



08 September 2016

Australian Pacific Coal Limited (ASX: AQC)

Share Subscription Agreement secures additional \$10 million funding.

Australian Pacific Coal Limited ('AQC' or 'the Company') is pleased to announce the completion of a binding Share Subscription Agreement ('Agreement') with AMCI International AG's Australian subsidiary, AMCI Investments Pty Ltd ('AMCI'). AMCI is the international private equity giant run by German billionaire Hans Mende.

Pursuant to the Agreement, AMCI has agreed to subscribe for \$10 million of new AQC shares on the terms and conditions of the Share Subscription Agreement that are summarised in the annexed table. These shares are to be issued at the higher of A\$0.0145 per share and 75% of the Volume Weighted Average Price ('VWAP') calculated over the 15 trading days on which trades in the Company's shares were recorded immediately before the date of completion.

AMCI Australia's Managing Director Brian Clifford said:

"AMCI looks forward to completing the transaction in due course and having a successful relationship with Australian Pacific Coal's management."

AQC Chief Executive Officer and Managing Director John Robinson said:

"This is an extremely important strategic partnership for AQC. We look forward to working with AMCI and our other investors to add value through prudent investments in the Australian coal sector. The global recovery that is being experienced in the thermal coal price is very encouraging. The recent Chinese government announcement reducing their internal coal mine production and the limitations they have placed on importation of low quality, low calorific value coals has seen an increase in the values achieved for Newcastle benchmark coals. AQC will be impeccably placed in meeting the increased demand for its Newcastle benchmark quality coal given Dartbrook's proximity to the seaborne markets."

Coal mining continues to receive strong support from the Hunter Valley community along with there being strong support for the re-opening of the Dartbrook mine. A Galaxy Research study was commissioned by AQC in January 2016 to determine local community attitudes to coal mining. Among the main findings, the study found that mining is regarded as the industry that delivers the greatest positive contribution to the economy and the people of the Hunter Valley region.

Dartbrook is a high quality resource and comes with a substantial exploration database together with significant onsite infrastructure including Coal Handling Processing Plant, Train Load Out and Rail Loop. This Infrastructure has been well maintained, is in excellent condition and has a current replacement valuation of \$300m.

For further information, please contact:

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Summary of Terms and Conditions of the Subscription Agreement

Subscription Price	AUD \$10,000,000
Issue Price per share	The higher of: (a) A\$0.0145; and (b) 75% of the ASX VWAP over the 15 Trading Days on which trades in the issued fully paid ordinary shares of the Company were recorded immediately before the date of Completion.
Completion Date	The later of: (a) The day which is 2 business days after the day on which the Condition Precedent is satisfied or waived; and (b) Any other date agreed by the Company and the Subscriber.
Condition Precedent	The subscriber approving the mine plan formulated for undertaking of the underground mining of the Dartbrook coal mine, not to be unreasonably withheld. The approval of the mine plan includes approval of the mining plan and executed mining contract.
End Date	22 November 2016 or such later date as the parties may agree in writing.