

APAC Coal Limited

A.C.N 126 296 295

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www.apaccoal.com



10 February 2015

APPOINTMENT OF ATTORNEYS TO PURSUE CLAIM

APAC Coal Limited (“APAC” or “the Company”) (ASX: AAL) is pleased to advise that it has finalised an agreement with A. Setiadi Attorneys-at-Law (“Setiadi”) to pursue the Company’s claim against the government of Republic of Indonesia via arbitration at the International Centre for Settlement of Investment Disputes (“ICSID”). The agreement with A. Setiadi Attorneys-at-Law is based on an alternative fee arrangement basis.

Under this arrangement, the Company will only be required to fund disbursements associated with the costs of ICSID arbitration, such as Registration of the Notice of Arbitration, arbitration costs required by ICSID, expert witness and other incidental costs.

Furthermore, in line with this arrangement, the Ultimate Holding Company, Magnus Energy Group Ltd shall also undertake to continue to fund the cash flow requirements of the Company.

Under the alternative fee arrangement, if the ICSID arbitration is successful the Company expects a recovery rate of at least 87.5% of the ICSID award before the costs of ICSID arbitration.

Background

On 26/6/2013 the Company has issued a Notice of Intent to the Republic of Indonesia to resolve the dispute in mutual agreement under the relevant Bilateral Investment Treaty. On December 2013, the Company has sent a reminder, however, the Republic of Indonesia has failed to respond the Notice of Intent.

Based on the advice of A. Setiadi Attorneys-at-Law, the Company is further advised to resend the last Notice of Intent to the Republic of Indonesia. In the event the Republic of Indonesia does not respond to the last Notice, there is no other option for the Company to pursue to international arbitration at ICSID where the Company will seek full relief under the provisions of the relevant Bilateral Investment Treaty and under the international law.

ENDS

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For further information on APAC Coal Limited please contact:

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