted in the further interpretation of the extension of the mineralised system at Golden Terrace South as shown on the following cross section, 6838280N.

The drilling has further intersected zones of gold mineralisation in fresh rock to a vertical depth greater than 150 metres, along strike 20 metres to the south **(22m @ 3.05g/t, including 6m @ 6.4g/t gold)**, and along strike 120 metres to the north **(15m @ 4.12g/t gold).**

The mineralisation is hosted by felsic volcanic schists, including silica flooded graphitic units. Variable pyrite is present, with up to 50% sulphide being logged.

The strike length to date is approximately 250 metres and consists of mineralised zones occurring across widths of up to 60 metres and to a vertical depth in excess of 150 metres.



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Golden Terrace South - Reverse Circulation Drilling

(Single metre split assays selected results >1m and/or>2g/t)

Hole ID	East	North	Az/Dip	Depth	From	To	Intercept - g/t gold
GTRC083	357550	6838280	270/-60	193	77	78	1m @ 3.88
					97	120	**23m @ 4.23**
				inc	114	120	**6m @ 9.52**
					125	150	**25m @ 3.97**
				inc	125	133	**8m @ 8.65**
GTRC084	357550	6838260	270/-60	150	52	53	1m @ 2.80
					58	62	4m @ 2.03
					90	112	**22m @ 3.05**
				inc	91	97	**6m @ 6.40**
					129	133	4m @ 5.28
					139	141	2m @ 1.85
GTRC085	357520	6838340	270/-60	120	44	45	1m @ 3.48
					70	72	2m @ 4.16
GTRC086	357550	6838400	270/-60	150	86	90	4m @ 3.43
					92	93	1m @ 2.05
					96	98	2m @ 1.40
					118	133	**15m @ 4.12**
GTRC087	357560	6838440	270/-60	168	122	125	3m @ 2.63
					147	149	2m @ 4.66
GTRC088	357570	6838280	270/-60	246	138	148	**10m @ 4.71**
					166	175	**9m @ 2.55**
					191	195	4m @ 2.20

*Note – Co-ordinates in GDA94 Zone51. Gold values 1m samples were determined by KalAssay Laboratories using conventional fire assay. Intervals were calculated using a 1g/t lower cut off, no upper cut, and a maximum of 1m internal waste.

The Golden Terrace South prospect occurs on the Mertondale Shear Zone and forms part of Pacrim Energy's Redcliffe Gold Project. The gold mineralisation intersected previously was supergene in nature and is associated with quartz veining and ferruginised structures in the oxidised and transitional zones of the weathering profile.

As previously stated, these results have provided important evidence of significant depth potential of the mineralised system at the Golden Terrace South Prospect. This discovery has also considerably enhanced the depth potential of Pacrim's many other prospects along the Mertondale Shear Zone.

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Other Operations at Redcliffe Gold Project

- A round of deeper RC drilling has been completed at the Nambi Pit, for which results are being processed and plotted.
- Drilling of several pre-collars was carried out in December in preparation for diamond core drilling at Nambi Pit scheduled for January 2008 designed to test the lode at even greater depth.
- Additional RC holes were drilled at West lode and Redcliffe Pit Prospects.
- Detailed geological mapping has continued over the Nambi/Redcliffe prospect areas.
- Channel sampling of accessible pit wall exposures has been carried out at Nambi Pit, Nambi South Pit, and Mesa Pit.

Redcliffe Gold Project Background

Pacrim Energy has a 100% interest in a substantial block of tenements located 35 to 80 kilometres northeast of Leonora in the Eastern Goldfields of Western Australia.

The Redcliffe Gold Project covers approximately 65 kilometres of strike length of the Mertondale Shear Zone and parallel and associated structures.

An estimated 400,000 ounces of gold has been produced from the Mertondale Shear Zone from historic mines and open pits that operated in the 1980s and 1990s. These include the Nambi and Redcliffe pits that produced in excess of 90,000 ounces from within Pacrim's tenement area.

Work by previous explorers has focused on supergene mineralisation exploitable by shallow open pits. In addition to seeking near surface gold deposits, Pacrim's exploration philosophy for the area is based on the potential for the grades of the extensive gold mineralised systems to continue significantly at depth in association with sulphides. Further support for this has been afforded by positive exploration results being generated by Pacrim and others in the district.

The Mertondale Shear Zone, including Pacrim's Redcliffe Gold Project, is considered by Directors to be an important emerging gold camp undergoing a significant resource definition phase.

Rodney D Foster
Managing Director
BSc, Geol MAusIMM

The information in this report that relates to Exploration Results is based on information compiled and/or reviewed by Rodney Foster who is a Member of The Australasian Institute of Mining and Metallurgy. Rodney Foster is the Managing Director of the Company. He has sufficient experience which 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 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Rodney Foster consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.