

**APAC Coal Limited**  
A.C.N. 126 296 295

130 Mills Street, Welshpool Western Australia 6106  
PO Box 47, Welshpool DC Western Australia 6986  
Tel: +61 8 9451 8800 Fax: +61 8 9451 8600  
Website: [www.apaccoal.com](http://www.apaccoal.com)



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The Manager  
Companies Announcements Office  
Australian Stock Exchange Limited  
Exchange House  
Level 4, 20 Bridge Street  
Sydney, NSW 2000

## **UPDATED COAL RESOURCE OF 18.2 MILLION TONNES AND EXPLORATION TARGET OF 30 – 45 MILLION TONNES DEFINED AT PTBSS COAL PROJECT IN KALIMANTAN, INDONESIA**

### **Highlights:**

- Coal Resource of 18.2Mt defined at the PT Batubara Selaras Sapta (PTBSS) tenement, with an average gross calorific value of 4300 cal/g (unbeneficiated air dried)
- Sub-Bituminous quality coal potentially suitable for sale to domestic Indonesian market
- Further geological modelling of the PTBSS deposit, integrating further diamond drilling and surface mapping, has resulted in improvements in overall accuracy of the geological interpretation, including coal quality and seam correlation at the PTBSS project
- Resource defined from two coal seams exhibiting a low average dip of 10°
- Cumulative coal thickness of 9.6m
- Initial Exploration Target of 30 - 45 million tonnes, with an expected gross calorific value between 4,000 – 5,500 cal/g (unbeneficiated air dried), defined for remainder of 23,000 hectare tenement

The Board of APAC Coal Limited (“APAC” or “Company”) is pleased to announce an updated Coal Resource for the PTBSS Coal Project (“Project”) located in Kalimantan, Indonesia.

### **Coal Resource**

Resource estimation of the PTBSS deposit is based on the drilling program completed in 2009. All drillholes used to build the geological model and calculate the resource estimate were geologically logged by Ravensgate Mineral Industry Consultants (Ravensgate) for lithology and of coal seam thickness. Cored drill holes had greater than 95% recovery, in accordance with the JORC Code (2004). Drilling results incorporated into the model included:

- 32 diamond core holes on a 125 metre to 250 metre spaced grid, for a total of 2174.7 metres
- 265 analytical samples provided coal quality data, were assayed by GeoServices in Balikpapan
- No QAQC samples were submitted

### **Figure 1 PTBSS Location Figure**

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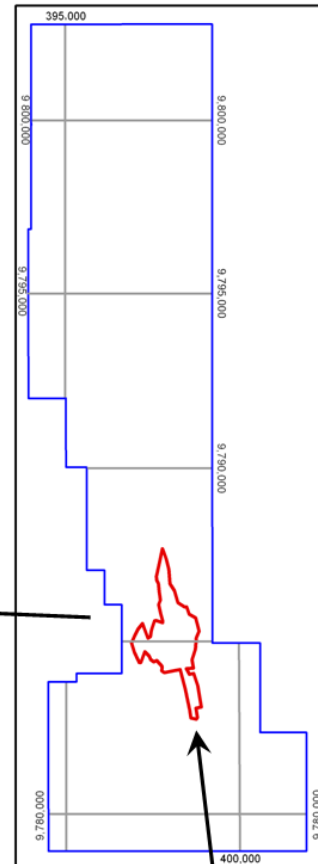
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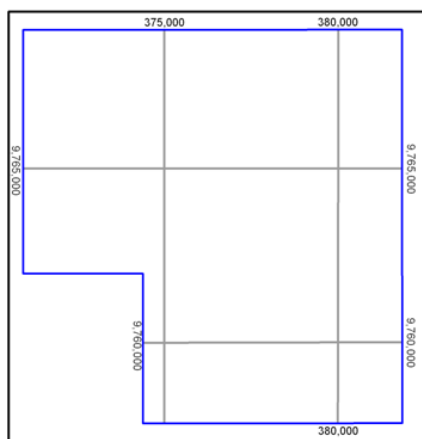
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Northern section of the  
PT Batubara Selaras  
Sapta tenement .

Approximate  
outline of  
APAC Coal  
Limited's  
resource.



Southern section of the  
PT Batubara Selaras Sapta  
tenement .



0 1.25 2.5 5 7.5 10  
Kilometers

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Data review and modelling undertaken by the Ravensgate using MineSight modelling software has defined an 18.2 Mt Inferred Resource at an average gross calorific value of 4334 cal/g (air dried basis) as detailed in Table 1 below. The estimate complies with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code") reporting requirements for Mineral Resources.

Significantly, the deposit remains open to the north and south. Additional drilling, integrated with advanced modelling is expected to enhance the resource tonnes and category providing follow-up work is successful. Additional analysis of composites and the collection of improved topographic control is expected to upgrade portions of the resource to higher confidence categories as follow up to the work carried out in 2009. Figure 2 shows the resource outline.

**Table 1 PTBSS Deposit Inferred Mineral Resource Summary**

<b>Seam Zone</b>	<b>JORC Category</b>	<b>Seam Thickness</b>	<b>Gross Calorific Value</b>	<b>Tonnes Mt</b>
A Seam South	Inferred	1.3	5685	1.66
A Seam Central	Inferred	1.5	5217	1.11
A Seam North	Inferred	1.0	5308	0.63
A Seam North - Extended	Inferred	1.5	5830	0.03
B Seam South	Inferred	6.2	4189	1.94
B Seam Central	Inferred	7.2	4500	5.60
B Seam North	Inferred	4.9	4600	3.22
B Seam South Bank	Inferred	7.8	3000	3.99
<b>Total</b>			<b>4334</b>	<b>18.2</b>

*Note: Gross Calorific Value is expressed at an air dried basis*



Drillhole coordinates and seam thickness used in resource estimation studies for the PTBSS deposit are presented below in Table 2. The total seam interval equates to the parting plus the thickness indicated in Table 2.

**Table 2 New Coal Seam Intercepts**

ID	Seam	Parting	Thickness	Easting (UTM)	Northing (UTM)	RL
AFC001	A	0.00	1.24	398254	9786456	54
AFC002	A	0.00	1.14	398228	9786034	37
AFC003	A	0.02	1.28	398035	9786315	48
AFC004	A	0.04	1.28	397994	9786172	58
AFC005	A	0.00	1.58	397974	9786569	35
AFC006	A	1.30	3.55	397999	9785900	43
AFC007	A	0.00	1.46	397976	9786688	44
AFC008	A	0.00	1.51	398175	9785437	39
AFC009	A	0.00	1.25	398065	9786827	34
AFC010	A	0.00	1.74	398303	9785620	22
AFC011	A	0.37	1.51	398223	9786891	32
AFC012	A	0.00	1.34	398405	9785209	22
AFC013	A	0.00	1.41	398193	9785212	36
AFC014	A	0.06	1.24	398601	9785439	31
AFC015	A	0.06	1.37	398470	9785864	39
AFC016	B	0.01	0.60	396350	9787069	45
AFC017	B	0.21	1.60	397650	9784883	38
AFC018	A	0.00	1.55	397886	9786875	29
AFC019	B	4.60	7.94	397933	9784420	27
AFC021	B	0.00	0.92	397707	9784633	49
AFC023	A	0.00	1.92	398015	9787147	39
AFC026	B	0.00	10.15	398961	9783527	27
AFC027	A	0.00	1.37	398248	9785008	46
AFC028	A	0.00	1.44	398300	9785256	29
AFC032	A	0.00	3.00	398107	9785642	42

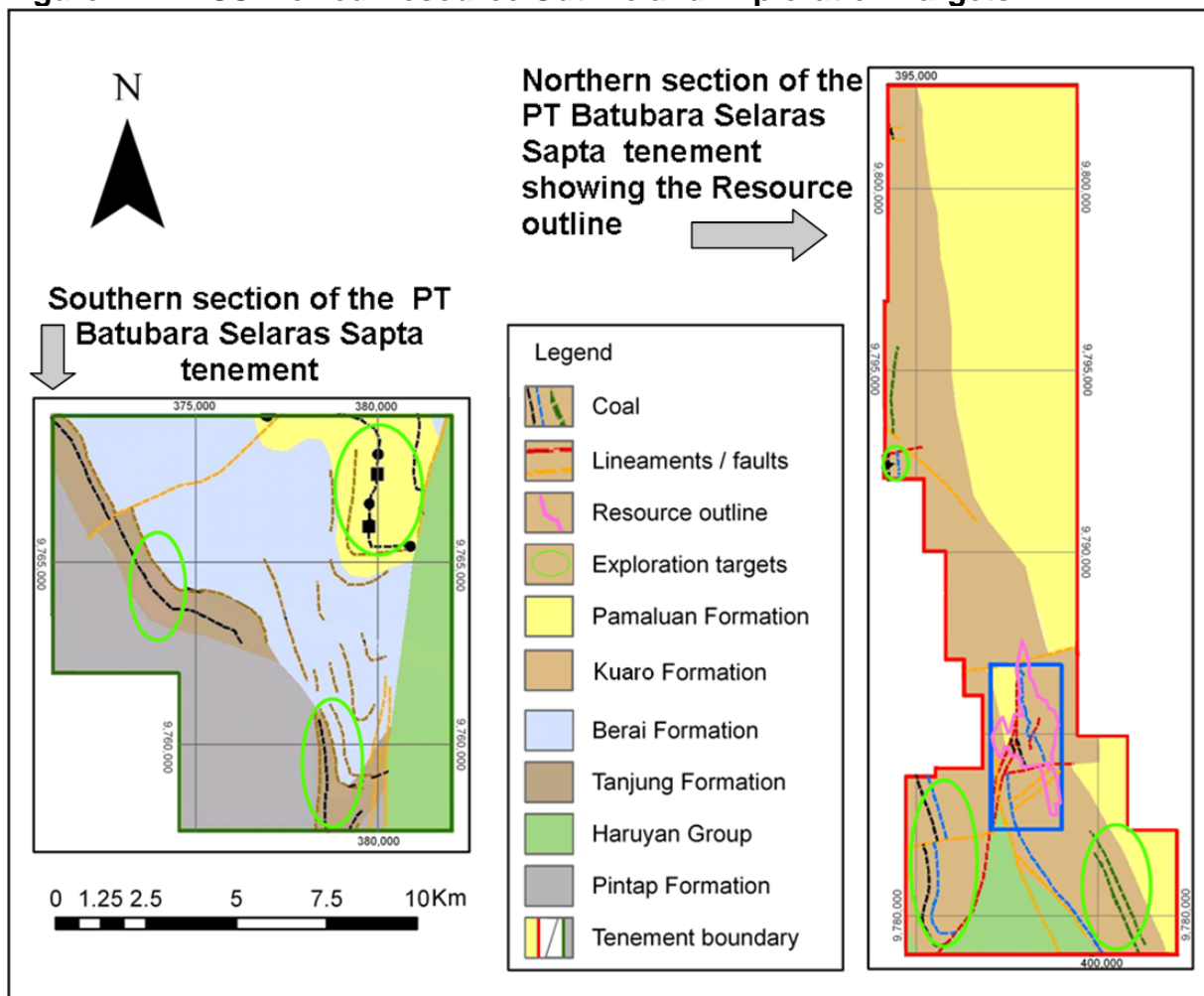


## Exploration Potential

Exploration work conducted by Ravensgate on behalf of APAC has confirmed the prospective nature of its Indonesian coal tenements. Recent work conducted over the tenement has included regional mapping and drilling. Regional mapping defined a number of targets shown in Figure 2. Ravensgate has defined a 30 - 45 million tonne mineralisation target over APAC's 23,000 hectare coal tenements, with an expected unbeneficiated coal calorific value of between 4,000 – 5,500 cal/g.

In accordance with Section 18 of the JORC Code (2004), the company wishes to state that the potential quantity and quality of this mineralisation target is conceptual in nature, with insufficient technical and exploration data to define a mineral resource as defined in accordance with the JORC Code (2004). It is uncertain at this stage if further exploration will result in the determination of a mineral resource. The potential mineralisation targets are based on sampling and mapping programs conducted by Ravensgate.

**Figure 2 PTBSS Inferred Resource Outline and Exploration Targets**



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## **Ongoing Work Programs**

Resource estimation studies will be ongoing on the PTBSS deposit with likely category upgrades with further survey and topographic data. Tenders are being requested at present to fly a 'Light Detection And Ranging' (LIDAR) optical remote sensing survey over key portions of the tenement which will provide an accurate digital terrain model for the project.

Most of the drilling completed in 2009 has concentrated within the 890 hectare mining licence (Figure 2). Within the Northern Block, drilling will continue with three broad geological targets to be drill tested later this year. Additional mapping will be conducted over the Southern Block. Once drill targets have been identified the Southern Block will be drill tested.

Samples will also be submitted to an accredited Australian lab for QAQC analysis and preliminary metallurgical testwork to investigate the potential to increase coal gross calorific value with simple beneficiation.

Shortly after ASX listing it was advised that we had encountered illegal activities on the 890 ha. area. The issue was resolved to the satisfaction of the Board. APAC Coal has now been advised that the party, even though denied support, has sought Supreme Court leave to appeal the previous decision.

The Board is confident that the company assets are not at risk.



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**CONTACT DETAILS: COMPANY**  
**Paul Piercy**  
Chairman  
APAC Coal Ltd  
T: 61 8 9451 8800  
M: 61 419 265 041

### **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 resource occurs within a very small area of the Concession 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 7<sup>th</sup> 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](http://www.apaccoal.com)**

### **Competent Person Statement**

*The Information in this report that relates to exploration results is based on information compiled by Mr Richard Hyde, who is a member of the Australian Institute of Mining and Metallurgy. Mr Hyde is an independent consultant with Ravensgate. Mr Hyde has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)`. Mr Hyde consents to the inclusion of this information in the form and context in which it appears in this report.*

*The Information in this report that relates to mineral resources is based on information compiled by Mr Edward Radley, who is a member of the Australian Institute of Mining and Metallurgy. Mr Radley is an independent consultant with Ravensgate. Mr Radley has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the `Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the JORC Code)`. Mr Radley consents to the inclusion of this information in the form and context in which it appears in this report.*