

AUSTRALIAN PACIFIC COAL

Company Announcement

26 October 2011



Australian Pacific Coal ASX: AQC

Australian Pacific Coal (AQC) is an emerging ASX coal explorer focused on the Bowen Basin, Queensland.

Through a series of acquisitions, AQC has positioned itself with both metallurgical and thermal coal projects potentially suited for underground and open cut mining.

The focus of AQC's operations is to value add the coal projects through evaluation of resource potential of the projects followed up with drilling as required to prove up the resource. Early stage drilling has commenced on selected projects.

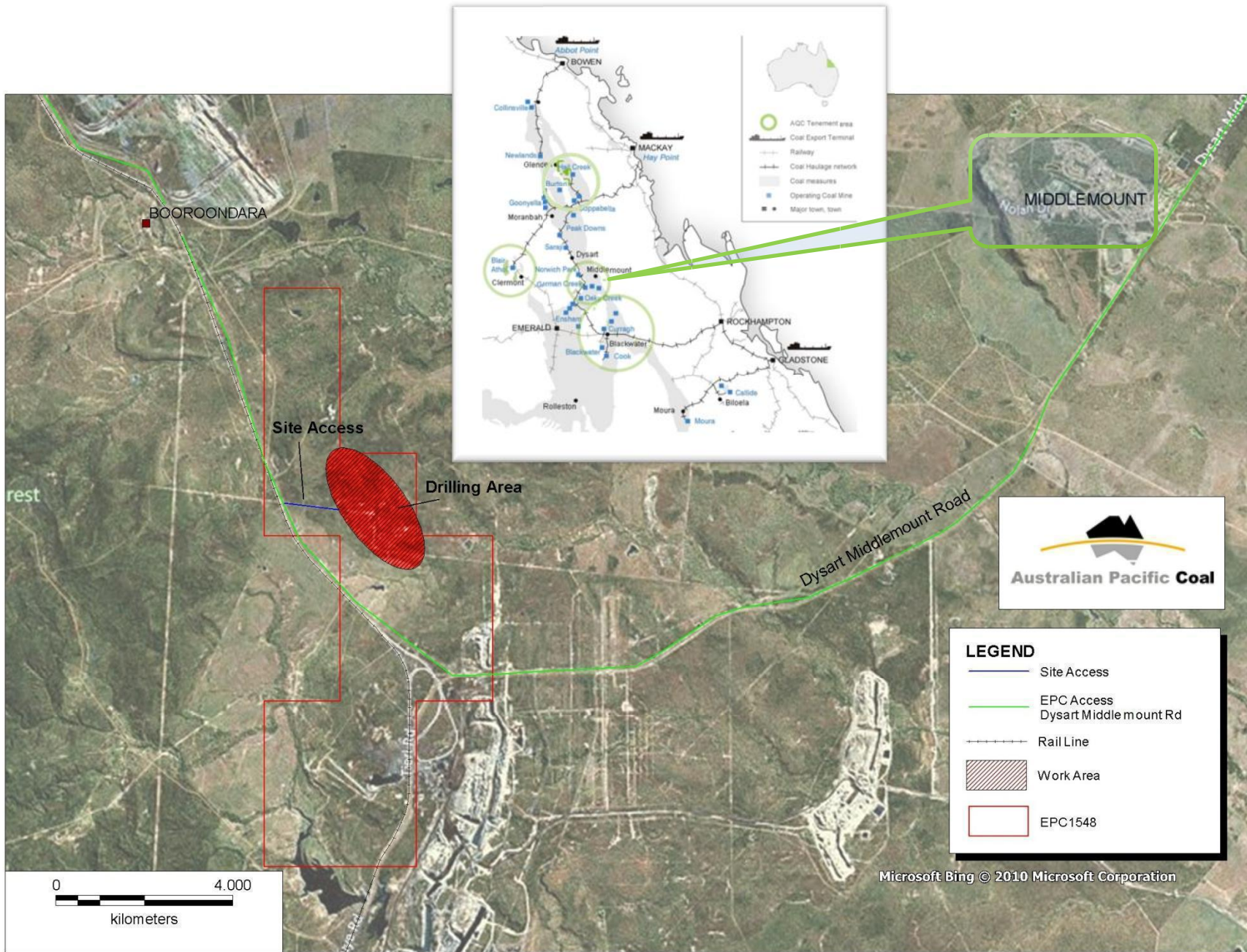
Following on from the value add process, AQC's exploitation opportunities for individual coal projects include development of the project in its own right, farm-in, joint venture exploration, joint venture development or outright sale.

AQC's long term strategic focus is based on seeking out and identifying potentially lucrative resource investment opportunities.

Paul Byrne
Chief Executive Officer
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Drilling EPC 1548 "West German Creek" has commenced

- EPC 1548 "West German Creek" is within the Middlemount project area.
- The tenement is a geological target with prospectivity for shallow German Creek formation coking coal.
- A program of five chip and one cored hole has commenced on the tenement. The program will look for an upthrust block of German Creek coal, or up dip continuation of the German Creek coal measures.
- The program will commence with three chip holes drilled at the eastern boundary of the target area, adjacent to the neighbouring German Creek Mining Lease. If targets are intersected in the initial drill holes, a single core hole will be drilled at the eastern boundary and two chip holes will be drilled further west.
- Coal quality samples will be collected from the cored hole and all holes will undergo geophysical logging.
- It is expected that the program will take 5 to 10 days to complete.



EPC 1548 “West German Creek” drilling location



Commencement of Drilling EPC 1548 “West German Creek” 25 October 2011