

October 14, 2014

**Anglo Pacific Group PLC
Kestrel Royalty Update**

Anglo Pacific Group PLC ("Anglo Pacific" or the "Company") (LSE: APF, TSX: APY) is pleased to provide an update on Kestrel, the Company's main producing royalty.

Royalty income from Kestrel for H1 2015 is expected to be significantly higher than previously assumed based on a recent update from Rio Tinto, in accordance with the agreement announced on August 18, 2014.

The Company had previously expected minimal royalty income from Kestrel for H1 2015, but now expects approximately 22% of production from Kestrel in H1 2015 to be within the Company's royalty lands.

Commenting on the Kestrel update, Julian Treger, Chief Executive Officer, said:

"We are pleased to see an increase in forecast production from our royalty lands at Kestrel. This is positive news for our cash flow profile and further underpins the Board's commitment to maintain our dividend for the current year."

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Cautionary statement on forward-looking statements and related information

Certain information contained in this announcement, including any information as to future financial or operating performance and other statements that express management's expectation or estimates of future performance, constitute "forward looking statements". The words "expects", "anticipates", "plans", "believes", "estimates", "seeks", "intends", "targets", "projects", "forecasts", or negative versions thereof and other similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Further, forward-looking statements are not guarantees of future performance and involve risks and uncertainties which could cause actual results to differ materially from those anticipated, estimated or intended in the forward-looking statements. Furthermore, this announcement contains information and statements that are based on certain estimates and forecasts that have been provided to the Group by Kestrel Coal Pty Ltd ("KCPL"), the accuracy of which KCPL does not warrant and on which readers may not rely. The material assumptions and risks relevant to the forward-looking statements in this announcement include, but are not limited to: stability of the global economy; stability of local government and legislative background; continuing of ongoing operations at the Kestrel Mine in a manner consistent with past practice; accuracy of public statements and disclosures (including feasibility studies and estimates of reserve, resource, production, grades, mine life, and cash cost) made by the owners and operators of the Kestrel Mine; accuracy of the information provided to the Group by KCPL; no material adverse change in the price of the commodities produced from the Kestrel Mine; no material adverse change in foreign exchange exposure; no adverse development in respect of the Kestrel Mine, including but not limited to unusual or unexpected geological formations and natural disasters; successful completion of new development projects; planned expansions or additional projects being within the timelines anticipated and at anticipated production levels; and maintenance of mining title. If any such risks actually occur, they could materially adversely affect the Group's business, financial condition or results of operations. For additional information with respect to such risks and uncertainties, please refer to the "Principal Risks and Uncertainties" section of our most recent Annual Report and to the "Risk Factors" section of our most recent Annual Information Form available on www.sedar.com and the Group's website www.anglopacifigroup.com. Readers are cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. The forward-looking statements contained in this announcement are made as of the date of this announcement only and the Group undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.