

DRILLING COMPLETED COOROORAH PROJECT

19 July 2011



Australian Pacific Coal ASX: AQC

Australian Pacific Coal (AQC) is an emerging ASX coal explorer focused on the Bowen Basin, Queensland.

Through a series of acquisitions, AQC has positioned itself with both metallurgical and thermal coal projects potentially suited for underground and open cut mining.

The projects are located close to the existing network of rail and port infrastructure in the Bowen Basin.

The Company ultimately seeks to be a coal miner in its own right, or to value add these projects for joint venture or divestment.

The Company is currently focusing exploration activities on its Cooroorah and Middlemount projects.

On 30 June 2011 the Company announced a non-binding Letter of Intent with Rio Tinto Exploration Pty Ltd in respect of the potential acquisition or joint venture of the Company's Mt Hillalong project.

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Chief Executive Officer
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Drilling Completed - Cooroorah Project

KEY POINTS

- Shallow coking coal targets drilled to depths of approximately 100 metres.
- Multiple coal intersections in the three holes located in the upthrust north-east section (east of the Jellibah Fault).
- Core sampling and geophysical logging has been undertaken.
- Shallow depth core samples taken for wash plant recovery and coal quality test work.

Cooroorah Project – EPC 1827

In the December 2010 Quarter, the Company announced an inaugural JORC-compliant inferred resource over EPC 1827 'Cooroorah' of potential metallurgical quality coal in the Rangal Coal Measures.

During the March quarter of 2011, Mineral Development Licence application (MDL) No 453 was applied for over the tenement area to facilitate further near term exploration and project feasibility studies.

The upthrust north-east corner of the tenement has a potential secondary target of possible hard coking coal with open cut potential.

Drilling Completed - Cooroorah Project

The Company is pleased to announce the completion of a four hole drilling program on the north-east corner of its EPC 1827 'Cooroorah' project. Core samples taken will be used for wash plant recovery and coal quality test work.

The program targeted a shallow secondary deposit of possible hard coking coal, with open cut potential, within the Burngrove Formation.

The target was drilled in 2001 with a 35-hole program showing up to 8 metres of coal down to 60 metres depth. Coal wash plant recovery from similar coal seams tested within the EPC (at a greater depth) indicated a hard coking fraction could be produced with an indicative 40% wash plant recovery.

The current drilling program has been undertaken to obtain coal samples for wash plant recovery and coal quality test work and to further delineate the potential shallow open cut resource area.

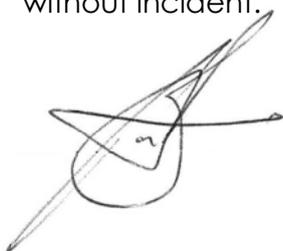
Four holes were drilled to depths of approximately 100 metres with multiple coal intersections encountered at sites DH1, DH2 and DH3 (see figure 1 below). No coal was found in hole DH4 (figure 1 below) drilled to test for the presence of a fault zone coal seam within the Jellinbah fault and to further assist delineation of the resource.

Core samples have been taken from the upper coal intersections of DH1, DH2 and DH3. Analysis of wash plant recovery rates and coal quality is expected to be completed within the next four weeks.

Geophysical logging has been completed in all four holes and data is expected to be available within two weeks. Prior to site rehabilitation additional sondes may be run in selected holes.

Once the test results are known the Company will conduct an initial evaluation of the potential for a shallow open cut coal mining operation prior to development of the main target area within the resource.

The Company thanks all of the personnel involved with carrying out the drilling operation. The program was run efficiently and completed within the allotted time frame and budget without incident.



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Drilling Completed - Cooroorah Project

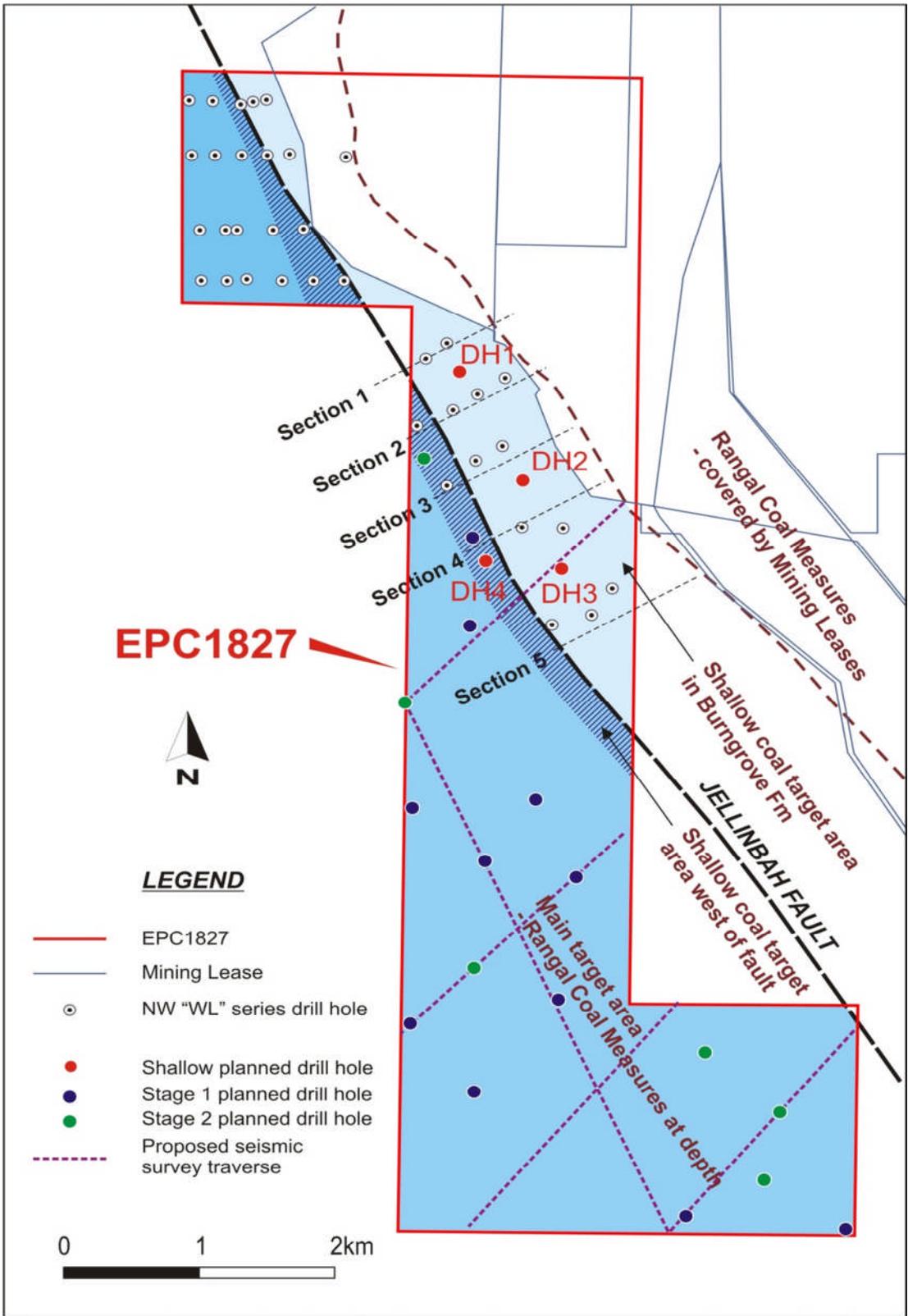


Figure 1. EPC 1827 – Exploration targets and location of planned drill holes