

2 September 2022

The Manager
Company Announcements
Australian Securities Exchange
Level 5, 20 Bridge Street
SYDNEY NSW 2000

By electronic lodgement

Dear Sir/Madam

**Australian Pacific Coal Limited ACN 089 206 986 (ASX:AQC)
Cleansing notice under section 708AA of the Corporations Act**

This notice is provided by Australian Pacific Coal Limited ACN 089 206 986 (**ASX:AQC**) (**AQC** or **Company**) in connection with the Company's announcement of a fully underwritten renounceable pro rata entitlement offer (**Entitlement Offer**) to existing eligible shareholders of the Company (**Eligible Shareholders**) on the basis of 5.83 new fully paid ordinary shares in the Company (**Share**) at an issue price of A\$0.34 for every 1 Share held on the record date, being 7.00 pm (Brisbane time) on Thursday, 8 September (**Record Date**), to raise approximately A\$100 million.

Eligible Shareholders will be only those persons who are shareholders on the Company's share register on the Record Date with a registered address in Australia or New Zealand, or in such other jurisdiction as determined at the discretion of the Board.

Entitlements not taken up by Eligible Shareholders, and entitlements not traded and taken up during the trading period, will form part of the shortfall for underwriting purposes.

The Company gives this notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and states the following:

1. the Shares to be issued under the Entitlement Offer will be issued without disclosure to investors under Part 6D.2 of the Corporations Act;
2. as at the date of this notice, the Company has complied with:
 - a. the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - b. section 674 of the Corporations Act;
3. as at the date of this notice, there is no excluded information for the purposes of sections 708AA(8) and 708AA(9) of the Corporations Act; and
4. the potential effect the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand, as follows:
 - a) if all Eligible Shareholders take up their entitlements under the Entitlement Offer, or all such entitlements are traded (including those entitlements of shareholders not entitled to participate in the Entitlement Offer) and taken up, then the Entitlement Offer will have no significant effect on the control of the Company and all shareholders in the Company will hold the same percentage interest;

- b) in the more likely event that some Eligible Shareholders do not take up all of their Entitlements under the Entitlement Offer or are not traded (including those entitlements of shareholders not entitled to participate in the Entitlement Offer) and not taken up, then the interests of those Eligible Shareholders in the Company will be diluted by the issue of Shares under the Entitlement Offer relative to those Eligible Shareholders who subscribe for their full entitlement; and
- c) where there is a shortfall, Evolution Capital Pty Limited (**Underwriter**) as underwriter will either place the shortfall to sub-underwriters or itself take up the shortfall. The Company is advised by the Underwriter that any potential shortfall under the Entitlement Offer is fully covered by sub-underwriting arrangements. Accordingly, the Company does not expect the Underwriter to take any meaningful quantity of Shares that will have an effect on the control of the Company.

This announcement has been authorised for release to ASX by the Board of Directors of Australian Pacific Coal Limited.

All enquiries:

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