

## APAC Coal Limited

A.C.N 126 296 295

Level 1, 981 Wellington St West Perth WA 6005

Tel: +61 8 6555 2950 Fax: +61 8 9321 3102

www.apaccoal.com



25 July 2013

# APAC COAL LIMITED QUARTERLY ACTIVITIES REPORT

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APAC Coal Limited (“APAC” or “the Company”) (ASX: AAL) is pleased to provide the following quarterly activities report for the June 2013 Quarter.

## Review of Operations

### Exploration and Development of Coal Mining Activities

As announced on 26/6/2013, APAC Coal Limited (“APAC”) and majority shareholder Magnus Energy Group Ltd (“Magnus”), Magnus wholly owned subsidiary Antig Investments Pte Ltd and APAC (collectively referred to as “Group”) has issued a Notice of Intent to Resolve Investment Dispute Through Consultations and Negotiations to the Government of the Republic of Indonesia.

The purpose of the action taken by the Group is to seek recourse under the Agreement between the Government of the Republic of Singapore and the Government of the Republic of Indonesia on the Promotion and Protection of Investments and the Agreement between the Government of Australia and the Government of the Republic of Indonesia concerning the Promotion and Protection of Investments.

APAC had been advised by our former Indonesian litigation lawyer that the formal outcome of the Judicial Review had been received from The Indonesian Supreme Court. The Judicial Review verdict mentioned that the Administrative Court does not have any competency to examine the title of ownership of the shares of PT Batubara Selaras Sapta (“PT BSS”) and that only the District Civil Court has such a competence.

PT Deefu Chemical Indonesia (“PTDCI”), the immediate shareholder of PT BSS has received the judgement of the South Jakarta civil suit (registration number 223/Pdt.G/2012/PN.Jkt.Sel). The judgement mainly said that our petition was unacceptable due to “lack of the parties”, this means that the plaintiffs have to include all relevant parties either as defendants or co-defendants. The existing claim of PTDCI brought against 4 parties as defendants i.e. (Hafrizal, Revli Orelis Mandagie, The Chen Siang and Muchlis Karnanin) and 2 co-defendants, the Ministry of Law and Human Rights (“MOLHR”) and the Ministry of Energy and Mineral Resources (“MEMR”) are not sufficient.

In another recent civil court judgement concerning PT BSS in Central Jakarta, this Central Jakarta court had said that the rightful owners of PT BSS are Aan Rustiawan, Revli Orelis Mandagie, Japto S. Soemarso and Herman Afif Sudiro. In addition, since the purchase of shares in PT BSS by PTDCI involving previous parties i.e. Roosnawati/Heru Setiabudi and also the shares have been transferred as well to Iyul Sulinah/Lisa Megawati (the parties named under the First MOLHR Measure), at least they should also be included as co-defendants.

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APAC has been advised by our lawyer, Purnomo Sumitro, S.H. and our Indonesian counsel, who served the Letter of Intent on the Indonesian authorities under the Business Investment Treaty and Protection, that PTDCI will consider to file a fresh civil suit with the inclusion of ALL defendants and co-defendants pending the resolution of Investment Dispute Through Consultations and Negotiations with the Indonesian authorities within the next 6 months.

## **Corporate**

### **Cash Balance:**

The Company had a cash balance of \$173,000 as at 30 June 2013.

**ENDS**

Yours faithfully

Zane Lewis  
Company Secretary  
APAC Coal Limited

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For further information on APAC Coal Limited please contact:

Idris Bin Abdullah  
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APAC Coal Limited  
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## Appendix 5B

### Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

APAC Coal Limited

ACN

126 296 295

Quarter ended ("current quarter")

30 June 2013

#### Consolidated statement of cash flows

	Current quarter	Year to date (12 months)
	\$A'000	\$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) administration	(46)	(355)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1	1
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
- Deadrent for coal concession	-	-
- Advance payments	-	-
<b>Net Operating Cash Flows</b>	<b>(45)</b>	<b>(355)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	10
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	420
1.12 Loans from parent	-	-
1.13 Net cash inflow generated in the acquisition of subsidiary	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>430</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(45)</b>	<b>75</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(45)	75
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Capital raising costs	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net decrease in cash held</b>	(45)	75
1.20	Cash at beginning of quarter/year to date	218	98
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	173	173

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	6
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- Directors' fee and remuneration

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	55
<b>Total</b>	55

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	173	218
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	173	218

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	249,705,637	249,705,637		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>				
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## **Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 25 July 2013  
(Director/~~Company secretary~~)

Print name: Koh Teng Kiat

## **Notes**

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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