

APAC COAL LIMITED A.C.N. 126 296 295

QUARTERLY REPORT

FOR THE PERIOD ENDED 31/03/11

ASX Code:	AAL
Issued Shares:	250m
Market Capitalisation:	\$2.50m
Cash:	\$56,000

Highlights

Continued evaluation and analysis of potential new tenements, acquisitions and mergers



**APAC Coal
Limited**





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Limited**

Review of Operations

Coal Concession

The Board and the legal advisors wish to reiterate that the previous judgements (adjudicated by the Administrative Court) are not the ones determining the “title of ownership of the shares” because a dispute on title of shares ownership is under the competence of the District Court and not the Administrative Court.

The outcome of the Judicial Review has been formally received by the lawyers for PT Deefu Chemical Indonesia, shareholder of PT Batubara Selaras Septa.

On Monday 17th October, 2011, our lawyers from The Law Offices of Amir Syamsuddin and Partners filed the lawsuit (civil claim) with the District Court of Southern Jakarta. The registration number of this Civil Suit is 561/Pdt.G/2011/PN.JKT.SEL.

Our lawyers are currently preparing the announcement that is required to be placed in the local newspapers.

On Tuesday 18th October, 2011, Amir Syamsuddin was appointed the Minister for Law, Justice and Human rights for the Republic of Indonesia. Amir Syamsuddin is the founding partner of Amir Syamsuddin and Partners, which was formed in 1984. The Board is confident of The Law Offices of Amir Syamsuddin and Partners’ ability to achieve a positive result for APAC Coal Ltd.

The Board will continue to keep our shareholders updated on any material development in connection with this legal case.

In order to assist APAC Coal to advance the litigation process and exploration activities, APAC Coal is in the advance stage of negotiations with shortlisted strategic partners who will provide funds and expertise to expedite the overall development of the concession area.

Aie Dingin Iron Ore Project

Since the last update, the construction of the infrastructure-access mining road has reached PIT 1 of the Aie Dingin Project. Overall progress of the roadwork’s has reached 18% completion. The iron ore mining operations is scheduled to commence in early November 2011, with trial production scheduled at end November 2011.

CONTACT DETAILS: COMPANY

Connie Lodge
Company Secretary
APAC Coal Limited
61 8 9451 8800



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Limited**

ABOUT APAC COAL LIMITED (AAL)

APAC Coal has a 30 Year Concession to explore for coal over a 23,124 ha parcel of land in East Kalimantan, Indonesia. A JORC compliant inferred resource of 18.2 million tonnes defined as geological conceptual estimates at the tenement has been identified which is expected to form the basis of an initial mining operation. This resource occurs within a very small area of the Concession (3.8%) with over 90% of the Concession yet to be explored to any significant degree. Kalimantan is the principal coal producing region of Indonesia, the world's 7th largest coal producer.

APAC Coal is a subsidiary of Singapore listed Magnus Energy Group, which operates in the upstream petroleum and coal business. Its core focus is petroleum, coal production, low-risk exploration and field development. Magnus has committed to providing a low cost Management and Finance Team in the initial phase of the development of APAC Coal Limited.

For more information, please visit www.apaccoal.com

COMPETENT PERSON'S STATEMENT

The information in this report relates to mineral resources based on information evaluated by Mr Edward Radley who is a member of the Australasian Institute of the Mining and Metallurgy (AusIMM). Mr Radley is a full time employee of Ravensgate. Mr Radley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Report of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Radley consents to inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

APAC Coal Limited

ACN

126 296 295

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) administration	(79)	(79)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	2	2
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	- Deadrent for coal concession	-	-
	- Advance payments	-	-
Net Operating Cash Flows		(78)	(78)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	(350)	(350)
1.11	Loans repaid by other entities	-	-
1.12	Loans from parent	-	-
1.13	Net cash inflow generated in the acquisition of subsidiary	-	-
Net investing cash flows		(350)	(350)
1.13	Total operating and investing cash flows (carried forward)	(428)	(428)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(428)	(428)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(2)	(2)
1.18	Dividends paid	-	-
1.19	Capital raising costs	-	-
	Net financing cash flows	(2)	(2)
	Net decrease in cash held	(430)	(430)
1.20	Cash at beginning of quarter/year to date	486	486
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	56	56

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	7
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

- Directors' fee and remuneration

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	45
Total	45

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	56	486
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	56	486

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	249,705,637	249,705,637		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	178,635	-	<i>Exercise price</i> 25.00 cents	<i>Expiry date</i> 10 July 2011
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

+ See chapter 19 for defined terms.

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 30 October 2011
(Director/~~Company secretary~~)

Print name: Phuah Cheng Hock

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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