

QUARTERLY REPORT



**APAC Coal
Limited**

ASX Code:	AAL
Issued Shares:	250m
Market Capitalisation:	\$17.2m
Cash:	\$5.0m

Highlights

- Mapping program of the Northern Block complete.
- Drilling program negotiations continue





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Exploration and Drilling Program Update

The Directors travelled to Indonesia for the March Board Meeting which was held in Balikpapan, Kalimantan. In addition to the normal review of the business and project developments the directors were updated on geological work to date and future planned work. The Meeting was followed by a site visit to inspect the Bekosos Lempesu Block (890 hectare mining area) in the CCOW area. A number of coal outcrops were viewed as part of the visit.

Mapping of the Northern Block has been completed. All the areas that could be accessed have been thoroughly mapped. Activities were concentrated within the 10000 hectare Northern Block.

South East of the Bekosos Lempesu Block a number of coal outcrops have been located. These coal seams sit higher up in the stratigraphic succession than Seam A and Seam B. These coal outcrops are very thin (10 to 30cm) and do not hold much exploration potential. Neither Seam A nor Seam B has been identified in this area.

The geological interpretation of the area continues with the aid of satellite imagery interpretation.

Negotiations continue with drilling companies to undertake the work programme required to provide improved definition of the coal potential. Contractors capable of undertaking the planned drilling have been identified but the accuracy of the results is regarded as critical hence negotiations are taking longer than expected.

In accordance with normal CCOW management in Indonesia selected parts of the CCOW area have been released back to the Indonesian Government. This release is regarded as normal business in the Indonesian context. Areas of limited and low coal potential were identified and relinquished. The most prospective areas have been retained within the reduced 23,124 hectares. Notwithstanding the release this is still a considerable area of high coal potential.

CONTACT DETAILS: COMPANY

Paul Piercy

Chairman

APAC Coal Limited

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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 resource of 5.1 million tonnes has been identified which is expected to form the basis of an initial mining operation. This



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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 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")

31 March 2009

Consolidated statement of cash flows

		Current quarter	Year to date
		\$A'000	(9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(47)	(253)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(313)	(1,315)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	103	209
1.5	Interest and other costs of finance paid	(1)	(3)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	- Deadrent for coal concession	-	-
	- Advance payments	-	-
Net Operating Cash Flows		(258)	(1,362)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(13)	(30)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Loans from parent	-	149
1.13	Net cash inflow generated in the acquisition of subsidiary	-	21
Net investing cash flows		(13)	140
1.13	Total operating and investing cash flows (carried forward)	(271)	(1,222)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(271)	(1,222)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	226
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Capital raising costs	-	(719)
	Net financing cash flows	-	(493)
	Net decrease in cash held	(271)	(1,715)
1.20	Cash at beginning of quarter/year to date	5,280	6,724
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	5,009	5,009

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	77
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	- Consultancy fees for Paul Piercy and Sam di Giacomo - Directors' 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	484
4.2 Development	-
Total	484

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	5,009	5,280
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	5,009	5,280

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			

+ See chapter 19 for defined terms.

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>	6,300,000 178,635	- -	<i>Exercise price</i> 25.00 cents 25.00 cents	<i>Expiry date</i> 31 Dec 2010 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>				

+ See chapter 19 for defined terms.

Compliance statement

- 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 April 2009
(Director/~~Company secretary~~)

Print name: Koh Teng Kiat

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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