

29 November 2012

## **2012 Annual General Meeting – Chairman’s Address**

Ladies and Gentlemen

I take this opportunity to welcome you and thank you again for your support throughout the year.

I am pleased to be able to report that during this past year we have been able to make solid progress with our exploration program. Our geology team is in the early stages of proving up their desktop research with drilling programs that have been completed or are now in progress. It is fair to say that in today’s world our team faces significant planning challenges as do all explorers. It is no longer possible to book a drill rig, head out onto the tenement, drop a few holes and publish the results. It is to our geological teams’ credit that they have been able to secure appropriate landholder access agreements, native title and cultural heritage clearances and environmental approvals and with all that conduct their drill programs on schedule and on budget.

The very real challenge facing junior explorers over the past year has been the financial environment we find ourselves in. As shareholders you are no doubt aware that your company has limited funding options available to it. We are acutely aware that capital raising in the current share market is seriously dilutive. The alternative, giving away equity in projects through joint venture exploration and development is not always in the best long term interests of shareholders either. Value adding proposals such as our JV agreements with Rio Tinto and Cuesta Coal do not come along every day. Your board has continually faced up to this conundrum and considers that the funding agreement it entered into with Lind Capital has provided a good solution, minimising as much as possible the downside risk for shareholders. The overriding priority of this board has been to secure sufficient funding to conduct a well-planned exploration program. Only then can we begin to report resource results that will enable investors to realise the value and the quality of tenements that we hold.

Shareholders may have noted that our former Chairman, John Bovard is not standing for re-election as Director this year. I would like to take this opportunity thank John for his service to the Company, attention to detail and the board oversight that he provided over the past three years. It has been a period of significant change for the company and John has helped to lay solid foundations that will enable the company to move into the next stage of its development. John has asked me to thank all shareholders for their support during his tenure and to let them know that he has not offered himself for re-election only due to time pressures that prevent him from providing proper service to this Company and its shareholders.

Following this meeting, our CEO and Managing Director, Paul Byrne will present a general overview of the company's projects, future developments and the way forward for building shareholder value.

Thank you again for your support during what has been a very difficult year. We look forward to identifying the full potential of the company's tenements over the coming year and seeing an improvement in underlying value for shareholders.

Thank you.

Peter Ziegler (*Chairman*)

### ***About Australian Pacific Coal Limited***

*Australian Pacific Coal Limited (ASX:AQC) is an ASX-listed company focused on the exploration and development of metallurgical and thermal coal projects. With interests in 34 coal tenements strategically located in south-east Queensland's Bowen and Surat Basins, AQC has joint venture agreements in place with mining major Rio Tinto and Cuesta Coal.*