

30 October 2015

Australian Pacific Coal Limited (ASX:AQC)

Section 708A(5)(e) Notice and Appendix 3B

Australian Pacific Coal Limited (**AQC** or **Company**) is pleased to announce the completion today of each of the Share Subscription Agreements between the Company and the two cornerstone investors, Bentley Resources Pte Ltd (**Bentley**) and Trepang Services Pty Ltd (**Trepang**) (**Agreements**), the subject of previous announcements on 29 July 2015 and 27 August 2015.

The Company has issued and allotted 1,650,000,000 fully paid ordinary shares at an issue price of \$0.04 per share (**Subscription Shares**) to each of Bentley and Trepang to raise a total of \$13,200,000 pursuant to the Share Subscription Agreements and Converting Loan Deeds entered into with each. The necessary approval of all these issues was granted by Shareholders at the Extraordinary General Meeting held today.

Resolutions put to the Company shareholders at the Extraordinary General Meeting of the Company today also contemplated the issue of shares to directors of the company for deferred fees and expenses and outstanding director fees. Following approval of those resolutions by shareholders the Company has also issued and allotted the following:

1. 125,460,000 ordinary shares to Peter Ziegler in lieu of deferred fees and expenses;
2. 122,490,000 ordinary shares to Paul Byrne in lieu of deferred fees and expenses, (collectively the **Deferred Fees Shares**); and
3. 45,375,000 ordinary shares to Peter Ziegler in lieu of outstanding director fees;
4. 27,225,000 ordinary shares to Paul Byrne in lieu of outstanding director fees;
5. 24,750,000 ordinary shares to Paul Ingram in lieu of outstanding director fees; and
6. 24,750,000 ordinary shares to Paul Ryan in lieu of outstanding director fees, (collectively the **Outstanding Director Fee Shares**).

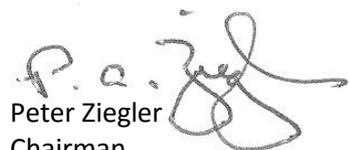
Attached is an Appendix 3B with respect to the issue of the Subscription Shares, Deferred Fee Shares and Outstanding Director Fee Shares.

The Company hereby provides this notice to the ASX for the purpose of section 708A(5)(e) of the Corporations Act 2001 (Cth) (Act) that:

- (a) the Placement Shares were issued without disclosure to investors under Part 6D.2 of the Act;
- (b) the notice is being given under section 708A(5)(e) of the Act;
- (c) as at the date of this notice AQC has complied with:
 - a. the provisions of Chapter 2M of the Act as they apply to the AQC; and
 - b. section 674 of the Corporations Act as it applies to AQC; and

(d) as at the date of this notice, there is no excluded information of the type referred in sections 708A(7) and 708A(8) of the Act.

Yours faithfully

A handwritten signature in black ink, appearing to read 'P. Ziegler', is written over the typed name.

Peter Ziegler

Chairman

Australian Pacific Coal Limited

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

AUSTRALIAN PACIFIC COAL LIMITED

ABN

49 089 206 986

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares AQC |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1,625,000,000 to Bentley as per the Bentley Subscription Agreement;
1,625,000,000 to Trepang as per the Trepang Subscription Agreement;
25,000,000 to Bentley as per the Bentley Converting Loan
25,000,000 to Trepang as per the Trepang Converting Loan
45,375,000 to Peter Ziegler in lieu of outstanding director fees
27,225,000 to Paul Byrne in lieu of outstanding director fees
24,750,000 to Paul Ingram in lieu of outstanding director fees
24,750,000 to Paul Ryan in lieu of outstanding director fees
125,460,000 to Peter Ziegler in lieu of outstanding consulting fees and expenses
122,490,000 to Paul Byrne in lieu of outstanding consulting fees and expenses
Total Shares Issued: 3,670,050,000 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	Fully paid ordinary shares.
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+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	<p>Yes</p>
<p>5 Issue price or consideration</p>	<p>\$0.004 per share</p> <p>\$6,500,000 from Bentley pursuant to the Bentley Subscription Agreement; \$6,500,000 from Trepang pursuant to the Trepang Subscription Agreement; \$100,000 from Bentley pursuant to a Bentley Converting Loan (funds received 9 September 2015) \$100,000 from Trepang pursuant to a Trepang Converting Loan (funds received 9 September 2015)</p> <p>Total Consideration: \$13,200,000</p> <p>All Shares issued to Peter Ziegler, Paul Byrne, Paul Ingram and Paul Ryan are in lieu of fees and expenses owing to them</p>

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	<p>Issue of shares pursuant to two Share Subscription Agreements entered into on 26 August and in accordance with the Shareholder approval at the Extraordinary General Meeting on 30 October 2015.</p> <p>Funds will be used to progress the Company's exploration program, provide additional working capital and fund the Subscription.</p> <p>Issue of Shares to Peter Ziegler, Paul Byrne, Paul Ingram and Paul Ryan are in lieu of fees and expenses owing to them for services as directors of the Company as contemplated by the Subscription Agreements.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	24 November 2014
6c	Number of +securities issued without security holder approval under rule 7.1	Nil
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	3,670,050,000 per the Extraordinary General Meeting of the Company on 30 October 2015
6f	Number of +securities issued under an exception in rule 7.2	Nil

+ See chapter 19 for defined terms.

6g If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.

	Not applicable
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6h If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements

	Not applicable
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6i Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements

	1,065,251,378
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7 +Issue dates

Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.

Cross reference: item 33 of Appendix 3B.

	30 October 2015
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8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
	Current: 4,261,005,514	Fully paid ordinary shares (AQC)

9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
	Nil	

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

	Ordinary shares rank equally with all other shares for dividends
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+ See chapter 19 for defined terms.

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A

+ See chapter 19 for defined terms.

23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

+ See chapter 19 for defined terms.

Appendix 3B New issue announcement

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

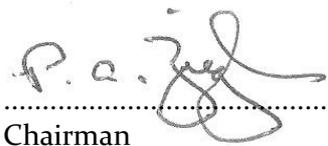
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 30 October 2015
Chairman

Print name: Peter Ziegler

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	212,998,537 as at 30 October 2014 (allowing for consolidation which occurred on 24 November 2014)
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>3,931,102 issued on 19 December 2014 7,411,229 issued on 13 March 2015 206,014,645 issued on 23 October 2015</p> <p>10,000,000 issued on 5 December 2014 10,000,000 issued on 21 January 2015 16,666,667 issued on 20 February 2015 16,666,667 issued on 11 May 2015 16,666,667 issued on 20 May 2015 6,600,000 issued on 18 June 2015 54,000,000 issued on 22 July 2015 30,000,000 issued on 3 August 2015 3,670,050,000 issued on 30 October 2015</p> <p>Nil</p>

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	4,261,005,514
Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	639,150,827
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“C”	0
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	639,150,827
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	0

+ See chapter 19 for defined terms.

Total ["A" x 0.15] – "C"	639,150,827 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>
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Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" <i>Note: number must be same as shown in Step 1 of Part 1</i>	4,261,005,514
Step 2: Calculate 10% of "A"	
"D"	<i>Note: this value cannot be changed</i>
Multiply "A" by 0.10	426,100,551
Step 3: Calculate "E", the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
"E"	0

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	426,100,551
Subtract "E" <i>Note: number must be same as shown in Step 3</i>	0
Total ["A" x 0.10] – "E"	426,100,551 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

Note: At the Company's Annual General Meeting held on 24 November 2014 shareholders approved a one for five share consolidation of all ordinary shares issued.

The numbers of ordinary shares issued and equity securities ("**Shares**") shown in this **Appendix 3B - Annexure 1** are stated on a post-consolidation basis. The number of Shares shown for any Shares issued prior to the share consolidation have been adjusted to reflect the equivalent post-consolidation number of Shares so issued.

+ See chapter 19 for defined terms.