

Date: 30 April 2012

To: Australian Securities Exchange
Companies Announcement Office
Electronic Lodgment System

Dear Sir

ACTIVITIES REPORT FOR QUARTER ENDED 31 MARCH 2012

ACTIVITIES RELATED TO ENERGY PROJECTS:

Blackall – Tambo Project

Following the initial exploration success at COALBANK’s Blackall Coal Project in the previous quarter, the Company implemented a substantial drilling programme of 76 holes at Blackall during the March quarter. The drilling programme is designed to procure geological data targeted towards the achievement of a maiden coal resource in line with the JORC criteria by mid 2012.

COALBANK is pleased to advise that the exploration drilling programme at its Blackall Coal Project south of Blackall remains on plan. The data gathered in the current programme continues to confirm the presence and extent of coal seams at shallow depths identified in the 2011 drilling programme.

Figure 1 below shows the project location and indicates the location of sample cross-section A-A’ (Figure 2) illustrating coal seam development between drill holes.

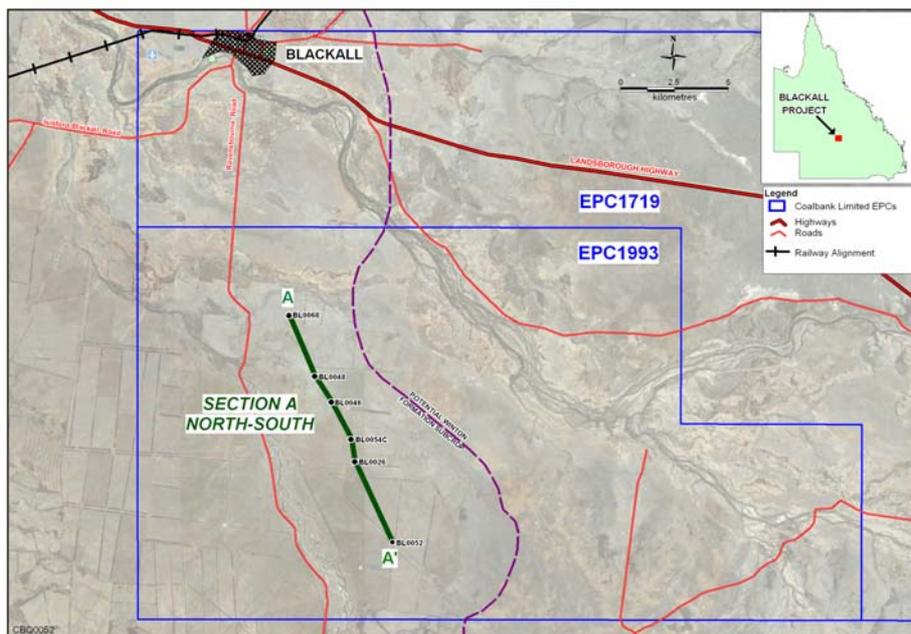


Figure 1: Location of COALBANK’S Blackall Coal Project.

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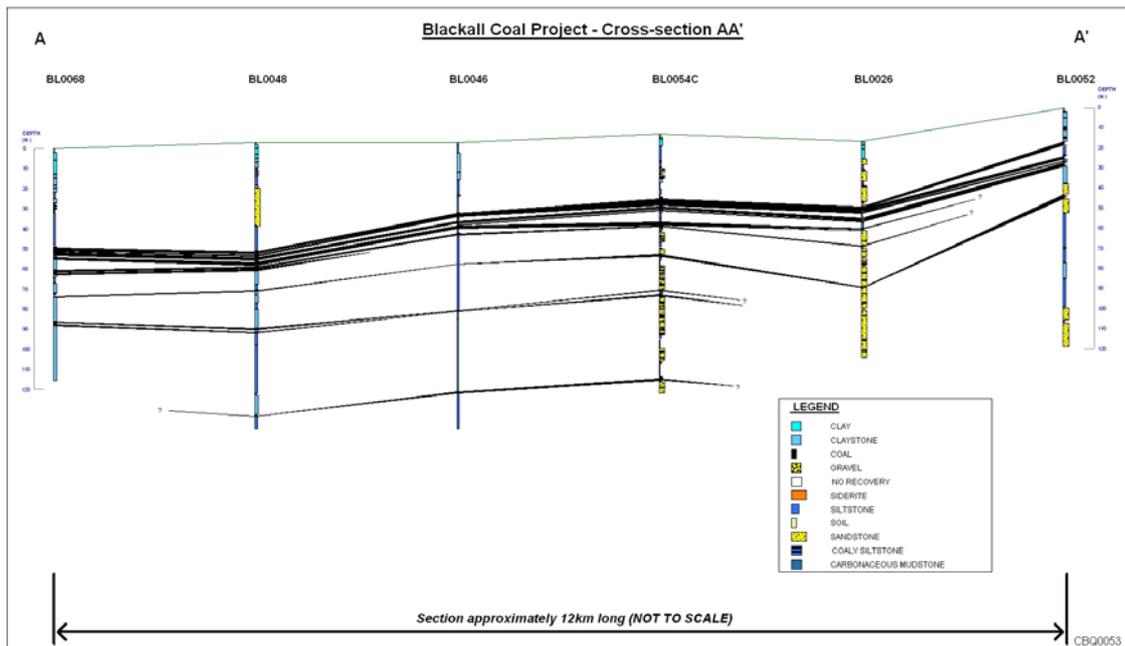


Figure 2: Sample Cross-section - Blackall Coal Project.

To date 66 new holes have been completed. Coal seams were cored for coal quality sampling in 12 of the holes and the remaining 54 were chip holes. All holes (cored and chip) have been geophysically logged.



Figure 3: COALBANK Geologists Logging Core Samples

Coal quality samples are being regularly despatched to the ALS coal laboratory as the programme progresses to provide the coal quality data required for completion of the anticipated resources statement. Coal quality analysis results are progressively being released from the laboratory.

Drilling is expected to be completed in early May. McElroy Bryan Geological Services Pty Ltd, a leading geological consultant to major coal resource companies, has commenced loading geological data from the drilling programme into a resource model.

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As previously advised, COALBANK's maiden JORC compliant resource is expected to be released mid-year, subject to completion of the remaining drilling program, receipt of coal quality results from the laboratory and completion of the resources evaluation report by McElroy Bryan Geological Services Pty Ltd.

The deposit is favourably located adjacent to an existing rail corridor connecting Blackall with the rail infrastructure being proposed for regional Galilee Basin coal projects including GVK-Hancock, Waratah Coal and Adani.

Eastern Queensland Coal Projects

Exploration planning continued with geological assessment of historical data. An initial field familiarisation trip was conducted in EPC 2241 to assist planning for exploration activities.

Surat Gas

No field activity was undertaken in the quarter.

Discussions are continuing with interested parties with regard to joint ventures or other transactions for the Surat Gas petroleum and gas portfolio.

ACTIVITIES RELATED TO MINERAL PROJECTS:

An Independent Expert's Report commissioned in late 2011 by the board for its Harvest Metals subsidiary was released to the market in February.

The report supports the Company's confidence in the Harvest Metals portfolio and has attracted further interest from external parties. Further data has been provided to qualifying parties and site visits for certain interested parties are currently being arranged.

CORPORATE ACTIVITY:

Capital Raising

During February the Company completed a placement to institutional and sophisticated investors raising gross funds of \$5 Million by way of new ordinary shares priced at \$0.06 per share. The purpose of the raising was primarily to accelerate drilling at the Blackall Coal Project in Central Queensland with the aim of achieving a maiden JORC-compliant coal resource.

Approaches from Investors and Parties Regarding Coal Projects

As previously advised, the Company has received approaches from a number of interested foreign and domestic strategic partners and intermediaries regarding potential joint ventures, strategic investments, partial asset sales or other corporate transactions.

Once the results from the major coal exploration programme at the Blackall Project are available, the Company will further consider the process, potential partners and options for future development.

Strategy for Harvest Metals

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The Company continues to receive approaches from, and engages with parties interested in joint ventures, farm-in and other transactions regarding Harvest Metals or its individual projects. Subject to the outcome of these activities, the Company will consider a Shareholders' Meeting for a potential *in specie* distribution of shares in Harvest Metals to COALBANK shareholders.

Yours faithfully,



Roger Clarke
Chairman

Further information:

<p>Bruce Patrick Chief Executive Officer 07-3229-6606</p>	<p>Greg Baynton Deputy Chairman (Executive) 07-3229-6606</p>
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About COALBANK LIMITED

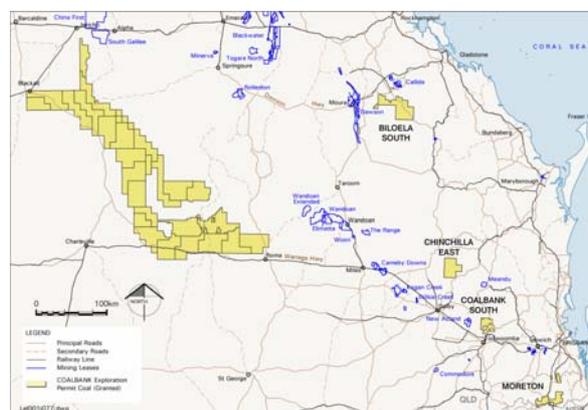
COALBANK LIMITED is an ASX-listed company (ASX: CBQ) that invests in and develops early stage upstream energy projects.

During late 2011 the Company was successful in discovering a very significant coal occurrence over a strike length of 26 kilometres in its initial drilling program south of Blackall in Central Queensland.

The Company holds one of the largest coal exploration permit areas in Australia, with the Blackall Project representing only a small portion of the overall area. 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.

The Company also holds two copper-gold projects and a portfolio of petroleum and gas projects in Queensland via its two wholly owned subsidiaries Harvest Metals Pty Limited and Surat Gas Pty Limited. Given COALBANK's core focus on coal exploration, the Company will consider joint venture partners or spin-off opportunities for these entities.



COALBANK Coal Exploration Portfolio in Queensland

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