



22 January 2018

APAC COAL LIMITED

QUARTERLY ACTIVITIES REPORT

APAC Coal Limited ("APAC" or "the Company") (ASX: AAL) is pleased to provide the following quarterly activities report for the December 2017 Quarter.

Review of Operations

Proposed Acquisition of Credit Intelligence Holding Limited ("CIH")

In October 2017, APAC has entered into a share purchase agreement to acquire 100% of the issued share capital of CIH and a prospectus has been lodged with ASX in December 2017. APAC is pleased to inform our shareholders that the prospectus is available on <http://apaccoal.com/prospectus.asp>.

Exploration and Development of Coal Mining Activities

In June 2013 APAC Coal Limited ("APAC"), and majority shareholder Magnus Energy Group Ltd ("Magnus"), Magnus' wholly owned subsidiary Antig Investments Pte Ltd and APAC (collectively referred to as "Magnus Group") issued a Notice of Intent ("Notice") to Resolve Investment Dispute Through Consultations and Negotiations with the Government of the Republic of Indonesia. The purpose of the action taken by the Group is to seek recourse under the Agreement between the Government of the Republic of Singapore and the Government of the Republic of Indonesia on the Promotion and Protection of Investments and the Agreement between the Government of Australia and the Government of the Republic of Indonesia concerning the Promotion and Protection of Investments. At the end of August 2013, a reminder letter consisting of the Update Concerning Notice of Intent to Resolve Investment Dispute was sent to the Indonesian authorities.

While the Group has engaged the legal counsel and shall resume efforts to seek recovery of the investments from the government of Republic of Indonesia via arbitration at the International Centre for Settlement of Investment Disputes, APAC is also continuing its efforts to acquire a sustainable operating business such as the aforementioned Proposed Acquisition.

The above developments may have a material impact and APAC will make further announcements as and when there are material developments in relation to the aforesaid matters.

Corporate

Cash Balance:

The Company had a cash balance of approximately A\$6,100 as at 31 December 2017.

Magnus shall continue to fund the working capital requirements of APAC.

APAC Coal Limited

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**Schedule of Mining Tenements**

Below is a schedule of Mining Tenements held by the Company at the end of the quarter:

Mining Tenement	Location	Beneficial Percentage held
PKP2B No. 717.K/20.01/DJP/1999	East Kalimantan, Indonesia	100%

ENDS

Yours faithfully

Brett Crowley
Company Secretary
APAC Coal Limited

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