

ASX ANNOUNCEMENT

20 February 2012

COALBANK COMPLETES PLACEMENT

COALBANK LIMITED (ASX: CBQ) is pleased to advise that the Company has finalised a \$5 million placement with institutional and sophisticated investors.

The funding will enable the Company to accelerate drilling at its Blackall coal project in Central Queensland with the aim of achieving a maiden JORC-compliant resource.

In addition to the continuation of exploration at Blackall, the placement will also fund corporate overheads, tenement rentals and costs associated with the potential de-merger of the Company's 100%-owned copper-gold subsidiary, Harvest Metals.

The placement was completed at a price of \$0.06 per share, with settlement expected to occur on 23 February 2012.

The new Ordinary Shares issued under the placement will represent 10.08% of the issued capital of the Company and will rank equally with its existing Ordinary Shares. Patersons Securities Limited and Gleneagle Securities (Aust) Pty Limited were Joint Lead Managers of the capital raising.

The Company will provide an update on its drilling plans at Blackall as soon as access and logistical arrangements are finalized.

Ends

Further information:

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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.

COALBANK LIMITED

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