

30 April 2018

ACTIVITIES REPORT FOR QUARTER ENDED 31 MARCH 2018

ACTIVITIES RELATED TO ENERGY PROJECTS:

Coal Projects

No new field activities have been undertaken at the Blackall Coal Project in the quarter with only desktop activities and management of the permits being undertaken.

The company continues to monitor progress in the potential development of the coal industry in the Galilee Basin that may lead to the improvement of rail infrastructure closer to its Blackall Coal Project in Central Queensland.

Surat Gas

On 7 March 2018 AustChina Holdings Limited (ASX: AUH) announced that it had signed an Option Deed for the sale of AustChina's 100 % owned subsidiary Surat Gas Pty Ltd (ASX announcement: "AustChina Signs Option Deed for the Sale of Surat Gas Pty Ltd").

On 20th March AustChina announced that it had received notice that the purchaser has exercised its Option under the Option Deed.

The purchaser has 60 days from 7 March 2018 to obtain finance (Condition Date).

Shareholders are cautioned that completion of the transaction is conditional on the purchaser obtaining finance to its satisfaction.

Farm-in and Farm-out Arrangements

Beneficial percentage interests held in farm-in or farm-out agreements at end of the quarter – no change from the previous quarter.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter – no change from the previous quarter.

Tenement Portfolio Update

No tenements were relinquished during the quarter. No new tenements were acquired during the quarter.

Mining tenements held at the end of the quarter and their locations are as follows:

TENEMENT	PROJECT	INTEREST	TENEMENT	PROJECT	INTEREST
EPC 1625	Alpha SW 2	100%	ATP 1072	Charleville South	50%
EPC 1719	Barcoo River/Blackall	100%	ATP 1095	Augathella East	50%
EPC 1993	Blackall Sth Corner	100%	ATP 1098	Morven South	50%

CORPORATE ACTIVITIES:

AustChina continues to explore new opportunities in the energy and resources sectors.

AustChina's 25.72%-owned Utilitas Group's Casino bioHub project is progressing towards financial close. The Bundaberg bioHub is being advanced with the assistance of funding from the Queensland Government Biofutures Acceleration Program (BAP) and Utilitas relocated its laboratory to Bundaberg in February establishing its physical presence in regional Queensland. Significant progress is being made on bringing forward the next 8 bioHubs in Utilitas' planned "rapid 10" rollout. Utilitas anticipates having secured options around the first 10 by the end of this financial year.

Utilitas was featured in Food and Drink Business Energy Edition in March, and as a result received considerable increase in enquiry from high quality counterparties. There is now a willingness to from potential "anchor tenants" of Utilitas' bioHubs to pay the cost of development to financial close. Policy settings are also becoming more favourable to for the dispatchable, flexible power that can be produced and pressure is increasing on the waste industry to secure more sustainable disposal options for organic waste streams.

During the current quarter ended 31 March 2018, the Company received a further unsecured loan of \$100,000 from Treasure Wheel Global Limited (Treasure Wheel), a company associated with Mr Anthony Chan, Chairman of AustChina Holdings.

Yours faithfully,

Anthony Chan – Chairman

Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer