

20 February 2012

Company Announcements Office
Australian Stock Exchange
20 Bridge Street
Sydney NSW 2000

Blackwood Resources Joint Venture Update

Australian Pacific Coal Limited ("APC") is pleased to report that Cuesta Coal Limited ("Cuesta Coal") has announced that they have completed the first stage of \$20million investment by Beijing Guoli Energy Investment Co. Ltd ("Guoli") as detailed in the following release by Cuesta Coal.

Cuesta Coal was formed in September 2011 to acquire all of the securities on issue in Blackwood Coal Pty Limited in preparation for a public listing.

APC Group joint ventured four EPCs out to unlisted coal explorer Blackwood Coal Pty Ltd subsidiary, Blackwood Resources Pty Ltd, in April 2010. APC Group retained a 10% free carried interest up to feasibility study stage. Under the terms of the JV, Blackwood pays APC \$125,000 upon grant of each EPC and is required to expend at least the minimum exploration commitment with the aim to prove up a coal resource and complete a feasibility study for the project(s). Blackwood can withdraw at any time and offer the project(s) back to APC at no cost.

APC Group retains its 10% free carry interest up to feasibility stage in the four East Wandoan joint ventured coal exploration tenements. The completion of the first stage of the Cuesta Coal subscription agreement "is a pleasing achievement for Cuesta Coal as this funding gives *Cuesta Coal* the flexibility to maintain *their* exploration and development program in the lead up to the IPO".

Yours faithfully



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Company Secretary



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Cuesta Coal Completes First Stage of \$20 million Beijing Guoli Investment

- **\$5 million funding received as part of the first stage investment**
- **\$15 million IPO investment by Beijing Guoli finalised**
- **Cuesta Coal still targeting an ASX listing in March**

20 February 2012: Cuesta Coal Limited ('Cuesta Coal') is pleased to announce that it has finalised terms for a \$20 million investment by Beijing Guoli Energy Investment Co. Ltd ("Beijing Guoli").

The \$20 million investment was subject to Cuesta Coal Shareholder, FIRB, and Chinese regulatory approvals, as well as satisfactory completion of due diligence. All these conditions have now been satisfied. Cuesta Coal and Beijing Guoli have completed the 1st stage \$5 million pre-IPO investment at \$0.25 per share and the funds have been received by Cuesta Coal.

The \$15 million investment under the second stage of the investment agreement will be completed under Cuesta Coal's proposed Initial Public Offering.

Cuesta Coal's Managing Director Mr Matthew Crawford said: "The completion of the first stage of this investment is a pleasing achievement for Cuesta Coal as this funding gives us the flexibility to maintain our exploration and development program in the lead up to the IPO".

"We have worked closely and cooperatively with Beijing Guoli on this transaction and look forward to a longer term successful partnership as we develop our current exploration success into a significant coal resource project and ultimately a producing mine".

About Cuesta Coal Limited

Cuesta Coal Limited (Cuesta Coal) was formed in September 2011 to acquire all the securities on issue in a private Queensland focused Australian coal exploration company called Blackwood Coal Pty Limited (Blackwood Coal) in preparation for a public listing.

Blackwood Coal is a coal exploration and development company established in November 2009. Since then the Company has acquired a portfolio of 33 EPCs/EPCAs in the Bowen, Surat/Clarence Moreton and Galilee coal basins in Queensland, 9 of which have been granted. It has a pipeline of projects which range from advanced exploration requiring resource definition drilling to conceptual lateral opportunities to be tested by scout drilling.

Cuesta Coal is seeking to list on the ASX in Q1 of 2012 and Austock Securities have been appointed as the Lead Manager.

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