

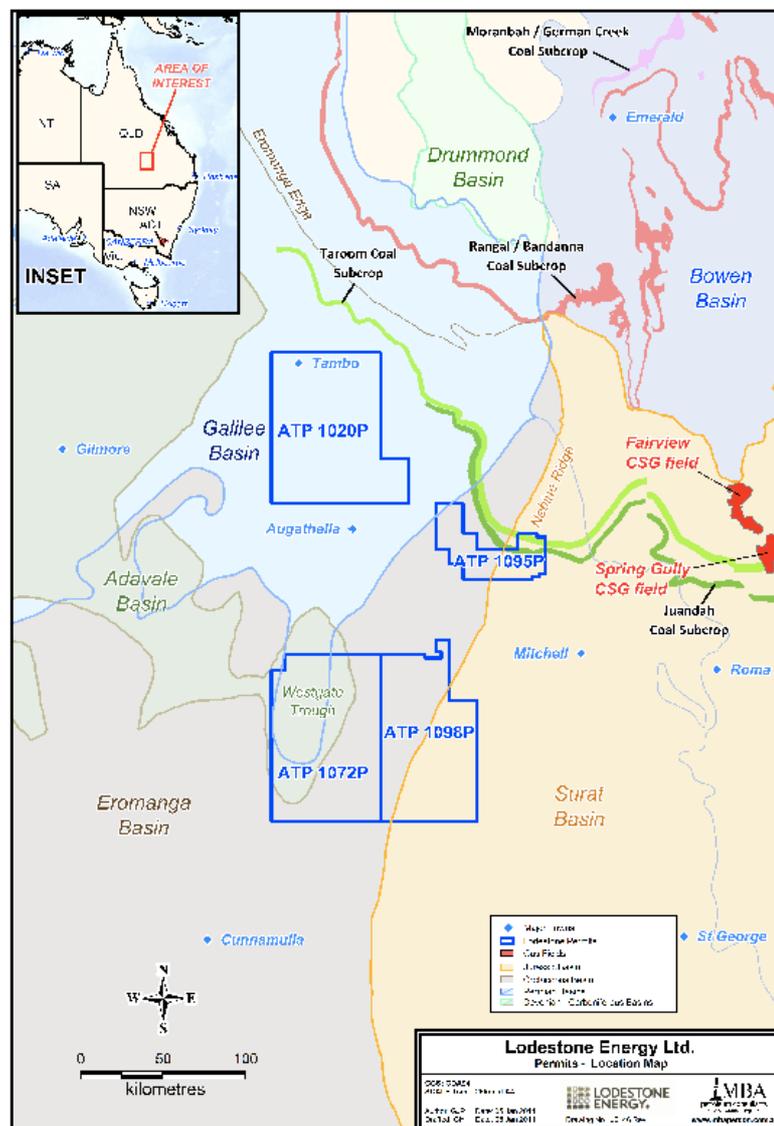
21 December 2012

**SALE OF SURAT GAS**

**COALBANK LIMITED (ASX: CBQ)** is pleased to announce that it has accepted an offer for the sale of its 100%-owned subsidiary, Surat Gas Pty Limited.

Surat Gas holds one granted ATP and is the preferred applicant for three applications for ATPs in Queensland (refer Figure 1).

The portfolio of ATPs is prospective for both unconventional and conventional oil and gas targets in the Surat/Eromanga/Galilee Basins.



**Figure 1: Surat Gas ATPs**  
*(Includes preferred tenderer status, new ATPs yet to be formally granted)*

The consideration received by COALBANK for the sale of Surat Gas involves a cash and scrip combination in the form of an up-front payment of A\$250,000 and 10,000,000 shares in the purchaser, Gobi Lithium Limited (to be renamed **Sierra Oil Limited**), an unlisted public company. The scrip-based consideration received by COALBANK represents approximately 27% of the issued capital of Sierra Oil Limited.

The cash payment and shares in Sierra Oil Limited were both received on execution of the Share Sale Agreement and related documents.

The Directors of the purchaser intend to consider an IPO of Sierra Oil Limited in early 2013 and COALBANK's shareholding in Sierra Oil Limited would represent approximately \$1,000,000 in value at the targeted IPO valuation.

Under the terms of the Share Sale Agreement, shareholders of COALBANK would be offered a priority entitlement to subscribe for new shares in an IPO of Sierra Oil, subject to legal and taxation considerations.

The sale of Surat Gas is consistent with the Company's stated strategy of focusing on coal exploration projects and divesting its remaining petroleum and copper-gold exploration subsidiaries.

COALBANK's shareholding in Sierra Oil Limited will allow participation in the exploration upside potential of the Surat Gas ATP portfolio and Sierra's future petroleum projects.

Further information:

Bruce Patrick  
CEO,  
COALBANK Limited  
Telephone +61 7 3229 6606

Greg Baynton  
Deputy Chairman  
COALBANK Limited  
Telephone +61 7 3229 6606

## 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 significant coal exploration permit areas in Queensland.

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 has been considering 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 or providing a platform for future growth.

## 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.

## 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](mailto:info@coalbank.com) • [www.coalbank.com](http://www.coalbank.com)