

APAC Coal Limited

A.C.N 126 296 295

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www.apaccoal.com



20 January 2017

APAC COAL LIMITED QUARTERLY ACTIVITIES REPORT

APAC Coal Limited (“APAC” or “the Company”) (ASX: AAL) is pleased to provide the following quarterly activities report for the December 2016 Quarter.

Review of Operations

Exploration and Development of Coal Mining Activities

As announced on 26 June 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 this action is to seek recourse under the Agreements between the Government of the Republic of Singapore and the Government of the Republic of Indonesia, and between the Government of Australia and the Government of the Republic of Indonesia on the Promotion and Protection of Investments.

As announced on 10 February 2015, APAC has sent the Request to Resolve the Investment Dispute Through Consultations and Negotiations (“Request”) to the Republic of Indonesia. The Request has received the due attention and our appointed legal advisor A. Setiadi Attorneys-at-Law has met with several governmental agencies. As at 30 June 2016, no conclusion was made in relation to the dispute.

On 30 June 2016, APAC has entered into a share purchase agreement to acquire 100% of the shares in Goyes Agri-Food Investment Limited from Sharp Year Ventures Limited (the “Proposed Acquisition”). The consideration for the Proposed Acquisition shall be subject to the approval of the shareholders. The Proposed Acquisition presents an excellent opportunity for APAC to enhance its market value.

The Group has decided to halt the filing of Request for Arbitration against the government of Republic of Indonesia via arbitration at the International Centre for Settlement of Investment Disputes until the completion of the Proposed Acquisition.

The above developments may have a material impact and APAC will make further announcements as and when there are material developments in relation to the aforesaid matters.

Corporate

Cash Balance:

The Company had a cash balance of approximately A\$18,000 as at 31 December 2016.

Magnus shall continue to fund the working capital requirements of APAC until the Goyes transaction is completed.

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Schedule of Mining Tenements

Below is a schedule of Mining Tenements held by the Company at the end of the quarter:

Mining Tenement	Location	Beneficial Percentage held
PKP2B No. 717.K/20.01/DJP/1999	East Kalimantan, Indonesia	100%

ENDS

Yours faithfully

Brett Crowley
Company Secretary
APAC Coal Limited

For further information on APAC Coal Limited please contact:

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