

ASX RELEASE

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Small Holding Sale Facility Update

Australian Pacific Coal Limited (**AQC** or the **Company**) announced on 9 November 2018 that it was conducting a small holding share sale facility (**Facility**) pursuant to its constitution and the ASX Listing Rules, which provided eligible shareholders with the opportunity to sell their shareholding without incurring brokerage or handling costs. The Company also considered 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 was 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 \$0.75 per Share, being the closing price of AQC ordinary shares on the Australian Securities Exchange (**ASX**) on the Closing Date, the Facility was available to those Shareholders holding less than 667 Shares. A total of 156,646 Shares held by 971 shareholders have been sold as a result of the Facility at an average price of \$0.62 per Share. All participants who have their AQC Shares sold under this Facility will receive the same average price per Share.

The total Shares on issue has not changed however the number of shareholders has reduced from approximately 2,100 to approximately 1,100. In accordance with letter distributed to Shareholders, the sale proceeds from the facility are being held in trust and AQC will seek instructions from those holders on the distribution of those proceeds. Shareholders who have previously provided direct credit payment details to the Company's share registrar, Link Market Services Limited, and authorised such payments to be made by direct credit, will be paid via EFT without further notification required.

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