

ASX ANNOUNCEMENT

20 September 2012

SHARE PURCHASE PLAN CLOSES

COALBANK LIMITED (ASX: CBQ) is pleased to announce that the Share Purchase Plan (SPP) has closed with applications received totalling \$218,871. A total of 5,759,769 new Ordinary Shares have been allotted today at 3.8 cents each.

The SPP was offered to shareholders on the Company's register at the time of the Share Placement announced on 2 August, 2012 to provide those shareholders the opportunity to participate at the same pricing offered to investors in the Share Placement. The Directors are pleased with the additional shareholder support received under the SPP.

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

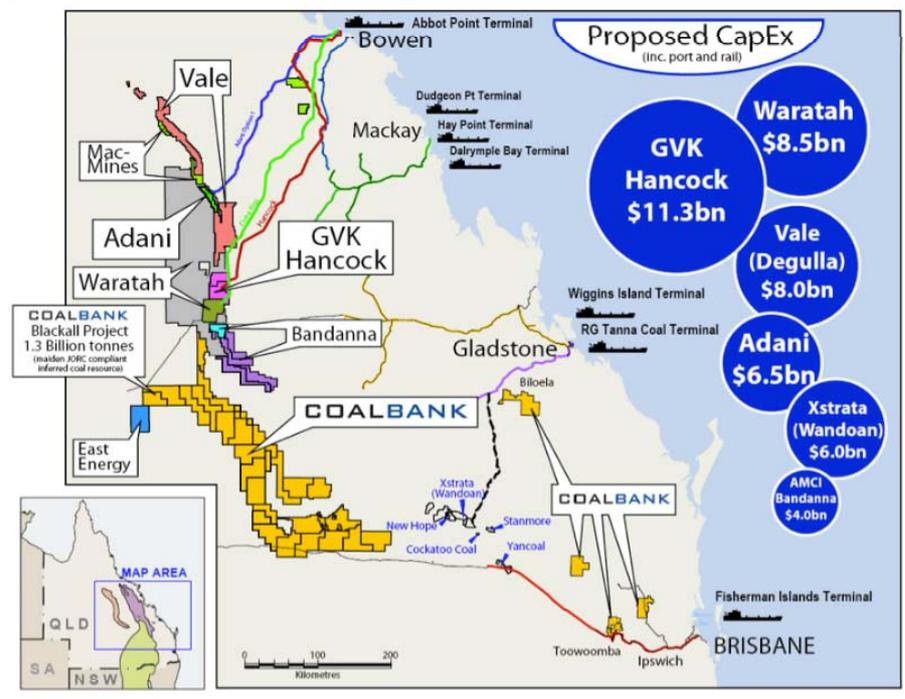
About COALBANK LIMITED

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 a significant coal exploration footprint 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 and/or creating a platform for future funding and growth.



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.

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