

APAC Coal Limited

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13 May 2016

Ms Anjuli Sinniah

By email: Anjuli.Sinniah@asx.com.au

Dear Ms Sinniah

I refer to your letter of 12 May 2016 concerning the Company's announcements lodged with ASX Ltd on 3 May 2016 regarding a final director's interest notice for Mr Zane Lewis and an initial director's interest notice for Mr Michael Pixley. The Company's response to the questions in your letter follow:

1. The Appendix 3Z and 3X were lodged late as a result of an administrative oversight.
2. AAL has processes in place to ensure it is able to meet its disclosure obligations including:
 - (a) all directors have been informed of the ASX disclosure obligations; and
 - (b) all directors are aware of AAL's dealing in securities policy.
3. AAL believes its current arrangements are adequate and notes that the late lodgement of the Appendix 3X and Appendix 3Z was a result of an administrative oversight.

Brett Crowley

Company Secretary



12 May 2016

Mr Brett Crowley
Company Secretary
Suite 6, 295 Rokeby Road
SUBIACO WA 6008

By email: brett@crowley.net.au

Dear Mr Crowley

APAC Coal Limited (the "Company")

We refer to the following:

The Company's announcements lodged with ASX Ltd ("ASX") on 3 May 2016 regarding a final director's interest notice for Mr Zane Robert Lewis ("Appendix 3Z") and an initial director's interest notice for Mr Michael Pixley ("Appendix 3X").

Listing rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times:

- *On the date that the entity is admitted to the official list.*
- *On the date that a director is appointed.*

The entity must complete an Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

3.19A.2 A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete an Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.

3.19A.3 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete an Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.

Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the



entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix 3Z indicates Mr Lewis ceased to be director of the Company on 22 April 2016 and Mr Pixley was appointed as director of the Company on 22 April 2016, the Appendices should have been lodged with the ASX by 2 May 2016. As the Appendices were lodged on 3 May 2016 it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions.

1. Please explain why the Appendix 3Z and Appendix 3X were lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail to Anjuli.Sinniah@asx.com.au or by facsimile on facsimile number +61 8 9221 2020. It should not be sent to ASX Market Announcements.

A response is requested as soon as possible and, in any event, not later than **3:00 pm WST on 16 May 2016**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Anjuli Sinniah
Adviser, Listings Compliance (Perth)