

25 February 2014

HEADS OF AGREEMENT SIGNED – SOUTH CLERMONT PROJECT

AUSTRALIAN PACIFIC COAL LIMITED (ASX:AQC) is pleased to announce that on 21 February it signed a non-binding Heads of Agreement with Linchpin Capital Group Limited (Linchpin) to jointly develop the South Clermont coal exploration tenement located in the Bowen basin coal fields.

The intention, once the agreement is finalised is to initiate an exploration program to complete proving the resource and then to bring the deposit into production. Initial indications are that this has the potential to be an open cut operation.

On completion AQC will transfer its South Clermont tenement into a newly formed entity which will raise the funding for and will conduct the exploration and development of the project. AQC will initially hold 50% of the equity in the new entity. AQC will be paid a pre-agreed management fee for services that it provides to the operation.

Further details will be provided to the market once contracts have been executed.

Paul Byrne
Chief Executive Officer

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 exploration 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.

