

COALBANK

PROJECT UPDATE: BLACKALL/TAMBO PROJECT

MARCH 2012



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Executive Summary

COALBANK LIMITED (“COALBANK” or “the Company”) is an ASX-listed company (ASX: CBQ) with an extensive portfolio of early stage coal projects in Queensland. The Company holds the largest coal exploration permit footprint in Australia of any ASX-listed company.

SCALE

Tenements exceeding **24,000sqkm** in the **Surat, Galilee, Eromanga** and **Bowen Basins**

SELECTIVE

Initial tenements selected on the basis of historical waterbore drilling logs that displayed **coal intersections**

EARLY SUCCESS

Repeated, significant coal seam intersections over **26km of strike** in drilling in Blackall Project

SUCCESSFUL TEAM

A **proven team** of explorers and developers of early stage coal projects

UPSIDE

Large upside potential from exploration and strategic acquisition targets

PROVEN AND SECURE REGION

All projects neighbour **producing or proven coal assets**
96% of COALBANK’s coal exploration areas lie **outside the Strategic Cropping** Land Protection Areas

CORPORATE

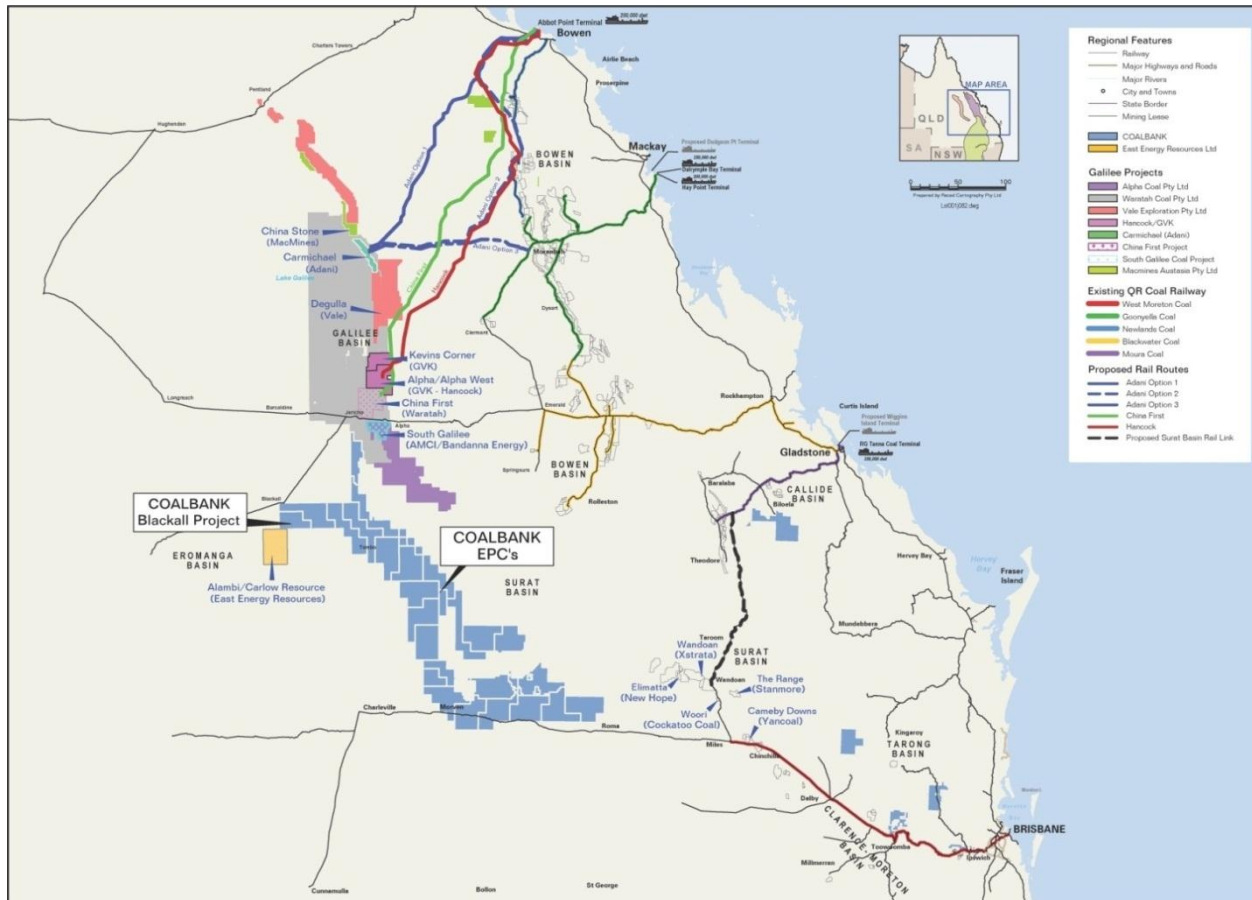
Preparing for appointment of an intermediary to review strategic options and **manage approaches received from strategic partners**

FUNDING

Recently raised **\$5 million** to continue drilling activities at the Blackall Project and achieve a **maiden JORC coal resource by mid-2012**

Strategic Footprint in Queensland Coal Basins

Neighbours all the major players in Australia's recent international coal plays



- COALBANK: 100%-owned coal projects in several Queensland basins
- Large footprint: 24,000km²
- Multi-deposit potential in Surat/Eromanga portfolio
- Major infrastructure planned for the region
- At Blackall East Energy Resources Ltd (30% Noble Group) has declared a JORC compliant coal resource in the adjoining EPC 1149 (469Mt indicated and 280Mt inferred)¹ and an exploration target of 1.8 to 2.0 billion tonnes of thermal coal.²

Note: 1 Mineral Resources and Ore Reserves as at 30 June 2010

2 East Energy Resources Limited Quarterly Activities Report, 3 Feb 2012

Corporate Snapshot

Capital Structure (AUD)	
Share Price	\$0.06
Shares Outstanding	813 m
Market Capitalisation	\$50 m
Cash and Receivables	~\$5.5 m
Debt	Nil
Enterprise Value	\$44m



Exchange	<ul style="list-style-type: none"> Australian Stock Exchange: (ASX: CBQ) Total Shareholders: 1,200 (approximately) 	
Ownership	<ul style="list-style-type: none"> Allegro Capital Nominees Pty Ltd (G. Baynton, Director) 49.4% Affiliated Funds of Och-Ziff Capital Management LLC 11.9% Square Resources Pty Limited (S. Ever, Director) 3.0% Other 35.7% 	

Key Personnel

Bruce Patrick **Chief Executive**, *B.Sc. (Hons), Grad Dip Mgt, Cert. in Mining, MAusIMM*

Project Manager for Anglo Coal's \$800m Lake Lindsay Project, managing the project from initial exploration, through feasibility and approvals, to construction. Open-cut mining project management roles in Anglo Coal's Operations and Projects and Engineering Group. Early career as a geologist for Coal and Allied Industries and Thiess Mining Division where he assisted in further defining the stratigraphy of the Surat Basin. At Callide Mine in Central Queensland he moved to mining engineering and mine operational management roles.

Staffan Ever **Director**, *MBA, M.Sc. (Civil Eng)*

Former CEO of QCoal, former General Manager of AMCI Australia (12 years with AMCI). Strong experience in managing and financing coal projects from greenfields to production and marketing. Previously undertook and oversaw equity investments in Gunnedah, Glennies Creek, Coppabella and Moorvale mines.

Dr Peter Jorgensen **Senior Geologist**, *BSc (Hons), PhD, MAusIMM*

Over 18 years experience in the Queensland coal industry, more than 20 years general geological experience. Previous roles in exploration, mine site geology and resource evaluation with Anglo Coal, Shell Coal and as a self-employed contract geologist.

Lance Grimstone **Director**, *B.Sc. (Hons) Geol. Grad.Dipl. Mangt., F.AusIMM, CPGeo.M.MICA.*

An expert geologist with over 40 years' experience in the exploration, mining and civil engineering industries. For the last 25 years, has consulted to eastern Australian coal operations. He was a key geological consultant to Macarthur Coal Limited prior and post its IPO.

Greg Baynton **Deputy Chairman (Executive)**, *M.Econ St., MBA, B.Bus (Accounting), Grad.Dip. Finance and Investment, FFINSIA.*

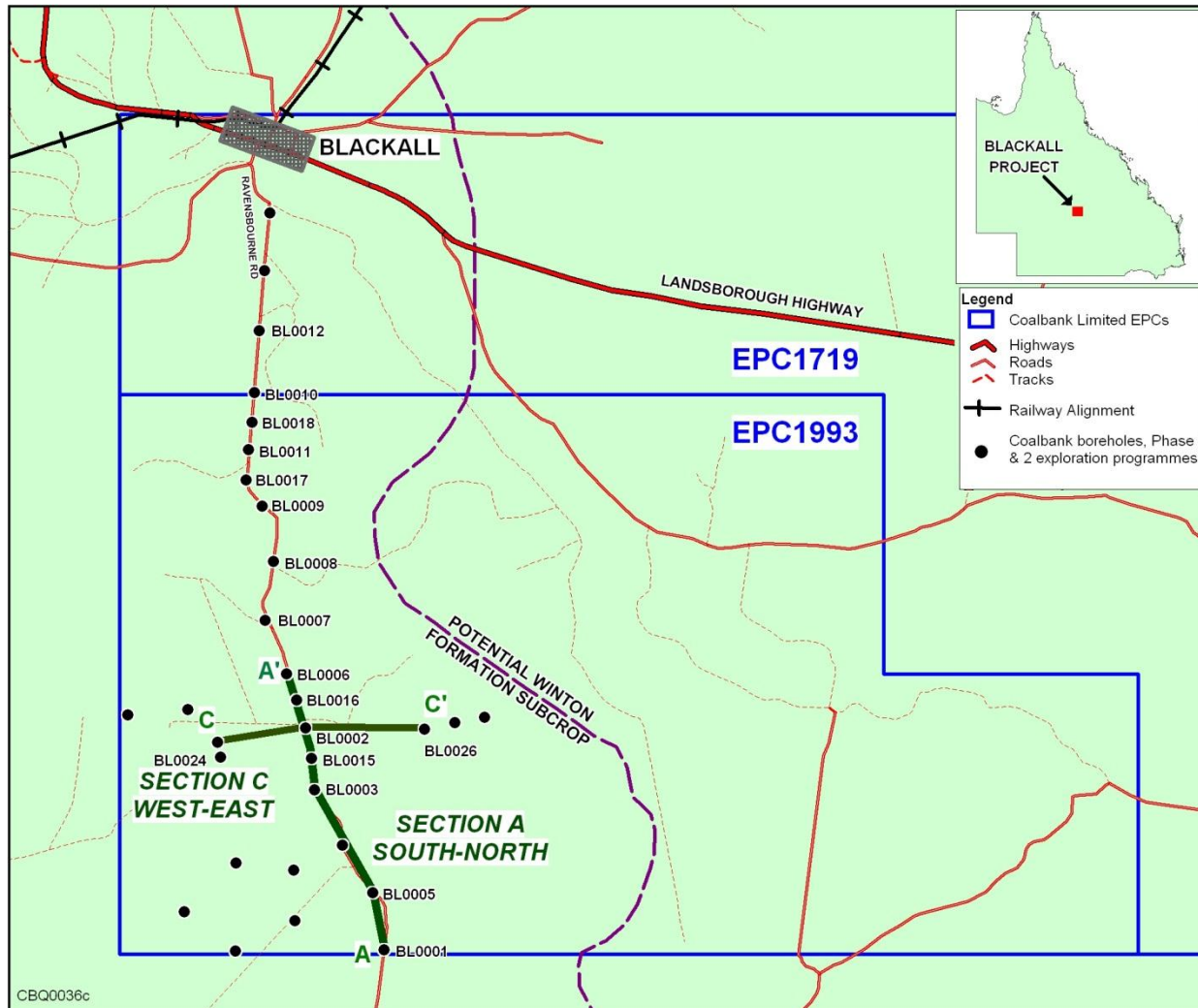
Founder of Tambo Coal & Gas, Moreton Energy and Coalbank. Expertise in new project generation, capital raisings, corporate structuring, tenure application and administration, government relations and Joint Ventures. Founder and Director of Orbit Capital, former Director of PIPE Networks Limited, current Director of NEXTDC Limited and Tissue Therapies Limited.

Board of Directors

Roger Clarke	Chairman
Greg Baynton	Deputy Chairman (Executive)
Lance Grimstone	Director
Staffan Ever	Director
William Stubbs	Director
Grahame Baker	Director

Blackall Project – Cross Section Location Plan

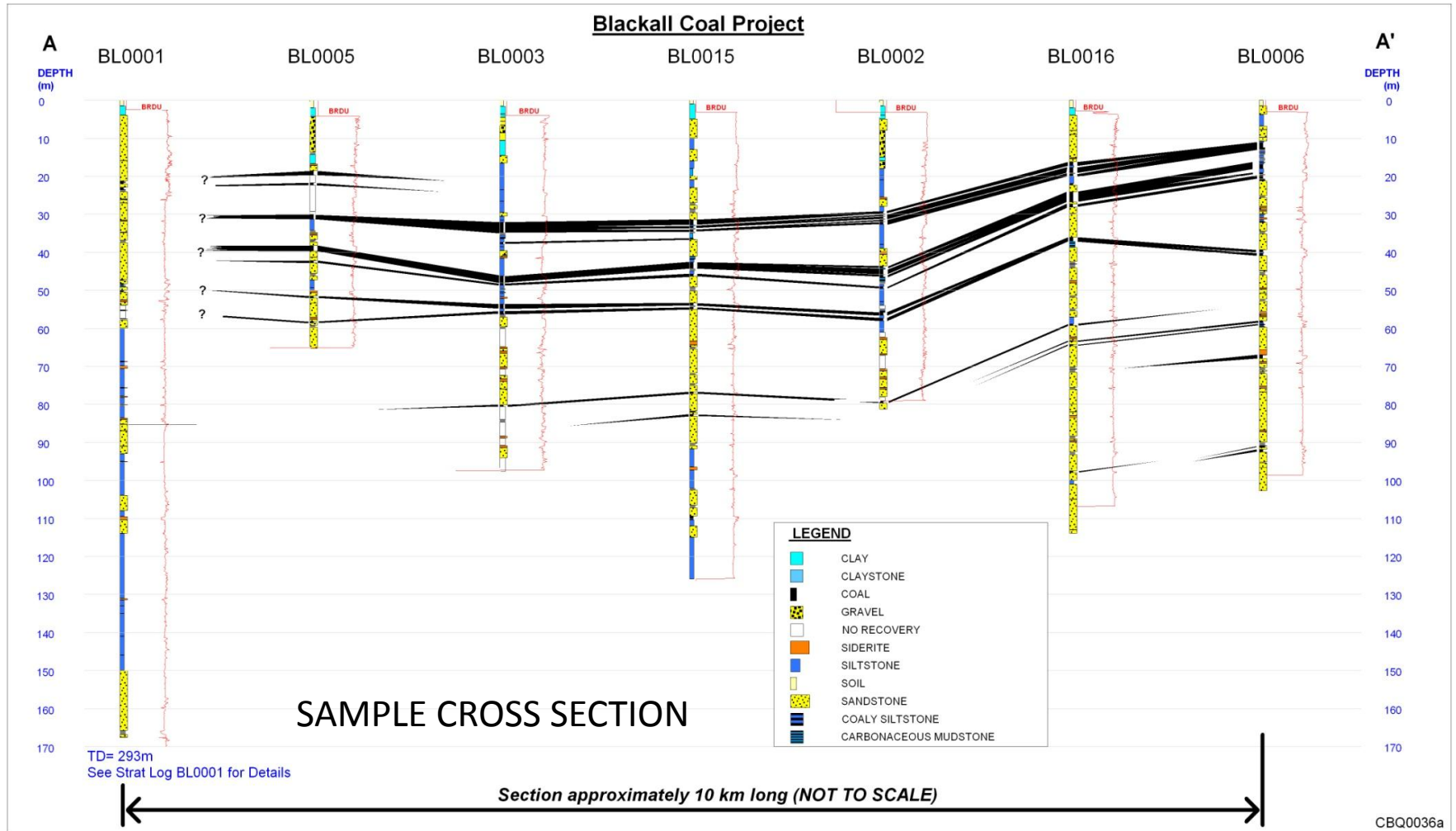
Neighbours all the major players in Australia's recent international coal plays



- Drilling commenced late August 2011
- Repeated, significant coal seam intersections over **26 km strike length**
- Extent and thickness of coal intersections to date suggest potential for very **large tonnages at shallow depths** (from 16 metres)
- Total coal >10 metres confirmed in a number of CBQ holes at shallow depths
- Blackall Coal Project is located on an **existing rail corridor, outside of strategic cropping land areas**
- The Blackall Project represents a **very small portion (<5%)** of COALBANK's total exploration footprint in Queensland
- Targeting northward extensions of large **known coal deposits** immediately to south

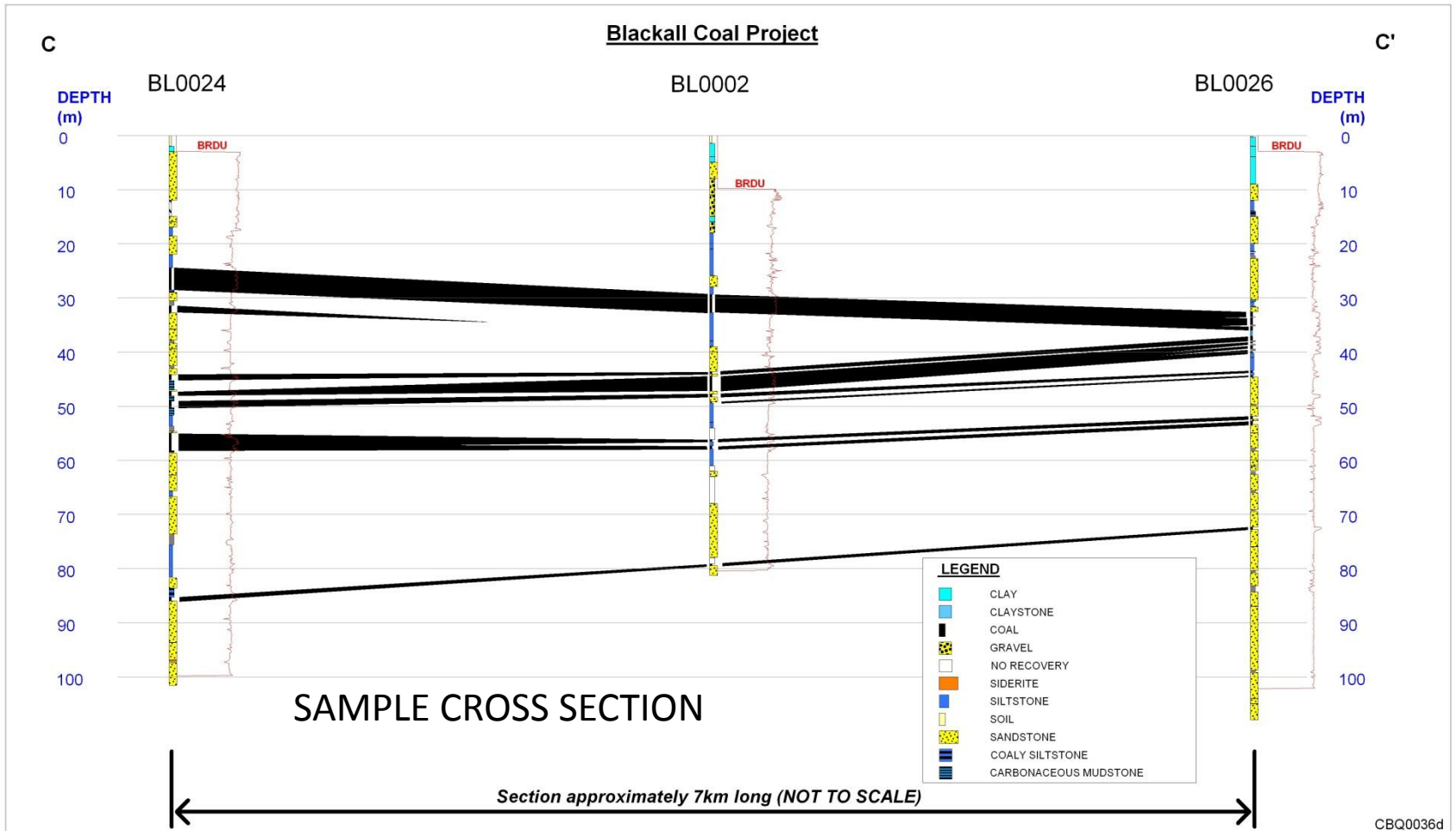
Cross Section A: South - North Seam Correlations

Coal seams were intersected at shallow depths over a distance of 26km with 34 holes

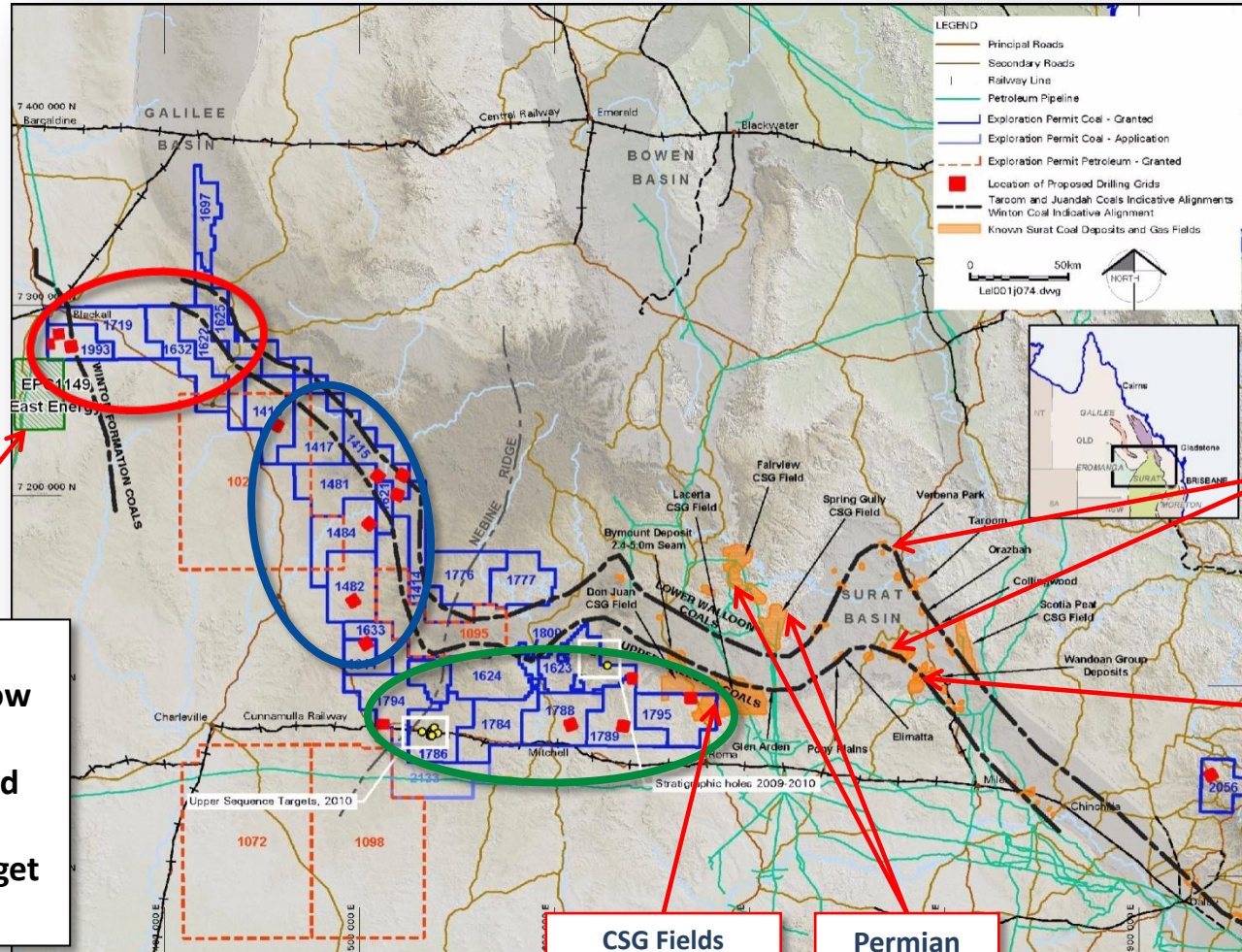


Cross Section C: West - East Seam Correlations

Total coal thicknesses exceeding 10 metres were intersected in a number of holes



Project Areas & New Targets



East Energy Resources Carlow coal resource²
469MT Indicated
280MT Inferred
Exploration Target of 1.8 to 2.0BT

Walloon Coal Measure Discoveries

Xstrata Wandooan coal resources¹
1,254MT Measured
729MT Indicated
2,494MT Inferred

CSG Fields
Lacerta/Don Juan

Permian
CSG Fields

Note: 1 Mineral Resources and Ore Reserves as at 30 June 2010

2 East Energy Resources Limited Quarterly Activities Report, 3 Feb 2012

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SOUTHEAST QLD EPCs

Prepared by: Peter Jorgensen
 Date: 05/07/2011 Drawing No: C80_0008_LOCN

Legend

- Current QLD EPCs
- Coalbank EPCs

FIGURE

- 20km south of Callide Mine
- 40km west of proposed Monto Mine

- 45km south east of Meandu Mine
- 55km north of Jeebropilly Mine

- 15km east of New Acland Mine

- All have coal intersections at shallow depths reported in the waterbore logs eg. 24.4 metres of coal in EPCA2239
- Geographical diversity should mitigate the impact of adverse weather within the combined portfolio

Coal Exploration and Development Plans

Task	2011		2012				2013	2014	2015
	Q3	Q4	Q1	Q2	Q3	Q4			
First-pass drilling on selected targets									
Drill follow-up targets to JORC Resource level									
First-pass drilling on next targets									
Drill next-round targets to JORC Resource level									
MINE 1									
Concept Study									
Pre-feasibility Study									
Feasibility Study									
Mine Development									
MINE 2									
Concept Study									
Pre-feasibility Study									
Feasibility Study									

Metals Projects (100% owned)

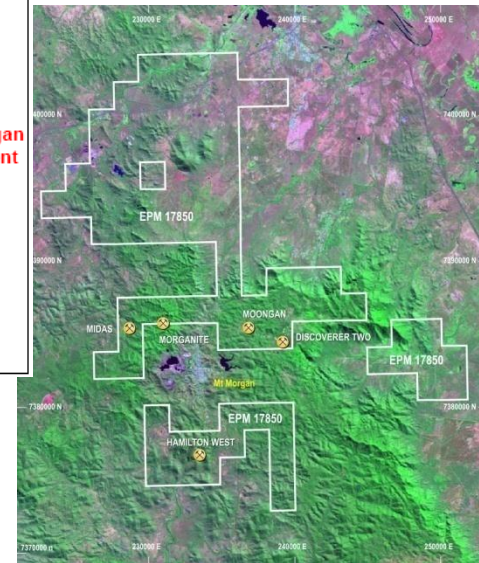
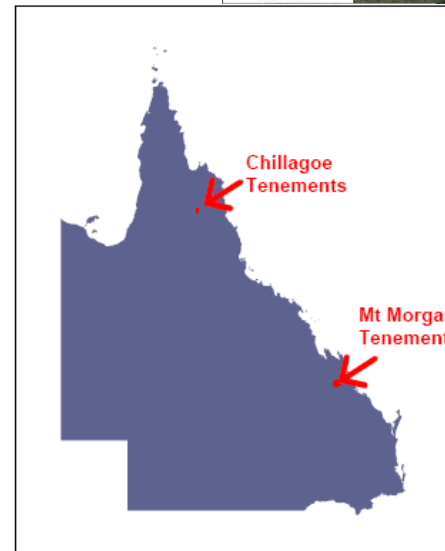
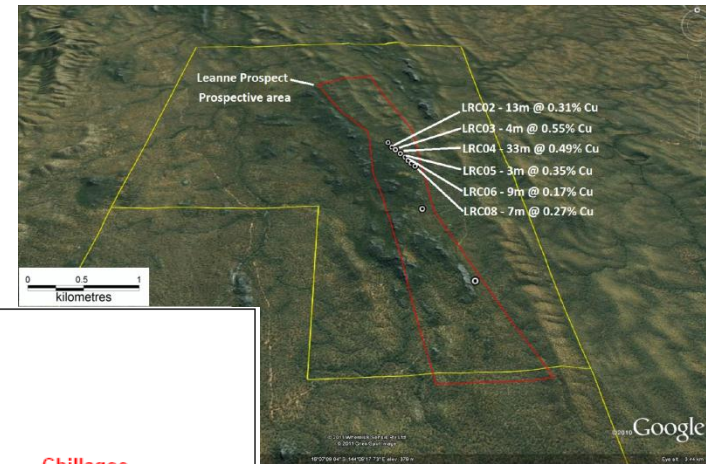
Harvest Metals Pty Limited (100% subsidiary)

Chillagoe (EPM11980 and EPM18325 application)

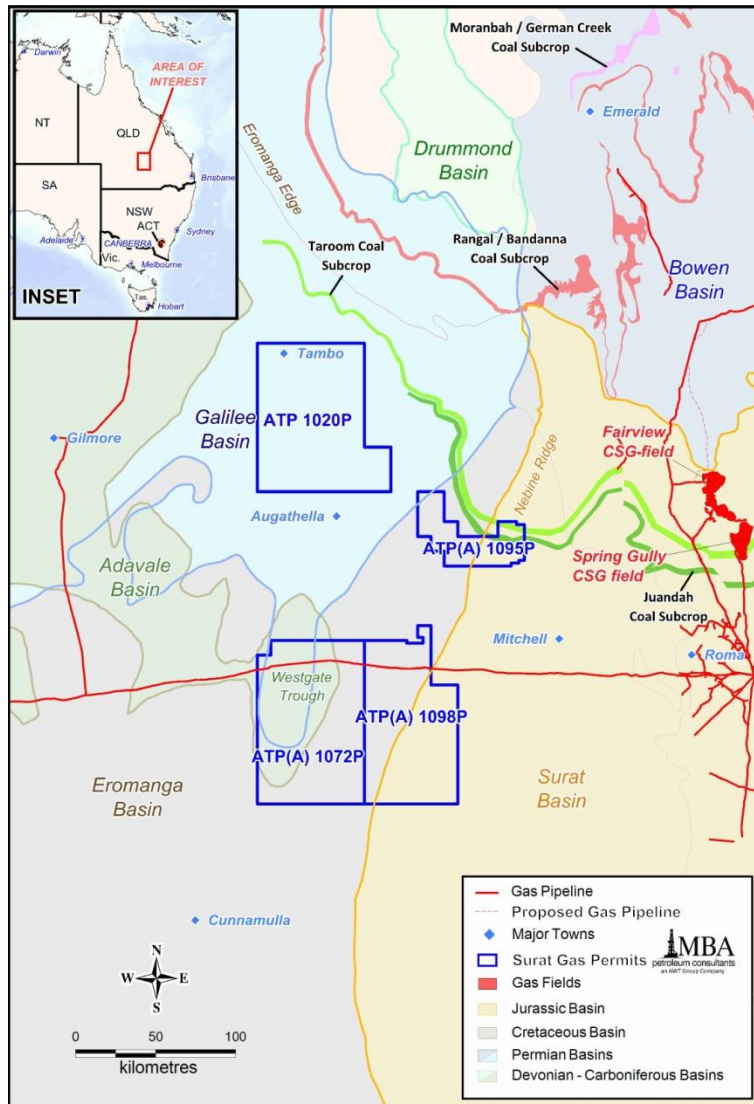
- “Leane’s” copper discovery in breccias in shallow (circa 50m) drilling
- High potential for similar porphyry breccia model to Mungana and Red Dome copper deposits
- Deeper drilling required to test for the total Mungana/Red Dome style porphyry orebody model

Mt Morgan (EPM17850)

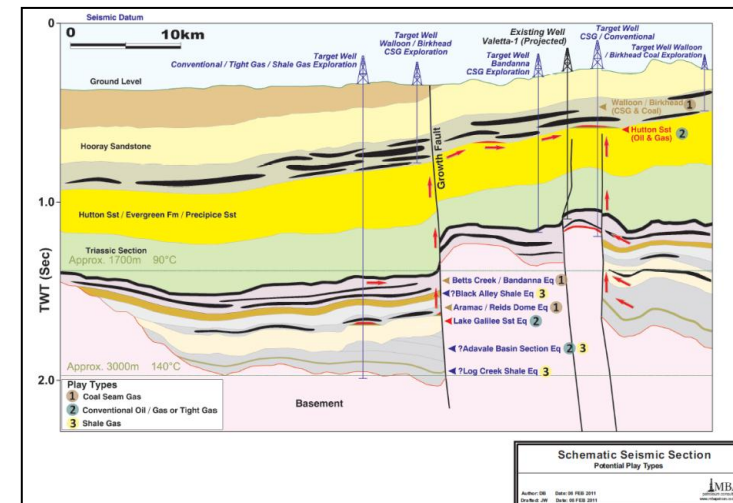
- Surrounds the historic gold mining town of Mt Morgan (265 sq kms)
- Targets include significant Cu in soil anomalies (> 500ppm Cu)
- 6 main targets identified in VMS province including Au, Cu & Zn skarns



Surat Gas Pty Ltd (100%-owned)



- **More than 20,000 sq km of ATPs** close to pipeline infrastructure
- **Favourable** settings for unconventional shale gas and CSG plays + conventional oil and gas
- **Breakthrough** in seismic reprocessing has brought to light the geometry of very large, unexplored down-faulted basins
- **Favourable** sedimentary history with abundance of source rocks from Devonian to Jurassic
- **Favourable** structural /sedimentary traps and host rocks
- **Favourable** maturation conditions to generate conventional oil & gas plays



Summary

COALBANK is an explorer and developer of early stage coal assets

Commencement of growth phase following recent exploration successes

A significant landholding in an emerging coal basin

In excess of 21,000 km² of overall holdings are across the Surat/Eromanga Basins west of Roma in Queensland

Additional projects in other coal basins close to operating coal mines with potential for multiple deposits and very large tonnages

Historical water bore records indicate significant coal intersections across all tenement holdings

Evidence of a major coal discovery over 26 km in strike length south of Blackall, with total coal intersections >10 metres from shallow depths (all at open-cut depths)

2012 drilling program to achieve maiden JORC-standard resource at Blackall to commence in March

A strategic process to manage recent partnering approaches is currently being considered

Planning for farm-out/de-merger of non-core metals and petroleum subsidiaries