



Presentation to Coal Industry Partners

COALBANK LIMITED (ASX: CBQ)

December 2011

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Overview

- **Major Coal Discovery:** Repeated, significant coal seam intersections over 26 km strike length in drilling south of Blackall since September 2011
- **Scale:** Extent and thickness of coal intersections to date suggest potential for very large tonnages at shallow depths (e.g. from 23 metres)
- **Location:** Blackall Coal Project is located on an existing rail corridor, outside of strategic cropping land areas
- **Broader Coal Portfolio:** The Blackall Project represents a very small portion of COALBANK's total exploration footprint in Queensland



Coal samples from recent drilling at COALBANK's Blackall Project



Strategic Direction: Energy Security

- **Energy Security:** Acceleration of long-term global demand for energy resources and increasing supply-side constraints
- **Leverage Mechanism:** Upstream energy projects (focus on thermal coal) provide high leverage to the energy security theme
- **Project Portfolio:** COALBANK's coal tenement portfolio strategy commenced during GFC#1 and has expanded each year since with this long-term view
- **Demand-side Unchanged:** Volatility in financial markets and geopolitical factors unlikely to change the long-term energy demand path



New transmission lines, Mudanjiang: China Daily



Indian coal mine: First Post, India

Thermal Coal Markets: Lighting the Way Ahead



Composite satellite image of the lights of Asia at night

Thermal Coal: Spotlight on India and China

India

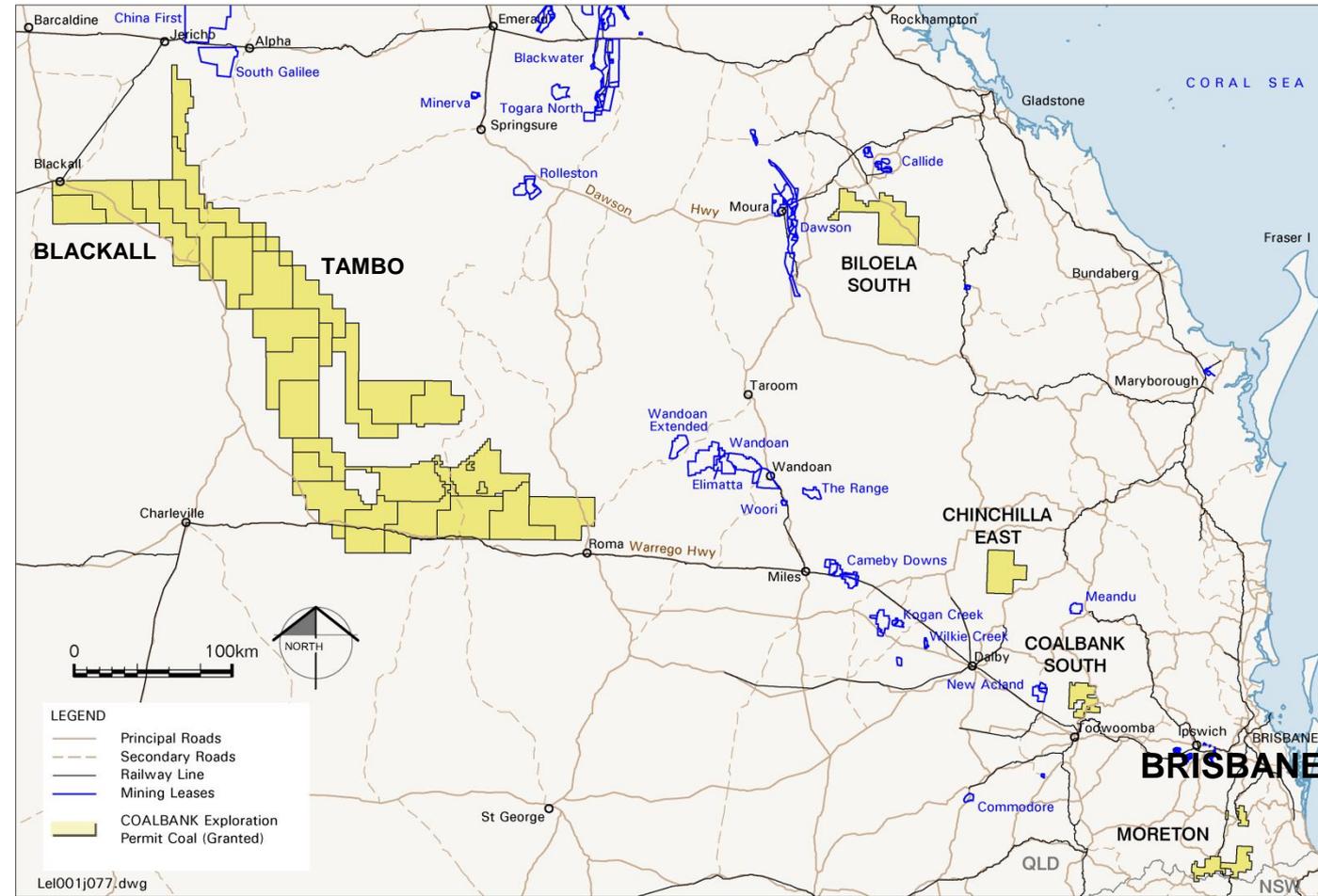
- Indian coal has high ash content (15-45%) and low calorific value (3300-4700kcal)
- Thermal coal demand expected to increase exponentially over coming decade, due to completion of ongoing coal-fired power projects. 10.8% consumption gain in 2010/11
- Annual coal imports expected to grow to 200mt in 2016 from 67mt in 2011
- Coal of India unable to meet projected demand
- Growing deficit must be met through imports
- **India investing offshore in major undeveloped thermal coal projects and related infrastructure including new rail & port expansion in Queensland**

China

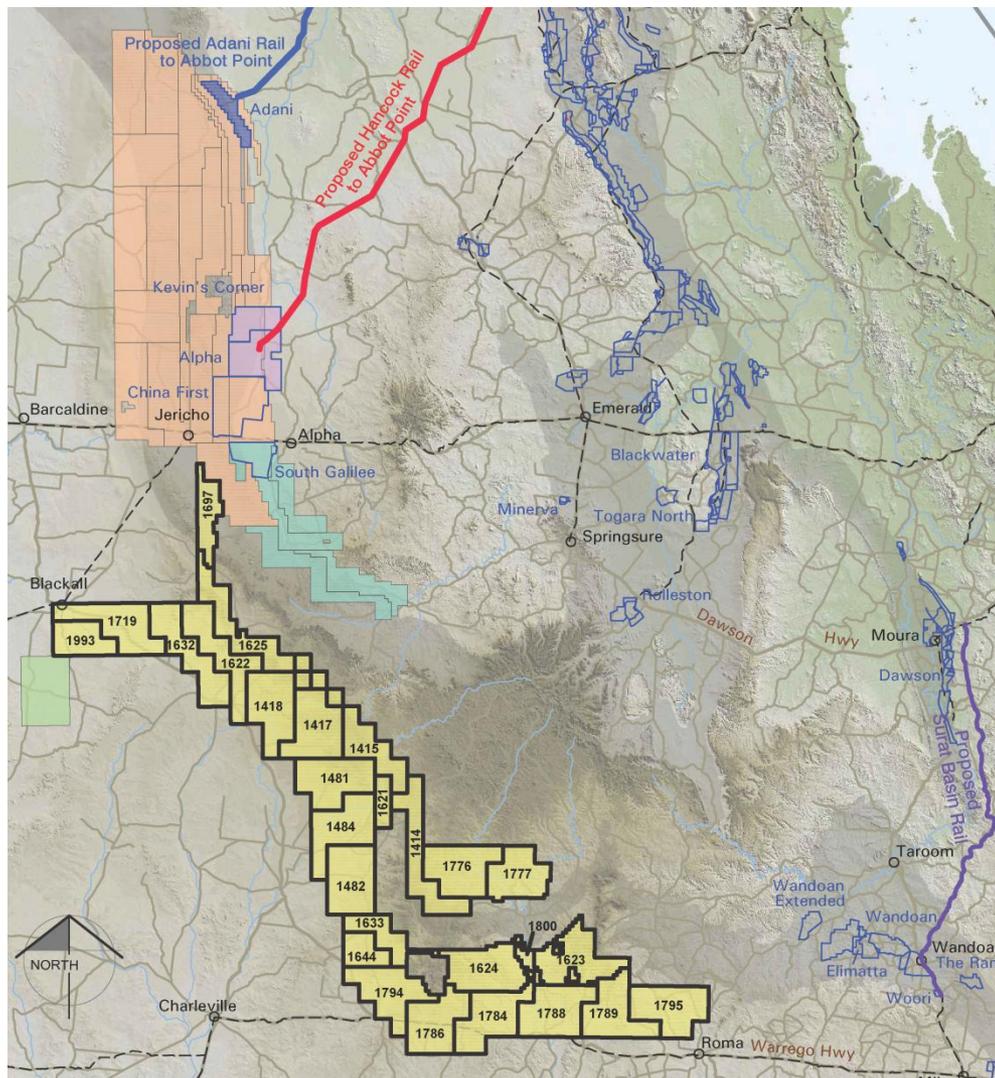
- The world's largest consumer of thermal coal
- Chinese coal resources mostly concentrated in northern and western China. Limited coal resources in coastal areas
- Major infrastructure and cost constraints to transport domestic coal to coastal demand centres which are more reliant on imports
- Coal from China's southern deposits tends to be high in sulphur and ash – unsuitable for many purposes
- Chinese thermal coal imports expected to rise to 200mt in 2015 from approximately 90mt in 2011
- **Chinese SOEs and private companies investing offshore in major undeveloped thermal coal projects (e.g. Queensland)**

COALBANK Coal Project Portfolio

- 100%-owned coal projects in several basins in Queensland
- Large footprint: 24,000 sq km
- Multi-deposit potential in Surat/Eromanga portfolio



Coal Projects in Our Region



- Long term economics are accelerating new coal project developments in Queensland
- Large scale developments are in the pipeline
- Major infrastructure planned for our region

LEGEND

- Principal Roads
- - - Secondary Roads
- - - Railway Line
- Mining Leases

- Bandanna
- Hancock
- COALBANK
- Waratah
- East Energy
- Adani

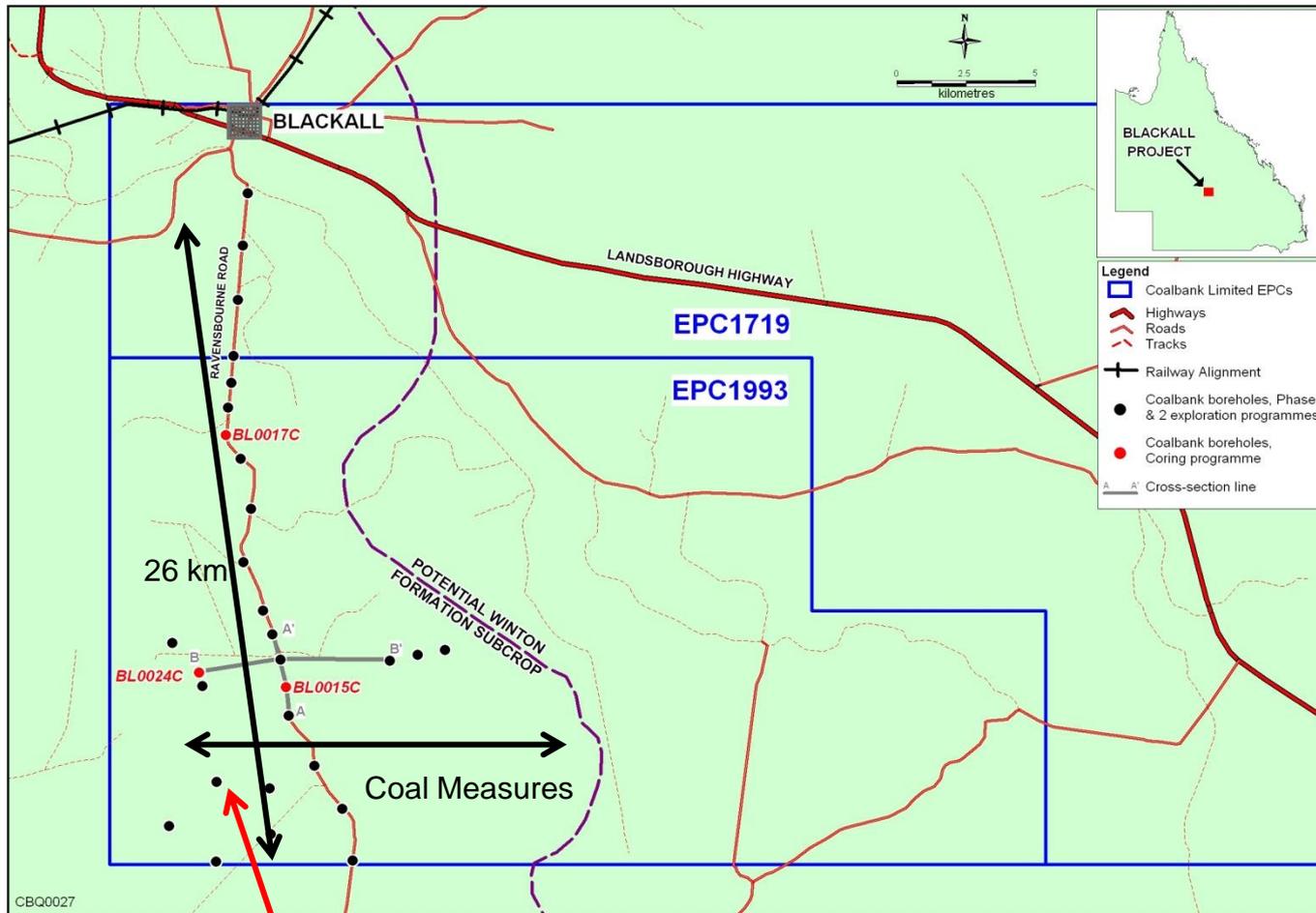


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At Blackall East Energy Resources Ltd (30% Noble Group) has declared a JORC compliant coal resource in the adjoining EPC 1149 (469Mt indicated and 280Mt inferred). Carlow Coal Resource Tonnes: East Energy Resources Limited ASX Announcement 7 June 2011 – Xenith Consulting Estimate (April 2011)

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Blackall Project – Early Success



- Drilling commenced late August 2011
- Targeting northward extensions of known coal deposits immediately to south
- Total coal >10 metres confirmed in CBQ holes at shallow depths
- Initial coal seam cores obtained for coal quality purposes

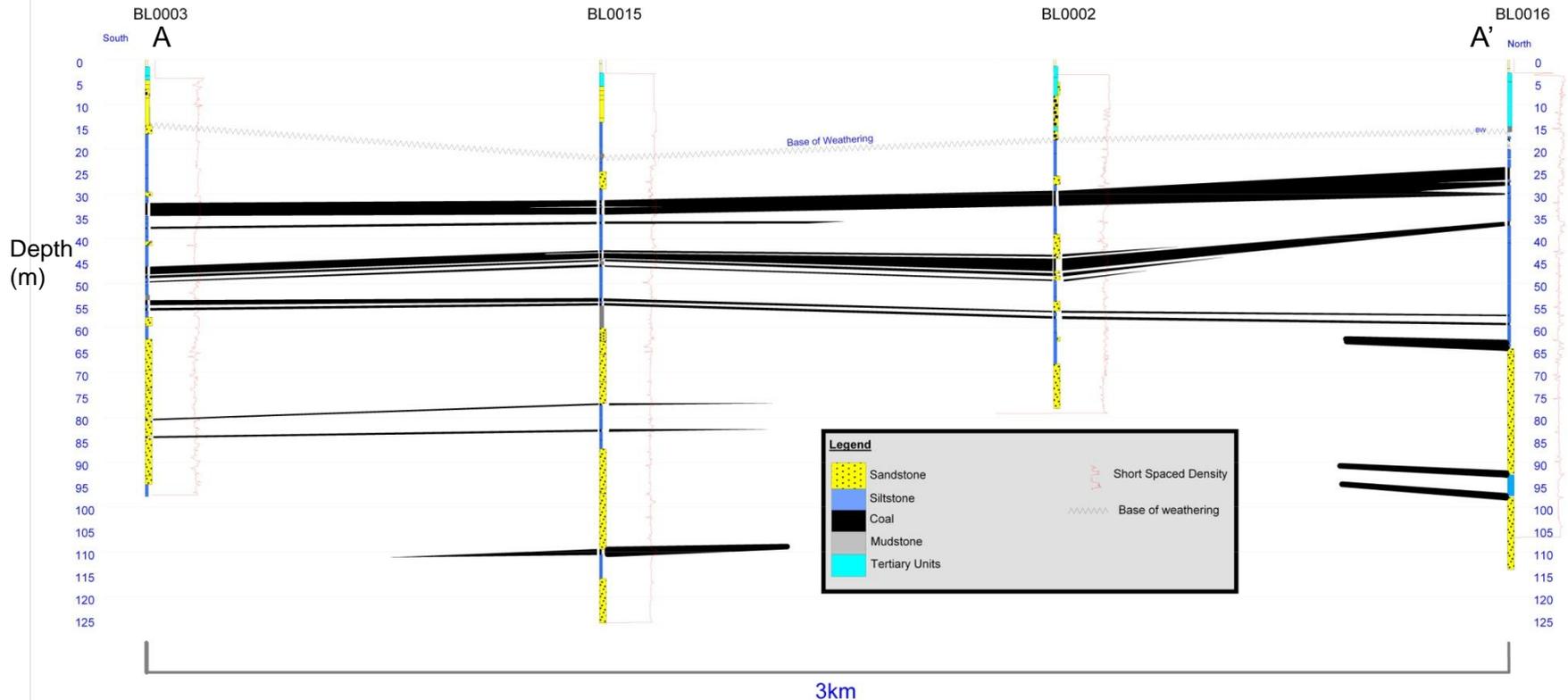
Outside designated Strategic Cropping Land areas

Holes drilled to 5th December 2011

N-S Drill Hole Cross Section & Seam Correlations

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Blackall Coal Project

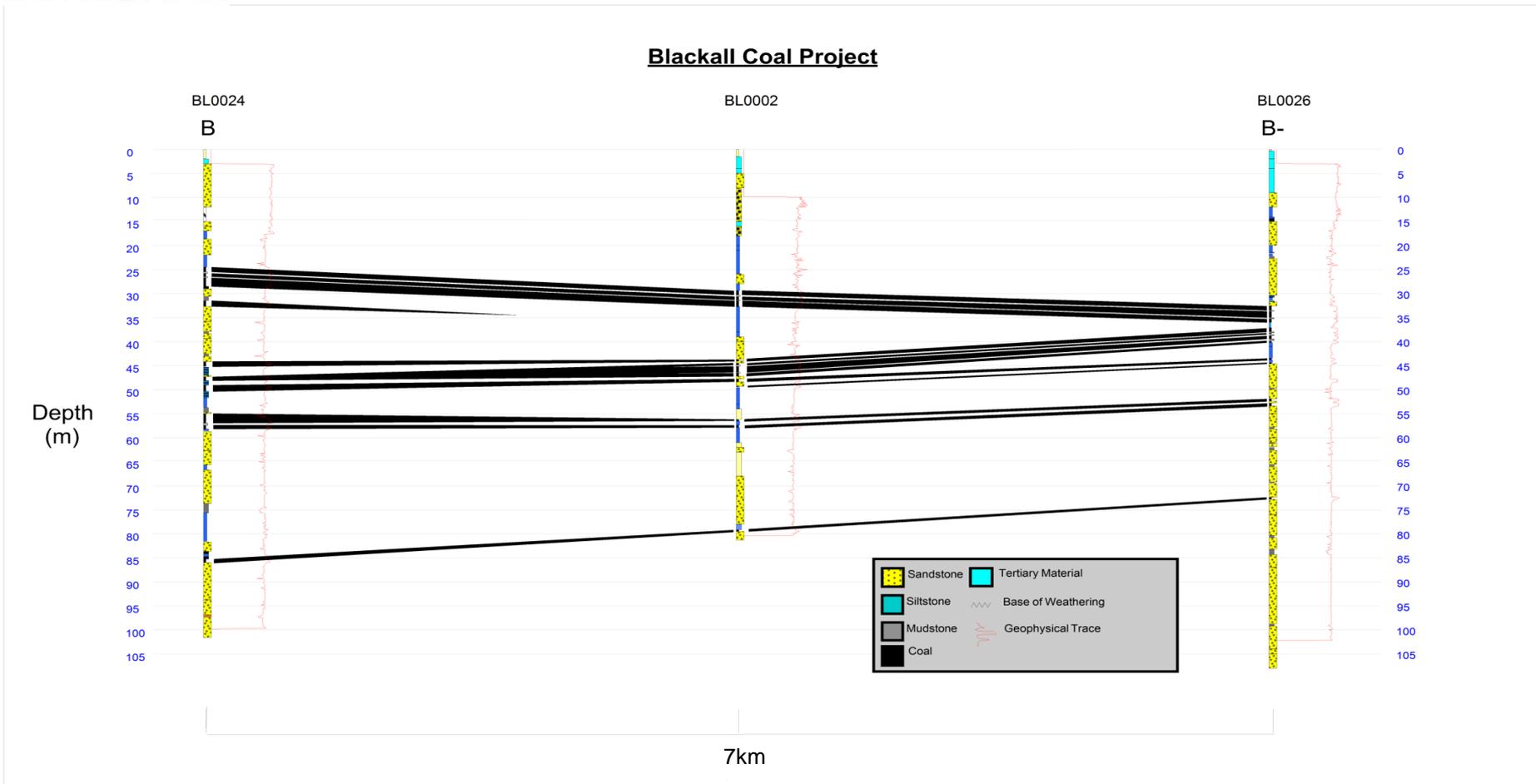


Sample Set of N-S Drill Holes

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E-W Drill Hole Cross Section & Seam Correlations

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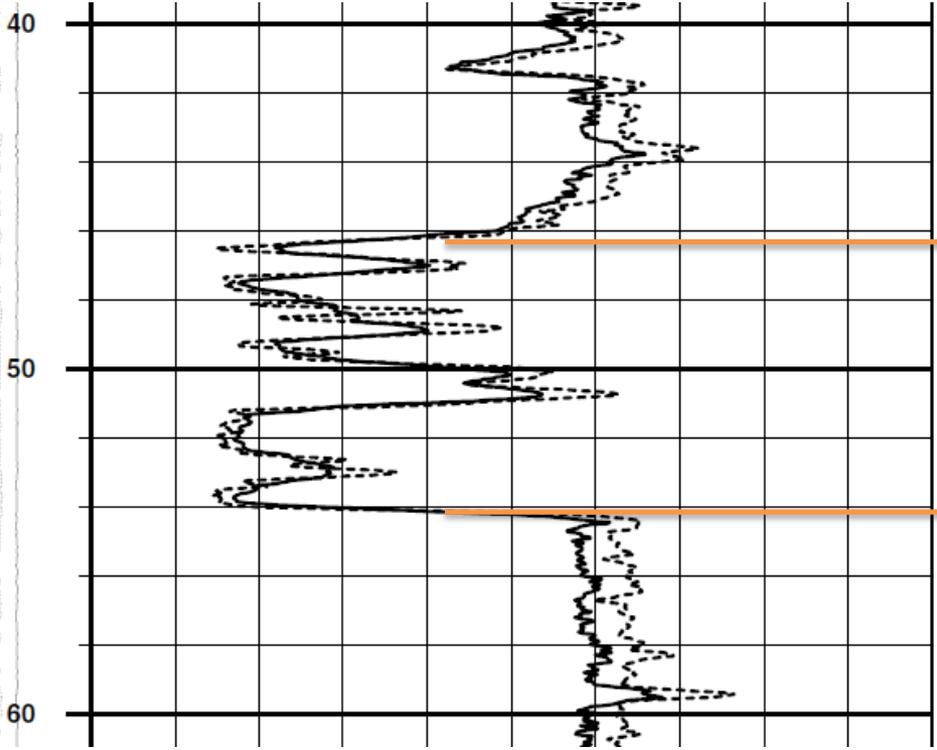
Sample Set of E-W Drill Holes

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Wireline Log & Core for BL0017C

46.30

BOREHOLE WIRELINE <i>"For logging and Interpretation Service"</i>		LOG TYPE	COAL QUALITY	BH	BL0017
STATE	QUEENSLAND	COMPANY	COALBANK	UWI	R017
LOCATION	BLACKALL	EASTING	(BW GPS60) 343919	MGA PROJ	GDA
FIELD	EPC1993	NORTHING	(BW GPS60) 7286943	ELEVATION	298
LOG DATE	22/10/2011	DRILLED DEPTH	96m	DRILLED BY	JT DRILLING
LOGGED DEPTH	95.1m	RECORDED BY	MJE	WITNESSED BY	DA
INTERVAL (m)		UNIT	BW24		
DATUM	GL (US = 0.2m)				
SERVICE COMPANY	BOREHOLE WIRELINE Pty Ltd				



Core photo depths not yet calibrated for geophysics

54.10

Coal Seam Core - BL0024C



Core from shallow coal seam – Blackall Project







126



072

255

243

DE 147
RDW 2730

240



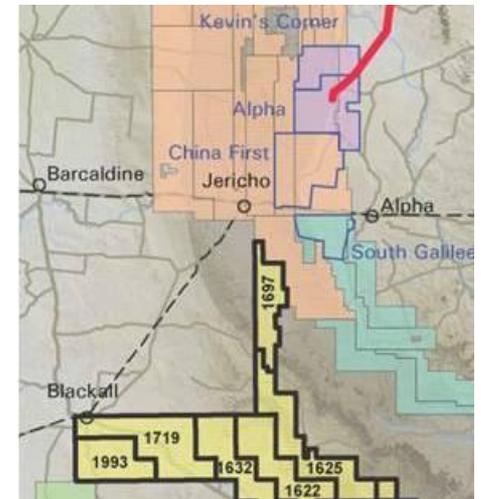
Blackall Project – Current Geological Program

- Continue broad drilling grid to
 - establish control correlation
 - determine eastward extent of Winton Formation coal seams
 - identify areas with maximum coal thicknesses
- Continue core sampling from selected sites for coal quality
- Continue infill drilling aimed at achieving JORC resource criteria



Blackall Coal Project– Infrastructure

- Transport logistics study underway
- Discussions commenced with QRN and QRL regarding existing Blackall rail corridor and route options
- Registered COALBANK's interest in Hancock Rail Project
- Discussions initiated with port operators



Coal Exploration and Development Plans

Task	2011				2012				2013	2014	2015
	Q1	Q2	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											

COALBANK Issued Capital

● Issued Shares:

ASX Code	CBQ
Shares on issue	729,579,740

Source – IRESS, quarterly reports

● Significant Shareholders

- Allegro Capital Nominees Pty Ltd (G. Baynton, Director) 55.1%
- Affiliated Funds of Och-Ziff Capital Management LLC 6.85%
- Square Resources Pty Limited 3.3%

Experienced Board and Project Team

- **Roger Clarke** Chairman, *B.Com, CA.*
Chairman of the RBS Morgans Limited Board of Advice and former Chairman of ABN AMRO Morgans Limited. Over 30 years commercial experience in the investment banking industry, with responsibilities in fund management, banking and corporate finance. He has been involved in a large number of initial public offerings, capital raisings, advisory roles and corporate transactions. Mr Clarke is the Vice Chairman of Maverick Drilling and Exploration Limited, Chairman of Tissue Therapies Limited, and NEXTDC Limited. Former Chairman of PIPE Networks Limited.
- **Greg Baynton** Deputy Chairman, *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.
- **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, he has operated his own consultancy practice based principally upon his expertise in eastern Australian coal operations. He was a key geological consultant to Macarthur Coal Limited prior to its IPO and for approximately eight years following its IPO and remains a specialist consultant to Macarthur Coal.

Experienced Board and Project Team...*continued*

- **William R Stubbs** Director, *LLB.*

Mr Stubbs practised as a lawyer for 30 years. He is the co-founder of the legal firm Stubbs Barbeler. He practised in the area of commercial law, including stock exchange listings and all areas of mining law. He has held the position of director of various public companies over the past 25 years in the mineral exploration and biotech fields. He is also the former Chairman of Alchemia Limited, Bemax Resources N.L. and Arrow Energy Limited. He is also Chairman of D'agular Gold Limited.

- **Grahame L Baker** Director, *B.E., B.App.Sc., B.Econ., M.Sc., FIE Aust., F Aus IMM., CP Eng.*

Mr Baker is a chemical engineer by profession with over 40 years' experience. He is an independent consultant in the energy industry with expertise in upstream petroleum, particularly in coal seam gas.

- **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.

Experienced Project Team ...*continued*

- **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.

- **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.

- **Marcus Trost** Project Geologist, *BSc*

Experienced project exploration geologist . Previous roles include project exploration geologist with Macarthur Coal, Senior Site Geologist/Site Manager REY Resources and Senior Project Geologist with McElroy Bryan Geological Services Pty Ltd.

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 across the Surat/Eromanga Basins west of Roma in Queensland
 - Additional projects in other coal basins close to operating coal mines
 - Historical water bore records indicate significant coal intersections across tenement holdings
 - Evidence of a significant coal discovery over 26 km in strike length south of Blackall, with total coal intersections >10 metres at shallow depths
 - Potential for multiple deposits and very large tonnages
- **Funding options include Joint Ventures and strategic and institutional investment**



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