



27 January 2009

Update of New Indonesian Mining Laws

APAC Coal Limited (ASX Code: AAL) wishes to inform the market that after due consideration of the Indonesian Bill on Mineral and Coal Mining ("New Mining Law") passed in Jakarta on 16 December 2008, the Company's legal advisers believe that there should be no material effect at this stage on the PT Batubara Selarus Sapta concession.

Article 169 of the New Mining Law stipulates that all of the existing Coal Contracts of Works (CCOWs) will remain valid and in force until the respective expiry dates. Accordingly the PT Batubara Selarus Sapta CCOW will remain valid and in force until 30 years from the commencement of Mining Operations.

Article 169 also stipulates that, although remaining valid and in force, the provisions of the PT Batubara Selarus Sapta CCOW must be adjusted in line with the provisions of the New Mining Law within twelve months of the enactment of the New Mining Law. There is no stipulation in the New Mining Law on the details of the adjustment expected.

APAC Coal will continue to monitor legal and other developments in Indonesia and any resulting effect on its business within the country and continue to update the market as it does so.

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