

AUSTRALIAN PACIFIC COAL MARKET UPDATE

6 September 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.

Joint venture agreements are now in place for the Company's Mt Hillalong and East Wandoan projects.

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Market Update

KEY POINTS

- AQC has received \$2.30million (+GST) initial payment from Rio Tinto Exploration.
- JV partner Blackwood Coal to list on ASX via an acquisition by Convergent Minerals Ltd.

Rio Tinto EOJV Agreement

Australian Pacific Coal Limited is pleased to announce that it has received the initial \$2.30million (+GST) cash payment from Rio Tinto Exploration Pty Ltd. The payment is in accordance with the terms of the Exploration Option and Joint Venture Agreement announced on 22 August 2011.

Blackwood Coal

On 23 August 2011 Convergent Minerals Limited (ASX:CVG) announced its proposed acquisition of all of the shares in Blackwood Coal Pty Ltd. Blackwood Coal Pty Ltd holds 100% of Blackwood Resources Pty Ltd.

The proposed acquisition will have no effect on AQC Group's joint venture agreement with Blackwood Resources. AQC Group retains its 10% free carry interest up to feasibility stage in the four East Wandoan joint ventured coal exploration tenements.