

26 November 2012

CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING OF SHAREHOLDERS OF COALBANK LIMITED

On behalf of the board of COALBANK Limited I am pleased to welcome you to the Company's 2012 Annual General Meeting

As you may recall from our prior announcements and presentations, the Company has made strong progress during the period since our last AGM.

Our focused exploration efforts during the past year led to confirmation of a major coal discovery in the Blackall area late last year with repeated coal intersections over a strike length of approximately 26 kilometres.

A well-executed drilling program was completed in the first half of calendar 2012 aimed at defining a JORC-code compliant resource by the June quarter of 2012.

On 20 June 2012, we were very pleased to announce the Company's maiden JORC-code compliant inferred resource of 1.3 Billion tonnes of thermal coal at its Blackall coal project, referred to as the *Inverness Deposit*.

This result was a significantly larger maiden resource than we expected prior to commencing the drilling program in March this year. In planning the program, we were aiming for a maiden resource of at least 300 million tonnes, so we were delighted when the result exceeded 1 billion tonnes on its completion.

As we have announced previously, the Company has held discussions with a number of interested parties regarding the Blackall coal project and other of its tenements, and discussions continue.

Late last week we were pleased to announce a farm-out transaction for our historical Mount Morgan copper-gold project held via the Company's 100% subsidiary, Harvest Metals Pty Ltd. Under this transaction, Harvest Metals has the right to retain a 20% interest on a free-carried basis until the decision to mine.

In relation to coal projects, following the release of our initial JORC-code compliant resource at Blackall, we remain in discussions with a number of domestic and international parties and intermediaries regarding various options.

As you will no doubt be aware, the environment has been challenging for the coal sector and we continue to investigate various opportunities and structures for future funding and growth.

In summary, we are very pleased with the outcomes of our 2012 exploration program at Blackall which significantly exceeded our expectations. I take this opportunity to thank our staff, contractors and Directors for their efforts and support during the year. I also wish to thank existing shareholders for their commitment and welcome new shareholders who have joined our register.

The Company's CEO Bruce Patrick will provide an update on COALBANK's Blackall Coal Project after the conclusion of the meeting

Roger Clarke
Chairman

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