

ASX RELEASE
14 September 2022

ENTITLEMENT OFFER UPDATE

OPENING OF ENTITLEMENT OFFER AND RELEASE OF ENTITLEMENT OFFER BOOKLET

Australian Pacific Coal Limited ('**AQC**' or '**Company**') (ASX: AQC) refers to its previous announcements regarding its fully underwritten 5.83 for 1 renounceable entitlement offer (**Entitlement Offer**) and provides the following update with respect to the Entitlement Offer.

Opening of Entitlement Offer and Entitlement Offer Booklet

The Company's Entitlement Offer opens today.

In accordance with the updated timetable for its Entitlement Offer, the Company has today released to ASX, and despatched to eligible shareholders (by email to those eligible shareholders who have provided the Company's share registry with email details) and by post to other eligible shareholders, details of how eligible shareholders can access a copy of the Entitlement Offer Booklet for the Entitlement Offer, and how they can apply for shares under the Entitlement Offer.

Entitlement Offer Timetable

The key dates for the Entitlement Offer are provided in the indicative timetable below:

Event	Date* (2022)
Announcement of Entitlement Offer, Appendix 3B and 708AA notice	Friday, 2 September
Ex-date for Entitlement Offer and entitlements trading starts on ASX on a deferred settlement basis	Thursday, 8 September
Record Date	7.00pm on Friday, 9 September
Entitlement Offer opens Release of Offer Booklet	Wednesday, 14 September
Entitlement trading on ASX ends	Friday, 16 September
New Shares under Entitlement Offer commence trading on ASX on deferred settlement basis	Monday, 19 September
Entitlement Offer closes (Closing Date)	5.00pm on Friday, 23 September
Announcement of shortfall (if any) under the Entitlement Offer	Monday, 26 September
Issue and allotment of shares under the Entitlement Offer; issue Appendix 2A	Friday, 30 September
Commencement of trading of new shares	Monday, 3 October
Dispatch of holding statements	Tuesday, 4 October

Note: All dates and times above are indicative and the Company reserves the right to amend any or all of these events, dates and times, or withdraw the Entitlement Offer, subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. All times and dates are in reference to Brisbane time. The commencement of quotation of new shares under the Entitlement Offer is subject to confirmation from ASX.

Status of conditions precedent to the Underwriting Agreement

As at the date of this announcement the following conditions precedent to the underwriting of the Entitlement Offer remain to be satisfied (or waived by the Underwriter):

- **Provision of an undertaking by financiers for release of encumbrances** – the Company is in discussions with existing financiers (including Trepang) with respect to the provision of this undertaking and as at this date, the Company has no reason to believe that such an undertaking will not be forthcoming.
- **AQC entering into a joint venture and management services agreement with M Resources Pty Ltd** – AQC and M Resources are working towards a binding arrangement.
- **ASX notifying the Company that it does not intend to quote the Entitlement Offer shares** – this condition will not be able to be satisfied until the settlement date for the Entitlement Offer.
- **AQC providing an Entitlement Offer shortfall notice** – this condition cannot be satisfied until the close of the Entitlement Offer.
- **AQC providing an Entitlement Offer certificate** – this condition cannot be satisfied until the close of the Entitlement Offer.

All other conditions to the underwriting have been satisfied.

The Company will provide ongoing updates to the market with respect to the progress of the conditions precedent that remain to be satisfied.

Trepang

Since the announcement of the Entitlement Offer both the Board and its largest shareholder, Trepang Services Pty Limited (**Trepang**), have engaged in constructive discussions with respect to the future direction of the Company, particularly with respect to the Company now being in the position to raise sufficient funds to repay the debt (**Trepang Debt**) it owes to Trepang (and its associates) (**Trepang Parties**) and the Company's proposal to enter into a 50/50 joint venture with M Resources Pty Ltd (**M Resources**) to assist with the re-commissioning of the Dartbrook Coal Project in the Hunter Valley, NSW (**Dartbrook**).

The Company and Trepang have been investigating a transaction structure which would see Trepang being provided an economic interest in Dartbrook by M Resources in consideration for Trepang extending the land access agreements and water rights to allow underground mining operations at Dartbrook to continue. At this stage no agreement has been reached but the Company, Trepang and M Resources have agreed to continue discussions to see if a transaction can be structured, subject to each party continuing to reserve its rights with respect to prior matters.

Any transaction would not impact on the terms or structure of the proposed Entitlement Offer.

Non-binding indicative proposal from Pacific Premium Coal

As previously announced, on 7 September 2022, AQC received a new non-binding indicative proposal from Pacific Premium Coal Pty Ltd (**PPC**) (an entity associated with Nathan Tinkler) (**NBIO**) to acquire AQC at an offer price of \$1.00 per share. The proposal contained a number of pre-conditions, including that AQC enter into an agreement with the Trepang Parties to convert the Trepang Debt into a direct 40% interest in Dartbrook on terms acceptable to PPC, or should such an agreement not be forthcoming from Trepang, then PPC would repay all outstanding debts to the Trepang Parties (no detail has been provided as to how this would occur).

Due to a pre-condition attaching to the PPC Proposal, it needs the support of the Trepang Parties to proceed, either by the Trepang Parties agreeing to convert the Trepang Debt or by the Trepang Parties agreeing to the debt being repaid by PPC (with the consequence that Trepang would need to agree to a forbearance until their debt is repaid by PPC. Consequently, AQC requested advice from the Trepang Parties as to whether the Trepang Parties are willing to support the PPC Proposal. As at today's date a formal response on this is awaited from the Trepang Parties.

This announcement has been authorised for release to ASX by the Board of Directors of Australian Pacific Coal Limited.

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