

ASX RELEASE

11 August 2022

Australian Pacific Coal Limited ('AQC' or 'Company') provides shareholders with the following updates.

Purchase of Dartbrook Coal Project

On 20 April 2022 AQC announced that it had received from its major shareholder and creditor Trepang Services Pty Ltd ('Trepang') an offer for Trepang or its nominee to purchase the Dartbrook Coal Project through the acquisition of the Company's wholly owned subsidiaries (AQC Investments 2 Pty Ltd; ACQ Dartbrook Pty Ltd; AQC Dartbrook Management Pty Ltd and Dartbrook Coal (Sales) Pty Ltd (together, Subsidiaries) (the Offer).

A notice of meeting and accompanying explanatory memorandum was released to ASX on 22 July 2022 (together Notice of Meeting) in respect of a General Meeting of the Company's Shareholders to be held at the offices of Mills Oakley, Level 23, 66 Eagle Street, Brisbane, Qld, 4000 at 10am (Brisbane time) on Monday 22 August 2022 to consider the Offer.

Subject to completion of the Offer, AQC's consolidated liabilities will be reduced by approximately \$65m (based on 30 June 2022 balances). AQC will also receive a royalty from the net profits of the Dartbrook Coal Project of between \$2.50AUD and \$5.00AUD per tonne of Grantor Coal, based on the average coal price per quarter (more particulars are set out in the Notice of Meeting).

AQC advises that the parties have agreed to extend the date by which conditions of the proposed sale must be met to 23 August 2022.

Stamp Duty Assessment

On 29 May 2017, the Company announced that its wholly owned subsidiary AQC Investments 2 Pty Ltd had completed the acquisition of the Dartbrook Coal Project.

AQC advises that its subsidiary, AQC Investments 2 Pty Ltd has received a Notice of Assessment from Revenue NSW regarding the amount of landholder duty payable in connection with AQC's acquisition of the Dartbrook Coal Project. The Notice of Assessment issued by Revenue NSW was in the amount of AU\$1,469,558.68.

AQC Investments 2 Pty Ltd may lodge an objection to the Notice of Assessment by 23 September 2022. The Company is currently considering its position in this regard.

This announcement has been authorised for release by the Board.

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