

30 October 2012

Rio Tinto Exploration Program – Mt Hillalong Project (EPC 1824)

Rio Tinto Exploration Pty Ltd (RTX) is currently planning an exploration program to conduct drilling in the Hillalong project

The proposed program comprises 5 drill holes, including drill coring in-seam to conduct sampling for coal quality purposes, as per the attached figure

This program is contingent on gaining the required approvals, drilling permits and cultural heritage clearances. The approval process has commenced.

EPC 1824

EPC 1824 covers an area of 48 square km's centred on the Mount Hillalong homestead, 65 km North West of Nebo in central Queensland.

The tenement is located in close proximity to Rio Tinto's Hail Creek Mine which produces up to 8 Mtpa and is part of the Rio Tinto main coal hub and logistics facilities in the region.

Rio Tinto Exploration, Option and Joint Venture Agreement

On 22 August 2011 **Australian Pacific Coal Limited (ASX:AQC)** announced that its 100% owned subsidiary Area Coal Pty Ltd had executed an Exploration Option and Joint Venture Agreement with Rio Tinto Exploration Pty Ltd which set out the terms of an exploration agreement and the potential acquisition of or joint venture of the Company's Mt Hillalong project.

About Australian Pacific Coal Limited

Australian Pacific Coal Limited (ASX:AQC) is an ASX-listed company focused on the exploration and development of metallurgical and thermal coal projects. With interests in 32 coal tenements strategically located in south-east Queensland's Bowen and Surat Basins, AQC has joint venture agreements in place with mining major Rio Tinto and Cuesta Coal.

