

ASX RELEASE
14 September 2022

RECEIPT OF NEW NON-BINDING INDICATIVE PROPOSAL

Australian Pacific Coal Limited ('**AQC**' or '**Company**') (ASX: AQC) advises that the Company has this morning received another conditional non-binding indicative proposal from Tetra Resources Pty Ltd and Javelin Private Capital Group LLC (**Bidding Parties**).

The Bidding Parties propose the following (in summary only):

1. A Joint Venture and Management Agreement between Tetra (40%) and the Company (60%) (**AQC Dartbrook JV Participants**) with respect to the Dartbrook coal project (**Dartbrook**);
2. A debt moratorium and funding agreement between AQC and Trepong Services Pty Ltd (**Trepong**) and its associated parties (**Trepong Parties**). The Company notes that the Bidding Parties have indicated Trepong's support to the debt moratorium and funding agreement, however the Company has not been provided with any evidence of this and the Trepong Parties are not a party to the non-binding proposal and the Company notes the debt moratorium is a condition precedent to finalising the proposal;
3. A marketing agreement between Javelin and the AQC Dartbrook JV Participants;
4. A USD\$65m Pre-Pay Loan Agreement between Javelin and AQC Dartbrook Joint Venture Participants.

The Company notes the proposal from the Bidding Parties represents a joint venture proposal and not a control transaction.

The proposal received is non-binding and indicative and subject to the following conditions precedent:

1. A successful debt placement by Javelin Private Capital;
2. The Bidding Parties finalising the legal and financial structure subject to tax advice;
3. Execution of binding transaction documents, including:
 - a. Joint Venture documentation;
 - b. Coal marketing agreement between the AQC Dartbrook JV Participants and Javelin Global Commodities;
 - c. USD\$65m Pre-Pay Loan Agreement between Javelin and AQC Dartbrook JV Participants, and associated security documents;
 - d. Management Agreements with Tetra; and
 - e. A further debt moratorium agreement to be agreed between the Trepong Parties and AQC on terms acceptable to them.

Tetra has advised that it is a privately owned Australian company formed with the intent of developing and managing coal projects with prior historic association with Dartbrook. Javelin has advised that they are one of the world leaders in coal and expects to manage over 50 million metric tonnes in 2022.

Given the conditions precedent the Company advises that the proposal is at an extremely early stage, is non-binding, conditional and requires further consideration. Given the non-binding indicative proposal needs the support of the Trepong Parties to proceed, AQC intends to seek advice from the Trepong Parties as to whether the Trepong Parties are willing to support the proposal. Shareholders are advised to take no action with respect to the proposal at this time.

The Company further notes that directors of Tetra have been nominated by Trepong to be appointed as directors of AQC pursuant to a notice under s249D of the Corporations Act. Tetra have advised that they will withdraw their consents to act as AQC directors should AQC enter into formal binding documents.

The Company will keep the market fully informed on all matters in accordance with its continuous disclosure obligations.

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

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