

ASX ANNOUNCEMENT

24 August 2012

EXTENSION OF SPP & APPROVAL OF GALILEE INFRASTRUCTURE

COALBANK LIMITED (ASX: CBQ) is very pleased to note the announcement on 23 August 2012 of the Federal Government's approval of the GVK- Hancock Alpha coal project, north east of Blackall in Queensland, along with the associated major new rail infrastructure that will connect with Abbot Point coal terminal.

The approved Alpha project includes a coalmine located approximately 150 kilometres north east of Blackall, and a 495 kilometre rail line to Abbot Point, north of Bowen.

COALBANK's Blackall Coal Project is located south west of Alpha adjacent to an existing rail corridor that connects with the Central Rail Line at Jericho and Alpha (refer Map 1).

The Federal Government's approval of the GVK-Hancock mining project and new rail infrastructure to Abbot Point represents a major advance for rail and port infrastructure for coal projects in the South Galilee-Blackall region.

On 20 June this year, COALBANK announced its maiden 1.3 Billion tonne JORC-code compliant inferred thermal coal resource at its Blackall Coal Project.

COALBANK's Blackall Coal Project is located at the forefront of a large emerging coal basin immediately south of the Galilee Basin.

Share Purchase Plan

As a result of the greater certainty provided by the Federal Government's announcement surrounding rail and port infrastructure that will benefit projects in this region, COALBANK has extended its current Share Purchase Plan (SPP) by a period of two weeks to provide all qualifying shareholders the opportunity to participate in light of this new information. Accordingly, the closing date for the SPP will be extended to Friday, 14 September 2012.

As previously announced, the SPP will entitles shareholders as at the record date of 31 July 2012 to subscribe for up to \$15,000 of shares at the SPP price.

For further information on the SPP or to obtain a re-print of SPP documentation, please contact the COALBANK SPP Offer Information Line on 07 3229 6606.

Further information:

Bruce Patrick
CEO,
COALBANK Limited
Telephone +61 7 3229 6606

Greg Baynton
Deputy Chairman
COALBANK Limited
Telephone +61 7 3229 6606

COALBANK LIMITED

ABN 20 075 877 075
Level 1 101 Edward Street Brisbane Queensland 4000 • GPO Box 762 Brisbane Queensland 4001 Australia
T +61 7 3229 6606 • F +61 7 3221 6625 • info@coalbank.com • www.coalbank.com

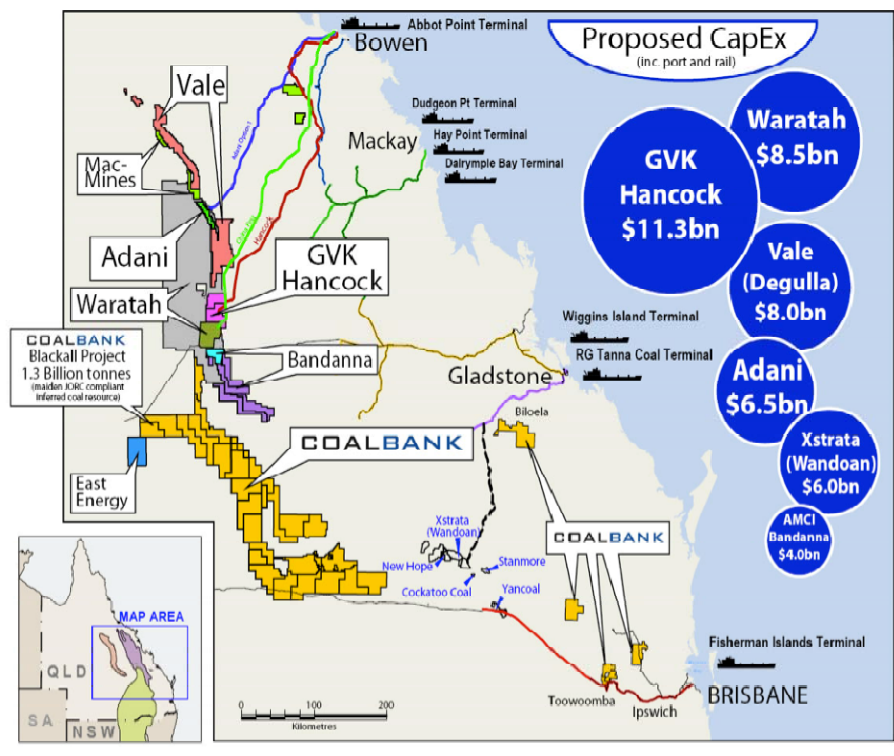
About COALBANK LIMITED

COALBANK LIMITED is an ASX-listed company (ASX:CBQ) that invests in and develops early stage upstream energy projects, which also has a portfolio of metals projects held via its 100%-owned subsidiary, Harvest Metals Pty Ltd.

As its core focus, the Company holds one of the largest coal exploration permit areas in Australia, and is primarily focused on coal exploration in Queensland. Significant value is added to the Company's projects through its team's exploration expertise and commercial discovery experience.

COALBANK's future strategy includes the involvement of strategic industry partners for its key projects to accelerate their development from exploration to production. Given COALBANK's core focus on coal exploration, the Company will consider joint venture partners or spin-off opportunities for our petroleum subsidiary Surat Gas Pty Ltd, and for its metals subsidiary, Harvest Metals Pty Ltd.

Following the release of the Company's maiden JORC-compliant inferred thermal coal resource of 1.3 Billion tonnes at its Blackall Coal Project, the Company is focused on continuing discussions with strategic investors and qualifying corporates with a view to unlocking value.



Map 1: COALBANK's Blackall Project Location & Emerging Coal & Infrastructure Projects in Qld

COMPETENT PERSON'S STATEMENT

The information in this announcement that relates to the Resource Statement for COALBANK's Blackall Coal Project has been based on information compiled by Mr. Rowan Johnson who is a Member of the Australasian Institute of Mining and Metallurgy and is a Senior Geologist employed by McElroy Bryan Geological Services Pty Ltd (MBGS).

Mr Johnson has more than 30 years experience as a geologist in the resources industry and more than 15 years experience in the estimation of coal resources for coal projects and coal mines in Australia and overseas. This expertise has been acquired principally through exploration and evaluation assignments at operating coal mines and for coal exploration areas in Australia's major coal basins and in other coal basins overseas. This experience is more than adequate to qualify him as a Competent Person for the purpose of Resource Reporting as defined in the 2004 edition of the JORC Code. Mr Johnson consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

COALBANK LIMITED

ABN 20 075 877 075
 Level 1 101 Edward Street Brisbane Queensland 4000 • GPO Box 762 Brisbane Queensland 4001 Australia
 T +61 7 3229 6606 • F +61 7 3221 6625 • info@coalbank.com • www.coalbank.com