



ASX RELEASE  
9 NOVEMBER 2018

## Small Holding Sale Facility

Australian Pacific Coal Limited (**AQC** or the **Company**) announces that it is conducting a small holding share sale facility (**Facility**) pursuant to its constitution and the ASX Listing Rules, which provides eligible shareholders with the opportunity to sell their shareholding without incurring brokerage or handling costs. The Company also considers the Facility to be an appropriate way to reduce the costs associated with managing the Company's register given the significant proportion of low value holdings.

The Facility is being offered to persons registered as the holders of ordinary shares in AQC (**Shares**) at 7:00pm (AEDT) on 5 November 2018 (**Record Date**) who, on the Record Date, held Shares valued at less than \$500 (**Small Holding**) and continue to have a Small Holding as at 21 December 2018.

Based on a share price of \$0.685 per Share, being the closing price of AQC ordinary shares on the Australian Securities Exchange (**ASX**) on the Record Date, the Facility will be available to those Shareholders holding less than 729 Shares.

A letter and continuation election notice has been posted by mail to eligible shareholders on today's date, a copy of which is appended to this announcement. It is important to note that the Facility is being conducted on an "opt-out" basis, such that any eligible shareholder wishing to retain their shareholding must take action in the timeframe described in the letter to avoid their shares being sold.

### Key dates relevant to the Facility are as follows:

Record Date	7:00pm (AEDT) on 5 November 2018
Shareholder mailing date	9 November 2018
Closing date	5:00pm (AEDT) on 21 December 2018

**All enquiries:**  
Company Secretary  
E: [cosec@aqcltd.com](mailto:cosec@aqcltd.com)  
P: +61 7 3221 0679



9 November 2018

Dear Shareholder

## Opportunity to sell AQC shares for holders of small holdings

### 1. The Program

Australian Pacific Coal Limited (**AQC** or the **Company**) (ASX: AQC) is pleased to announce an opportunity for you to sell your shareholding without incurring any brokerage or handling costs. This program is available to eligible shareholders who, at 7:00pm (AEDT) on 5 November 2018 (**Record Date**), were holders of fully paid ordinary shares in AQC (**AQC Shares**) valued at less than \$500.00 (**Program**).

Based on a price of \$0.685 per AQC Share, being the closing price of AQC Shares on the Australian Securities Exchange (**ASX**) on the Record Date, a small holding under the Program is any holding of 729 AQC Shares.

This Program closes at 5:00pm (AEDT) on 21 December 2018 (**Election Date**).

The number of AQC Shares which will constitute a small holding at the Election Date will be any holding of AQC Shares worth \$500.00 or less (**Small Holding**).

Our records show that you currently hold less than \$500.00 worth of AQC Shares on the Record Date. Consequently, your holding of AQC Shares is eligible for this Program, if you continue to hold a Small Holding as at the Election Date.

AQC makes this Program available pursuant to the provisions of Rule 73 of the Company's constitution which allows for the sale of AQC Shares held by a shareholder of a Small Holding. A copy of Rule 73 is enclosed as Schedule 1 of this notice.

AQC recognises that there are many shareholders who hold Small Holdings who may find it difficult or expensive to dispose of their AQC Shares. This Program provides eligible shareholders with a convenient way to sell AQC Shares and at the same time allows the Company to reduce its significant costs associated with administering many small shareholdings.

Information in this letter and in the **enclosed** documents will assist you to make a choice whether to:

- sell your holding; or
- retain your existing holding.

### 2. To sell your holding

If you wish to dispose of your AQC Shares without incurring any brokerage or handling costs, then **you do not need to do anything** and your AQC Shares will be sold, if you hold a Small Holding on the Election Date.

If you choose to do nothing and do not return the **enclosed** Continuation Election Notice by the Election Date, subject to Rule 73 of the Constitution **all** of your AQC Shares will be sold at the Company's discretion. The Company will hold the proceeds from any of your AQC Shares sold

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**(Sale Consideration)** in trust for you and will notify you in writing that the Sale Consideration in respect of your Shares has been received by AQC and is being held by the Company pending instructions from you as to how it is to be dealt with. However, if you have previously provided direct credit payment details to the Company's share registrar, Link Market Services Limited (**Link**) for your holding and authorised such payments to be made by direct credit, the Sale Consideration will be paid to your nominated account by EFT. You will not incur any brokerage or handling costs associated with the disposal of your AQC Shares. If you wish to update your direct credit instructions, please contact Link.

If you do nothing, **all** of your AQC Shares will be pooled with other Small Holdings under the Program and sold on the ASX. In addition, if you do nothing, you will be deemed to appoint AQC, its Directors and Secretary (jointly and severally) as your attorney for the sale to take all steps, in your name, or on your behalf as they or any of them consider appropriate to transfer your AQC Shares and AQC, its Directors or Secretary may appoint an agent to undertake such actions.

### 2.1 Sale proceeds

The sale proceeds to which you will be entitled will be calculated by dividing the aggregate of the total proceeds from the sale of all AQC Shares sold under this Program, by the total number of AQC Shares sold under this Program, and multiplied by the number of AQC Shares you held, which were sold, with the total Sale Consideration rounded up to the nearest cent. All participants who have their AQC Shares sold under this Program will receive the same average price per Share.

This price may be more or less than the actual price at which your AQC Shares are sold.

You will be notified by way of a transaction confirmation statement of the number of your AQC Shares sold, and the price and total sale proceeds. The transaction confirmation statement will be issued in accordance with the communications instructions as advised to the share register.

If your AQC Shares are in a CHESS holding, AQC may, after the Election Date, move your AQC Shares from the CHESS holdings to an issuer sponsored holding or certificated holding for the purposes of divestment by the Company in accordance with the Program.

### 3. To retain your existing holding

If you wish to retain your existing holding of AQC Shares then you must:

- complete and return the **enclosed** Continuation Election Notice so that it is received by Link by the Election Date at the following address

**C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia**

or

- make your own arrangements outside the Program to purchase additional AQC Shares so that your shareholding is worth at least \$500.00 on the Election Date. If you have more than one holding of AQC Shares, then you can contact Link to assist with consolidating them into a single holding. In order to ensure that your AQC Shares are not sold by AQC, any additional AQC Shares must be held in the same holding as your current AQC Shares (i.e. you must advise your broker to purchase the AQC Shares under the same Holder

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Identification Number (HIN) or Securityholder Reference Number (SRN) that is stated on the **enclosed** forms) and must be registered by the Election Date.

#### 4. **Important Information**

It is important that you read and understand this letter and the Continuation Election Notice.

The market price of AQC Shares is subject to change from time to time. Whilst AQC and its nominee broker Morgans Financial Limited, will endeavour to ensure the best available sale price and purchase price is achieved for your AQC Shares under this Program, no assurance or certainty can be provided by AQC or the nominated broker about the price at which AQC Shares are sold or acquired. Up to date information on the market price of AQC Shares is available on the ASX website ([www.asx.com.au](http://www.asx.com.au)). The Company reserves the right to vary, delay or cancel the sale of your AQC Shares and not proceed with any sale of shares at any time before your AQC Shares are sold.

This Program does not take into account the individual investment objectives, financial situation or particular needs of each eligible shareholder. You should consider seeking independent financial and taxation advice before making a decision as to whether or not to participate in this Program.

AQC, its directors and officers, and nominated broker make no recommendation as to whether you should participate in the Program and none of them should be taken to be giving any financial advice to you. However, any shareholder support to this cost reduction and efficiency initiative is much appreciated.

#### 5. **Enquiries**

If you have any further questions please contact AQC on +61 7 3221 0679 or email [cosec@aqcltd.com](mailto:cosec@aqcltd.com).

Yours faithfully



John Robinson  
Chairman  
Australian Pacific Coal Limited

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## Schedule 1 – Rule 73 of the constitution

### 73. Sale of less than minimum holding

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73.1 This Rule has effect notwithstanding any other provision of this Constitution to the contrary and shall override the same to the extent of any inconsistency.

73.2 In this Rule:

**Continuation Election Notice** means a notice by a Small Holder in the form contained on or enclosed with a Continuing Member Notice and completed and signed in accordance with the instructions on the Continuing Member Notice, notifying the Company that this Rule is not to apply to that Small Holder so that that Small Holder may remain as the holder of the Securities registered in its name.

**Continuing Member Notice** means a notice issued under Rule 73.3 below.

**Election Deadline** means 5.00pm (Australian Eastern Standard Time) on a date specified in a Continuing Member Notice, being a date not less than six weeks after the date of dispatch of that Continuing Member Notice.

**Sale Consideration** means the consideration received for the sale of any Securities (less any unpaid calls instalments or interest (if any) accrued on those instalments) under this Rule.

**Small Holders** means persons registered, either alone or jointly with any other persons, as the holders of less than a Marketable Parcel of a class of Securities in the Company.

73.3 Subject to the provisions of this Rule, the Board may determine no more than once in any 12 Month period, to require all (and not merely some) of the Small Holders of any class of Securities in the Company to elect whether they wish to remain as the holders of the Securities of that class in the Company registered in their name by forwarding to each such Small Holder (including all persons registered jointly) a Continuing Member Notice containing or enclosing:

- (a) details of the Securities of that class in the company held by the Small Holder;
- (b) statements to the effect that:
  - (1) the Company intends to invoke the provisions of this Rule which allows for the sale of Securities of that particular class held by all Small Holders in that class;
  - (2) if the Company does not receive from any such Small Holder a Continuation Election Notice by the Election Deadline, the Company will be, subject to this Rule, entitled to sell the Securities of that particular class held by those particular Small Holders in its absolute discretion; and
  - (3) in the case of a Member whose Securities are in a CHESS holding, that the Company may, without further notice, after the Election Deadline, move the Securities from the CHESS holding to an Issuer Sponsored or certificated holding for the purpose of sale;

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- (c) a Continuation Election Notice;
  - (d) a copy of the text of this Rule; and
  - (e) any other information which the Directors may desire to include.
- 73.4 If a Small Holder on whom a Continuing Member Notice has been served wants to keep the Securities referred to in the Continuing Member Notice, the Small Holder must give the Company a Continuing Election Notice which must be received by the Company before the Election Deadline, in which event the Company will not sell the Securities referred to in the Continuing Member Notice.
- 73.5 If a Small Holder on whom a Continuing Member Notice has been served does not give a Continuing Election Notice which is received by the Company before the Election Deadline, the Company shall be entitled to, subject to this Rule:
- (a) if the Small Holder holds those Securities in a CHESS Holding, move those Securities from the CHESS Holding to an Issuer Sponsored or a certificated holding for the purpose of the sale; and
  - (b) in any case, sell those Securities in accordance with this Rule,
- but only if the Securities held by the Small Holder in the class of Securities the subject of the Continuing Member Notice on the Election Date is less than a Marketable Parcel.
- 73.6 Any Securities to be sold under this Rule may be sold on such terms and conditions, in such manner, at such prices and to such persons (including the Company itself where authorised by law) as the Board may, in its absolute discretion, think fit and, for the purposes of such sale, each such Small Holder shall be deemed to have:
- (a) appointed the Company as its agent for sale;
  - (b) authorised the Company to effect on its behalf a transfer of the Securities sold and to deal with the proceeds of the sale of the Securities in accordance with this Rule;
  - (c) appointed the Company, its Directors and the Secretary at the relevant time jointly and severally as its attorney to execute any instrument or take such steps in its name and on its behalf as they or any of them may consider appropriate to transfer the Securities so sold; and
  - (d) authorised each of the attorneys appointed under Rule 73.6(c) to appoint an agent to do a thing referred to in Rule 73.6(c).
- 73.7 Any transferee of any Securities sold under this Rule shall not be bound to see to the regularity of any procedure or to the application of the purchase consideration in respect of such sale nor shall any transferee be required to produce the certificates in respect of such Securities to enable registration. Once the transferee has been registered as the holder of such Securities the transferee's title shall not be affected by any irregularity or invalidity in any procedure and the only remedy of any Small Holder aggrieved by the sale of its Securities under this Rule shall be in damages only and against the Company exclusively and shall be limited to the amount of the relevant Sale Consideration.
- 73.8 The costs and expenses of any sale of Securities under this Rule (including legal costs and disbursements, brokerage and stamp duty) shall be borne and paid by the Company.

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- 73.9 The Sale Consideration shall be held by the Company in trust for the Small Holder whose Securities have been so sold.
- 73.10 On receipt of the Sale Consideration, the Company shall forthwith notify such Small Holder in writing that the relevant class of Securities held by it have been sold and that the relevant Sale Consideration is being held by the Company pending the receipt by the Company of written instructions as to how such money is to be dealt with. If the Small Holder has been issued with a share certificate or certificates, the Small Holder's instructions to be effective, must be accompanied by the share certificate or certificates in respect of such Securities sold or, if the certificate or certificates have been lost or destroyed, by a statement and undertaking under section 1070D(5) of the Corporations Act.
- 73.11 Despite any provision of this Rule, either express or implied, to the contrary:
- (a) the Board shall not be bound to exercise the powers conferred by this Rule and shall be entitled, at any time prior to a sale of Securities being effected, to suspend or terminate its use by written notice to the Small Holders affected;
  - (b) the accidental omission by the Company to give any notice required under this Rule or the non-receipt of any such notice by any Small Holder shall not invalidate any action undertaken in good faith under this Rule;
  - (c) the Board may, in its absolute discretion, settle any ambiguity, difficulty, anomaly or dispute which may arise in relation to the operation of this Rule; and
  - (d) no sale of any Securities under this Rule shall be undertaken if prior to such sale a Takeover Bid to acquire Securities of the same class as the Securities which are to be sold under this Rule has either been announced as being intended to be made or has been made and is still open for acceptance.
- 73.12 If the Company is Listed, this Rule shall be subject to the potential operation of the Listing Rules or the ASTC Settlement Rules (as the case may be) to the Securities intended to be sold under this Rule.

[See LR 15.13]



**Australian Pacific Coal**

ABN 49 089 206 986

All Registry communications to:  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia  
Telephone: 1300 554 474  
From outside Australia: +61 1300 554 474  
Facsimile: +61 2 9287 0303  
ASX Code: AQC  
Website: www.linkmarketservices.com.au

SRN/HIN:

Number of Shares held as at the Record Date,  
7:00pm (AEDT) on 5 November 2018:

**A**

**IMPORTANT NOTICE**

Please return this Continuation Election Notice if you do not wish your Shares in Australian Pacific Coal Limited to be sold. If you do not understand this notice you should immediately consult your financial adviser.

**CONTINUATION ELECTION NOTICE**

If you wish to retain your Shareholding in Australian Pacific Coal Limited ("AQC") you must complete and return this Continuation Election Notice to AQC's Registry, so that it is received no later than 5:00pm (AEDT), on 21 December 2018. Slips may be mailed or delivered to the addresses overleaf.

**B** **DO NOT SELL MY SHARES**

I/We the Shareholder(s) described above by returning this Continuation Election Notice, hereby give notice that I/we wish to retain my/our Shareholding in AQC, pursuant to Rule 73 of the Company's Constitution.

**C** Please sign within the boxes below in accordance with instructions overleaf

Individual OR Joint Shareholder 1  
Sole Director and Sole Company Secretary

Joint Shareholder 2 OR  
Director/Company Secretary

Joint Shareholder 3 OR  
Director

Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name (PRINT)

Date

THIS FORM MUST BE RECEIVED BY LINK MARKET SERVICES LIMITED BY NO LATER THAN 5:00PM (AEDT) ON 21 DECEMBER 2018

AQC BBK001





## How to complete this Continuation Election Notice

The instructions below are cross-referenced to each section of the Continuation Election Notice. Please complete the form in black ink.

**A** This is the total number of Shares registered in your name as at 7.00pm (AEDT) 5 November 2018. If you wish to retain your Shareholding in Australian Pacific Coal Limited ("APC") you must complete and return this Continuation Election Notice to APC's Registry, so that it is received no later than 5:00pm (AEDT), on 21 December 2018. Continuation Election Notice may be mailed or delivered to the addresses below. .

**B** If you wish to offer to sell ALL of your Shares, please place a 'X' in this box.

**C** Sign and date the Continuation Election Notice at Part C. By signing and returning this Continuation Election Notice you acknowledge that you have read and understood the acceptance specified on this Continuation Election Notice is an offer to sell the accepted Shares to APC on the terms and conditions set out in the Buy-Back Documents.

**Joint Shareholders** – all holders must sign.

**Under power of attorney** – where this Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power. If not already noted by the Registry, an original certified copy of the power of attorney must be sent to the Registry.

**Deceased estate** – all executors should sign. If not already noted by the Registry, send an original certified copy of probate or letters of administration to the Registry.

**Company** – this Acceptance Form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.

**Personal Information Collection Notification Statement:** Link Group advises that personal information it holds about you (including your name, address, date of birth and details of the financial assets) is collected by Link Group organisations to administer your investment. Personal information is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. Some or all of your personal information may be disclosed to contracted third parties, or related Link Group companies in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about our personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit our website at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

### Submitting your Continuation Election Notice

If you have any further questions please contact APC on +61 7 3221 0679 or email [cosec@apcltd.com](mailto:cosec@apcltd.com).

Use the enclosed envelope to send or deliver your completed and signed Continuation Election Notice to the following address so that it is received by no later than 5.00pm (AEDT) 21 December 2018.

#### Mailing Address

Australia Pacific Coal Limited Buy-Back  
C/- Link Market Services Limited  
Locked Bag A14  
SYDNEY SOUTH NSW 1235

OR

#### Delivery Address

Australia Pacific Coal Limited Buy-Back  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138