ANGLO PACIFIC GROUP PLC
(ARBN 009 475 398)

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8 March 2006

The Listing Manager
Australian Stock Exchange Ltd
Level 10
20 Bond Street
Sydney NSW 2000

Dear Sir

Anglo Pacific Group plc ("the Company) attaches its Preliminary Results for the twelve months to 31 December 2005 prepared in accordance with United Kingdom requirements as described in Note 2.

<u>Results for Announcement to the Market</u> (per Appendix 4E):

Revenue
Revenue from ordinary activities (royalty income):
pds stg 11.5 million up 117% from 2004 of pds stg 5.3 million

Profits
Profit after tax from ordinary activities attributable to members
Pds stg 13.9 million up 117% from 2004 pds stg 6.4 million

Net profit before tax attributable to members
Pds stg 16.9 million up 120% from 2004 pds stg 7.7 million

Dividends
Final dividend
3.25 p per share -2004 2.00p
Interim dividend paid
2.25p per share -2004 1.6p
Total dividend for year
5.5p per share up 53% from 2004 3.6p per share.
Record date for final dividend 23 June 2006, payable 4 August 2006.

Yours faithfully

Janis Nugawela
for and on behalf of
Anglo Pacific Group plc

Anglo Pacific Group PLC
8th March 2006

Anglo Pacific Group PLC

Preliminary Results for the twelve months ended 31st December 2005

Anglo Pacific Group PLC (APG), the natural resources royalties company, today announces record preliminary results for the year ended 31st December 2005.

FINANCIAL HIGHLIGHTS

- Profit before tax increased 120% to £16,944,000 (2004: £7,710,000)
- Proposed final dividend increased by 63% to 3.25p per share (2004: 2.00p)
- Total dividend for the year increased by 53% to 5.50p (2004: 3.60p)
- Coal royalties for the year increased by 117% to £11.5 million (2004: £5.3 million)
- Australian coal royalty independent valuation at £56.7 million
- Cash and strategic investments increase by 69% to £39.9 million (2004: £23.6 million)
- Earnings increased by 101% to 14.31p per share (2004: 7.11p)
- £33 million of unused tax losses

OPERATIONAL HIGHLIGHTS

- Announcement of joint venture with West Hawk Development Corporation to drill part of the Groundhog Coal Deposit in British Columbia, Canada
- Acquisition of other new coal rights and tenancies in British Columbia
- Substantial progress in Australia with Core Resources Pty Ltd in the search for new coal resources
- Several new uranium projects
- Strong coal royalty cashflows expected in 2006
- Sustained international demand for steel expected to keep coking coal prices high

Commenting on the preliminary results, Peter Boycott, Chairman of Anglo Pacific said:

"I am pleased to report further progress at Anglo Pacific Group during the twelve months to 31st December 2005. Record royalties receipts have enabled the Group to pay substantially greater dividends to shareholders whilst at the same time increasing the Group's exposure to the buoyant commodity and mining markets. Coal royalties are expected to remain strong in 2006. In September 2005 the Group raised £5.7 million for further working capital. The Group's strategy remains to search for projects that expect to yield dividend and royalty cashflow as well as asset appreciation.

Considerable progress has been made in both Australia and British Columbia in advancing the Company's private coal interests through strategic joint ventures. The Board remains optimistic about the outlook for coking coal prices and sees a continuation of the strong demand from China, India and the Far East for energy products and other industrial commodities."

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Chairman's Review
The last six months of 2005 have seen a sharp recovery in both commodity prices and mining markets after the weakness in prices in the first half of the year.

Despite continued expectation of a setback in Chinese industrial activity, recent figures have confirmed that the demand for raw materials within China continues to increase, their economy is still expanding at nearly 10% per annum and is now the fourth largest in the world.

Together with the recovery of the Japanese market and strong evidence of continuing demand in India, Brazil, the Far East and Eastern Europe, the outlook for commodity prices worldwide for the next few years seems sustainable at the higher levels.

The industrialisation of China and India has led to an ever increasing demand for energy products such as gas, oil, coal and uranium. Energy prices have further tightened due to political worries about Iran, Iraq and the Middle East as well as supply problems in some major producers. A harsher winter than usual has further exacerbated the situation.

Furthermore, the price of gold has risen steadily in the last few months reflecting concern about the US dollar and the international political situation as well as buying by Central Bankers.

It is against this background that the Group has increased its interests in coal and uranium projects in Australia and North America as well as maintaining substantial exposure to gold, diamond and platinum projects.

During the year under review profits have been realised on some of the Group's quoted investments whilst the receipt of record coal royalties has enabled the Group to pay out higher dividends to shareholders.

In addition to its royalty and other private coal interests, the Group now has nearly £40 million of cash and investments compared to £11 million two years ago and borrowings of £1 million five years ago. These investment results reflect buoyant commodity and mining markets during the year as well as the Group's active management strategy over this period.

The Group's policy is to maintain an active, merchant banking approach to each project by providing specific business and financial support to management. This creates more opportunities within projects whilst at the same time reducing the risks associated with these mining ventures.

Financial Review
Group profits before tax for the year ended 31st December 2005 were £16,944,000 compared to £7,710,000 for the previous year. Profits after tax increased by 117% to £13,866,000 (2004: £6,400,000) with earnings per share for the year of 14.31p (2004: 7.11p). The Group has realised capital gains of £6,626,000 (2004: £3,507,000) from its various mining interests.

I am pleased to announce a final dividend of 3.25p per share for the year ended 31st December 2005 which with the interim dividend of 2.25p per share paid on 27th January 2006 will make a total for 2005 of 5.50p per share (2004: 3.60p). The Board proposes to pay the final dividend on 4th August 2006 to shareholders on the Company's share register at the close of business on 23rd June 2006. As with the interim dividend, shareholders will be given the opportunity to elect to receive a scrip dividend instead of cash.

In September 2005 the Group raised £5.7 million after expenses by placing 4.7 million shares at 126p per share for further working capital and to take advantage of some strategic opportunities.

With the further development during the year of the Group's private coal interests in Australia, the Board has decided that it is still in the best interests of the Company and shareholders to maintain its listing on the Australian Stock Exchange (ASX). The Board has therefore decided not to list on the Toronto Stock Exchange at this stage.

The Group's Australian coal royalty interests have been independently valued at £56.7 million as at 31st December 2005 (2004: £57.6 million). The change in the valuation compared to last year has been debited to the revaluation reserve.

The Group's private mining operational interests and quoted stakes in mining projects were valued at 31st December 2005 at £34.1 million after having realised profits of £6.6 million over the year. This valuation included an additional unrealised profit over book value of £5.7 million. The Group had cash of £5.8 million at 31st December 2005 (2004: £3.5 million) with no borrowings. The Group still has unused capital losses of £33 million to offset against these gains.

All comparatives used are the restated 2004 balances after adjusting for International Financial Reporting Standards (IFRS).

International Financial Reporting Standards (IFRS)
The European Commission published an EU Regulation in 2002 that requires the adoption of International Financial Reporting Standards (IFRSs) in member states for the preparation of the consolidated financial statements of listed entities. The Regulation applies to financial periods, beginning on or after 1st January 2005 for entities whose securities are traded on a regulated market.

As of 1st January 2005 the Group implemented IFRS for the preparation of its financial statements. The Group made the relevant adjustments to the Interim Accounts for the six months ended 30th June 2005 published in September 2005. The standards have required an adjustment for deferred tax on revaluation of the coal royalty. At 31st December 2005 this adjustment was £13.0 million. Quoted mining investments are now shown at market value with the difference from cost being credited to investment revaluation reserve. An adjustment for employee stock options issued during the year has also been made.

While the financial information included in this preliminary announcement has been computed in accordance with IFRS, this announcement does not itself contain sufficient information to comply with IFRS. The Group expects to publish full financial statements that comply with IFRS in March 2006.

Operational Review

Coal Energy Interests

Coal Royalties
In Australia, coal royalty receipts from the Kestrel and Crinum mines, operated by Rio Tinto Limited and BHP Billiton Limited respectively, were £11,479,000 (2004: £5,313,000).

The independent valuation of these interests at the year-end was A$133.4 million (£56.7 million) compared to A$141.3 million (£57.6 million) at 31st December 2004 and is based on the net present value of the pre-tax cashflow discounted at a rate of 7%. The net royalty income is taxed in Australia at a rate of 30%.

The coal royalty is computed by reference to Queensland Government legislation which resulted in an increase in the rate of royalty from 4% to 7% in April 2000. The legislation applies to both ground owned by the Crown and certain other privately owned areas in which the Group participates. During 2005 the Group received record royalties as mining output increased from the private area of the coal deposits. In 2006 further strong cashflows are anticipated.

BHP Billiton recently announced forward contracts for coking coal at around US$115 per ton, despite expectations that prices would be 15 to 20% lower than the peaks of US$120 to US$125 achieved in 2005.

The strength of the covenants from Rio Tinto and BHP Billiton make the Group's coal royalty interests a world class source of revenue for shareholders.

For this reason the Board's strategy remains to develop its private coal interests in British Columbia and Australia with a view to creating future coal royalties or carried interests and dividend flow by similar associations.

Coal Deposits
In January 2006 the Group announced, via a Memorandum of Understanding, a proposed joint venture with West Hawk Development Corporation, (WHD-TSX.V), to explore and develop the Upper and Lower Discovery deposits at Groundhog in British Columbia, Canada. The coal seams outcrop on both properties and are believed to be stratigraphically and structurally related according to the results of previous drilling. In total, twenty five individual seams have been documented in the area grading from anthracite to meta-anthracite in quality. These deposits are only part of a number of licences and tenancies that the Group owns in the strategically important Groundhog coal field. As part of the agreement the Group has taken down a 40 cent placing in West Hawk and now owns a circa 13% strategic stake. Amongst other interests West Hawk has ambitions to develop and build electricity power plants using the environmentally clean gasification of coal technology.

The Group still retains its licences and tenancies of the Peace River deposit and is looking to expand and similarly joint venture this project.

Core Resources
The Group retains a 20% direct interest in Core Resources Pty Limited, a private Australian based resource group, involved in the Vasse coal project in Western Australia and owner of the Albion process, a technology for use in recovery of base and precious metals from complex or refractory ores. In addition, the Group has a joint venture with Core Resources to explore for new coal deposits in the Northern Territories, Queensland and New South Wales. The Group is awaiting results from field work done in areas where outcrops of coal exist and drill cores show visible coal. Further exploration work will be needed before the economic viability of the deposits is determined.

Cambrian Mining
The Group recently announced an increased stake of 8% in Cambrian Mining. Cambrian has disposed of its stake in Asia Energy and is now a mining house for a range of interests, mostly in iron ore and coal. Cambrian still retains a one US dollar per ton royalty on all coal produced at Asia Energy's Phulbari coal project on Bangladesh, where new management has recently taken over. The Group still also retains direct interests in both Western Canadian Coal and International Coal both companies in which Cambrian holds a controlling interest. Cambrian's market capitalisation is at a substantial discount to its underlying assets enabling the Group to obtain exposure to a wide range of commodities at reduced risk.

Other Metal Interests

Uranium Interests
Whilst still retaining an interest in Laramide Resources, the Group has realised substantial profits after the dramatic rise in the share price due to investors' appreciating the value of the Westmoreland-Lagoon Creek uranium deposit in Australia.

Forum Development Corporation, in which the Group has a 14% stake, now has extensive uranium interests in the Athabasca Basin in eastern Canada as well as still retaining its coal bed methane project at Merritt, British Columbia.

The Group has a number of other interests in quoted uranium companies including a 10% stake in Quincy Energy Corporation which is the subject of an agreed takeover by Energy Metals Corporation, an American company with substantial uranium deposits within the USA.

Precious Metals
The Group still retains an 18% stake in Platinum Australia where 2005 was a year of great progress on its three main projects. Platinum Australia is now quoted on the Alternative Investment Market (AIM) and is well funded for its immediate plans. Platinum and palladium prices have risen substantially in recent months bringing the prospect of viability for the Panton project in Australia as well as making the South African projects potentially more profitable.

The Group has a number of stakes in diamond exploration and producing companies including an 8% stake in North Australian Diamonds owners of the Merlin diamond project in the Northern Territories in Australia.

The Group is still a major shareholder in Hidefield Gold, Alto Ventures and Piper Capital as well as in a number of other gold companies operating in Nevada, USA.

The Group has also recently announced a 5% stake in Tritton Resources, a copper producer in Australia, as well as a 12% stake in Goldminco Corporation, an Australian gold explorer. Both companies benefit from being managed and controlled by Straits Resources, an Australian holding company with major coal, copper and gold interests.

These projects give the Group exposure to the precious and base metal markets whilst at the same time maintaining the possibility of creating new royalty streams from closer involvement with management.

Talc
New improved leases have been signed during the year covering a larger area of the deposit. Other land issues remain to be negotiated.

Strategy
The Group will continue to pay a substantial proportion of the coal royalties as dividends to shareholders.

The Board is resolved to continue its policy of pursuing other mining interests by adopting an active, merchant banking approach to each project to achieve better returns at reduced risk. The Board will still concentrate its activities in Australia, Canada and the USA.

Outlook
The Board expects continued strong coal royalty cashflows in 2006 and is confident that its exposure to energy and precious and base metal markets will yield further asset appreciation.

Shareholders were informed that Mr Henry Michaelis resigned for health reasons on 20th June 2005. The Directors wish to thank Mr Michaelis for his hard work and substantial contribution to the development of the Group since he was appointed in May 1997. The Board wishes him well in his retirement.

The Company has recently appointed Mr Michael Atkinson as a non-executive director and welcomes him to the Board. His lifelong experience of the coal mining industry and other energy related businesses should prove invaluable to the Group.

Finally I wish to thank shareholders for their continued support and also our hard working directors and staff for all their efforts in making this another positive year of growth for the Group.

P.M. BOYCOTT
Chairman
8th March 2006

Anglo Pacific Group PLC

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	2005 £'000	Restated 2004 £'000
Royalty income	11,479	5,313
Other operating income	91	122
Profit on sale of mining and exploration interests	6,626	3,507
Finance income	188	86
	18,384	9,028
Net operating expenses	(1,440)	(1,318)
Profit before tax	16,944	7,710
Tax	(3,078)	(1,310)
Profit attributable to equity holders	13,866	6,400
Basic earnings per share	14.31p	7.11p
Fully diluted earnings per share	14.21p	7.06p

Turnover and profit before tax are derived from the Group's continuing operations.

Anglo Pacific Group PLC

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2005

	2005 £'000	Restated 2004 £'000
Non-current assets		
Property plant and equipment	847	852
Coal royalties (at valuation)	56,715	57,648
Investments in subsidiary undertakings	-	-
Mining and exploration interests	34,135	20,186
	91,697	78,686
Current assets		
Trade and other receivables	2,548	2,142
Cash at bank	5,797	3,452
	8,345	5,594
Total assets	100,042	84,280
Current liabilities		
Taxation	1,386	401
Trade and other payables	595	429
	1,981	830
Non-current liabilities		
Deferred tax	13,713	13,341
	13,713	13,341
Total liabilities	15,694	14,171
Capital and reserves attributable to shareholders		
Share capital	2,005	1,891
Share premium	11,338	4,741
Revaluation reserve	42,017	42,964
Investment revaluation reserve	5,704	7,850
Share based payment reserve	12	2
Foreign currency translation reserve	279	119
Special reserve	632	632
Retained Earnings	22,361	11,910
	84,348	70,109
Total equity and liabilities	100,042	84,280

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE TWO YEARS ENDED 31 DECEMBER 2005

	Share capital	Share premium	Revaluation reserve	Investment revaluation reserve	Share based payment reserve	Foreign currency translation reserve	Special reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2004	1,749	420	33,647	3,530	0	103	632	7,793	47,874
Gain on Royalties revaluation			9,317						9,317
Gain on Investments revaluation				4,320					4,320
Foreign currency translation						16			16
Net income recognised direct into equity	1,749	420	42,964	7,850	0	119	632	7,793	61,527
Profit for the period								4,117	4,117
Total recognised income and expenses	1,749	420	42,964	7,850	0	119	632	11,910	65,644
Issue of share capital	88	3,402							3,490
Scrip Dividend	24	679							703
Issue of share capital on exercise of options	30	240							270
Equity share options issued					2				2
Balance at 1 January 2005	1,891	4,741	42,964	7,850	2	119	632	11,910	70,109
(Loss) on Royalties revaluation			(947)						(947)
(Loss) on Investments revaluation				(2,146)					(2,146)
Foreign currency translation						160			160
Net income recognised direct into equity	1,891	4,741	42,017	5,704	2	279	632	11,910	67,176
Profit for the period								10,451	10,451
Total recognised income and expenses	1,891	4,741	42,017	5,704	2	279	632	22,361	77,627
Issue of share capital	94	5,640							5,734
Scrip Dividend	20	957							977
Equity share options issued					10				10
Balance at 31 December 2005	**2,005**	**11,338**	**42,017**	**5,704**	**12**	**279**	**632**	**22,361**	**84,348**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	2005 £'000	Restated 2004 £'000
Cashflows from operating activities		
Profit before taxation	16,944	7,710
Adjustments for:		
Interest received	(188)	(86)
Foreign exchange losses	160	16
Depreciation of property, plant and equipment	9	8
(Gain) on disposal of mining and exploration interests	(6,626)	(3,507)
Share based payments	10	2
	10,309	4,143
(Increase) in trade and other receivables	(406)	(1,207)
Increase in trade and other payables	166	315
Cash generated from operations	10,069	3,251
Income taxes paid	(1,738)	(1,027)
Net cash from operating activities	8,331	2,224
Cash flows from Investing activities		
Proceeds on disposal of mining and exploration interests	11,276	8,647
Purchase of mining and exploration interests	(20,744)	(11,444)
Interest received	188	86
Net cash used in investing activities	(9,280)	(2,711)
Cash flows from Financing activities		
Proceeds from issue of share capital	5,734	3,760
Dividends paid	(2,440)	(1,579)
Net cash used in financing activities	3,294	2,181
Net increase in cash and cash equivalents	**2,345**	**1,694**
Cash and cash equivalents at beginning of period	**3,452**	**1,758**
Cash and cash equivalents at end of period	**5,797**	**3,452**

Explanation of material adjustments to the cash flow statement

Income taxes paid in the relevant period are now classified as operating cash flows under IFRS, but were included as a separate category of tax cash flows under UK GAAP. This was £1,738,000 for the year to 31st December 2005 and £1,027,000 for the year to 31st December 2004. Under IFRS credit cash balances held by stockbrokers are treated as cash. Under UK GAAP, these were treated as accounts receivable. This was £261,000 at 31st December 2005 and £311,000 at 31st December 2004.

There are no other material differences in the cash flow statements presented under IFRS and previously presented under UK GAAP.

NOTES

1. Earnings per ordinary share is calculated on the Group's profit after tax of £13,866,000 (2004 – £6,400,000) and the weighted average number of shares in issue during the year of 96,892,627 (2004 – 90,020,365).

   The diluted earnings per ordinary share is calculated on a profit after tax of £13,866,000 and 97,612,472 shares.

2. The above figures do not constitute full accounts within the meaning of Section 240 of the Companies Act 1985. The figures for the year ended 31st December 2004 constitute abridged accounts extracted from the published accounts for the year which have been filed with the Registrar of Companies and on which the auditors' report was unqualified and did not contain a statement under Section 237(2) or (3) of the Companies Act 1985. These figures have been restated in accordance with IFRS. The audit opinion on the accounts for the year ended 31st December 2005 has not yet been signed.