

30 September 2013

FIRST SUPPLEMENTARY BIDDER'S STATEMENT

BY TREASURE WHEEL GLOBAL LIMITED

in respect of the Offer to acquire 3 out of every 4 of your shares in

COALBANK LIMITED

FOR

1 CENT CASH FOR EACH COALBANK SHARE

The Offer is dated 12 September 2013 and will close at 7.00pm (Sydney time) on 31 October 2013, unless extended.

Please call 1300 361 735 (or +61 1300 361 735 for overseas domiciled holders) if you require assistance with your acceptance.

1 Introduction

This document is the first supplementary bidder's statement (**First Supplement**) by Treasure Wheel Global Limited (a company registered in the British Virgin Islands with registration number 1773613) (**Treasure Wheel**) dated 30 September 2013 under section 643 of the Corporations Act in relation to the Offer by Treasure Wheel to acquire 3 out of every 4 of your shares in Coalbank Limited (**Coalbank**) as set out in Treasure Wheel's bidder's statement dated and lodged with the Australian Securities and Investments Commission (**ASIC**) on 12 September 2013 (**Bidder's Statement**).

This First Supplement supplements, and must be read together with, the Bidder's Statement. **This document is important and should be read in its entirety. Please consult your legal, financial or other professional adviser if you do not fully understand the contents.**

This First Supplement has been prepared by Treasure Wheel to ensure that full information is provided to Coalbank Shareholders in respect of the Offer.

Unless the context otherwise requires, defined terms in this First Supplement have the same meaning given to those terms in the Bidder's Statement. This First Supplement will prevail to the extent of any inconsistency with the Bidder's Statement.

So far as applicable the Consents set out in section 11.6 of the Bidder's Statement also apply to this First Supplement as if any references to the Bidder's Statement in section 11.6 included the First Supplement.

A copy of this First Supplement was lodged with the ASIC on 30 September 2013. Neither the ASIC nor any of its officers takes any responsibility for the contents of this First Supplement.

A target statement dated 20 September 2013 was lodged by Coalbank with ASIC on 20 September 2013 (**Target's Statement**).

2 Decision to accept Treasure Wheel's Offer

Section 1 of the Bidder's Statement set out various reasons as to why Coalbank Shareholders should accept the Treasure Wheel Offer. Coalbank Shareholders, in making their decision whether or not to accept the Offer, should also consider the following matters and information:

- (**Offer price**) a Coalbank Shareholder may consider that Coalbank is worth more than 1 cent per share being offered by Treasure Wheel under the Offer.
- (**decision to only sell if there is a 100% offer**) a Coalbank shareholder, for its own reasons, may only wish to sell its holding in Coalbank if an offer is made for 100% of its shareholding and not a lesser proportion.
- (**personal circumstances**) a Coalbank Shareholder may not wish to receive cash for 3 out of every 4 of their shares in Coalbank for personal investment and taxation purposes.
- (**a Superior Offer**) if a Coalbank Shareholder accepts the Offer, that shareholder will not be able to withdraw its acceptance of the Offer (except in the limited circumstances provided under the Corporations Act). This means that a Coalbank Shareholder will in most instances be precluded from accepting a Superior Proposal (if one were to arise) during the Offer Period.
- (**absence of some information**) a Coalbank Shareholder may not wish for control of Coalbank to be passed to an entity (such as Treasure Wheel) with which it is unfamiliar, in particular because the future direction of Coalbank may be uncertain under Treasure Wheel's control. Treasure Wheel has not yet fully set out its intentions and plans for Coalbank. Also, Treasure Wheel has not announced the identities of its nominated directors if Treasure Wheel becomes a majority shareholder in Coalbank and is able to nominate directors to Coalbank's Board. It is possible that such additional information may not be provided during the Offer Period. If a Coalbank Shareholder accepts the Offer, that shareholder may have to do so in the absence of such information. Similarly, a Coalbank Shareholder who accepts the Offer with a view to benefiting from a new direction or new management may be disappointed with the information (and new approach) once it becomes available or is implemented.

- **(significant capital needed for Coalbank's business)** Coalbank's business (i.e., the exploration of the EPCs – see Profile of Coalbank in section 5 of the Bidder's Statement) requires a significant amount of capital. There is no guarantee Treasure Wheel will be able to assist Coalbank in sourcing the capital needed for Coalbank's ongoing business requirements. Coalbank's value is likely to be affected materially and adversely if such capital cannot be sourced.
- **(sale of some EPCs)** a Coalbank Shareholder should also consider whether the sale of certain EPCs (being Biloela South, Coalbank South and Chincilla East and Coalbank's shares in Harvest Metals) to Treasure Wheel as described in Section 10 of the Bidder's Statement will have any impact on the viability or future potential of Coalbank.

3 Coalbank Board support and Board's interest in Coalbank Shares

Section 7 of the Target's Statement noted that the Directors of Coalbank have direct and indirect interests (as relevant) in the following securities in Coalbank:

Director	Coalbank Shares	Coalbank Options	Performance Rights
Roger Clarke	1,500,000	-	-
Grahame Baker	1,205,264		1,000,000
Greg Baynton	413,462,097	40,000,000	1,000,000
Lance Grimstone	9,704,407		2,000,000
Bill Stubbs	3,116,667	-	1,000,000
Staffan Ever	25,027,400	-	-
Total	454,015,835	40,000,000	5,000,000

The table above highlights the following:

- Coalbank's directors have an interest in 454,015,835 Coalbank Shares
- Coalbank's directors have an interest in 5,000,000 Performance Rights (which on vesting will convert to 5,000,000 Coalbank Shares).

Under the Pre-Bid Agreement the Coalbank Options will be cancelled for nil consideration.

According to the terms under which the Performance Rights were issued, all Performance Rights issued to Coalbank's directors will vest if a person (together with his or her associates) acquires more than 50% of Coalbank's Shares and declares the Offer unconditional and Coalbank notifies the holder of the Performance Rights that their Performance Rights may be exercised. Once the Performance Rights have vested, holders may exercise their Performance Rights in accordance with the terms of issue. On exercise, holders will receive one Coalbank Share for each Performance Right exercised.

Assuming all Performance Rights held by the directors vest, Coalbank's directors will have an interest in 459,015,835 Coalbank Shares. If all Coalbank's directors accept the Offer (i.e., they sell 3 out of every 4 of their shares) then Treasure Wheel will acquire 344,261,876 Coalbank Shares (being 75% of 459,015,835 Coalbank Shares) subject to rounding up as set out in the Offer terms. The aggregate percentage of acceptances that Treasure Wheel would then secure in connection with Coalbank's directors' interests would therefore be 40.36% of Coalbank's total shareholding.

4 Directors' fees

Treasure Wheel understands that Coalbank has accrued unpaid directors' fees of around \$320,000 (as at July 2013).

Treasure Wheel has not had any discussions with Coalbank or its directors in relation to those fees nor does Treasure Wheel have any intention to pay those fees on its own account.

Further, there are no forfeiture arrangements to which Treasure Wheel is a party or of which it is aware in relation to those fees or any other claimed benefits. This includes any termination payments for directors. As far as Treasure Wheel is aware on advice from Coalbank's Deputy Chairman Mr Greg Baynton, there are no such payments due to Coalbank's directors.

5 Profiles of Treasure Wheel and Loyal Strategic

As previously disclosed in the Bidder's Statement, Treasure Wheel is a company newly incorporated in the British Virgin Islands and is a wholly owned subsidiary of Loyal Strategic Investment Limited (**Loyal Strategic**).

Loyal Strategic is a general trading company which owns several child care centres in China and which previously has engaged in limited coal trading operations. It has no experience or record as a mineral exploration and production company.

Loyal Strategic was incorporated on 22 October 2002 in the British Virgin Islands with registration number 518055.

Loyal Strategic is not listed on any stock exchange. Accordingly, Loyal Strategic does not have any publicly available financial statements or information. It is also not required to make such information available under the law of its place of incorporation. This means Coalbank Shareholders and any other person cannot access financial information about Loyal Strategic.

Below Treasure Wheel has set out some information on the current directors of both Treasure Wheel and Loyal Strategic.

Profile of the Chairman and sole Director of Treasure Wheel

Mr Anthony Chan is the Chairman and sole Director of Treasure Wheel. He is also the Chairman of its parent company, Loyal Strategic.

Mr Chan is also Chairman of Alright International Investment Limited, New Energy (China) Holdings Limited, Byte (HK) Investments Limited and China Finance Holding Company Limited. He is also the Deputy Chairman of 123 China Education Development Limited. During the period between 1991 and 2009, Mr Chan served as Executive Director of Shun Tak Holdings Limited (stock code: 242), a company listed on the Stock Exchange of Hong Kong Limited, and was responsible for its property development and investment activities. With over 30 years of extensive experience within the property sector, Mr Chan has headed a number of real estate projects including commercial, residential and shopping centres in major cities of China, such as Tianjin, Shanghai, Beijing and Guangzhou.

Mr Chan is a fellow member of The Property Consultants Society U.K. and the President of The Hong Kong Real Property Federation. In the area of public service, Mr Chan has been a member of the Election Committee of the Hong Kong Special Administrative Region Government responsible for electing the Chief Executive of Hong Kong since 10 December 2006. He served as a member of the Political Consultative Conference of the Guangdong Province of the People's Republic of China from 2002-2012, a board member of Shanghai Chinese Overseas Friendship Association and a Vice President of Guangzhou Association of Enterprises with Foreign Investment, PRC.

Mr Chan is also actively involved in community services. He holds the positions of President of the Hong Kong Canoe Union, Chairman of the Hong Kong Life Saving Society, Honorary President of the University Sports Federations of Hong Kong and Vice President of the Happy Valley Athletic Association. In 2008, he was awarded the Medal of Honour by the Hong Kong Special Administrative Region Government in recognition of his contribution. In July 2013, he was appointed Justice of the Peace by the Hong Kong Special Administrative Region Government.

Profiles of Directors of Loyal Strategic

(a) Mr Chan Wai Lun, Anthony

Mr Anthony Chan's profile is set out in the section immediately above.

(b) Mr Tang Yui, Ian

Mr Ian Tang is a Director of Loyal Strategic. In 2002 Mr Tang and partners founded the AustChina Group to bring value-added telecommunications and information technology solutions to the Chinese market. AustChina also provides corporate advisory and strategic investment advice to businesses wishing to invest or develop new opportunities in China. He

leads the business development arm of 123 China Education Development Ltd and is a Director of SmartTrans Holdings Ltd, an Australian public listed company.

Mr Tang was born and grew up in Hong Kong and undertook his secondary and tertiary studies in Australia. Combining both his heritage and his adopted culture, he has been extensively involved with entrepreneurs and business owners in helping them gain access to markets in Australia, China and other parts of Asia. Mr Tang is a Director of the Australian Chamber of Commerce in Beijing, China and an Honorary Business and Culture Ambassador to the City of Ipswich, Queensland, Australia.

(c) Mr Chan Kin-Wah, Daniel

Mr Daniel Chan is the Chief Financial Officer of STDM China Holdings Ltd and STDM Management (China) Ltd and a Director of Loyal Strategic Investment Ltd. He has over 10 years management experience in real estate business in China. He led all real estate investment and development for STDM China and has completed three billion USD worth of transactions with a total construction area of over 1,500,000 square metres in Beijing, Shanghai, Taiyuan, Shenyang and Changzhou, among other places. Mr Chan participated in the asset restructuring of STDM China through the sale of City Center and Central Plaza in Shanghai and made the company exclusive partner of Louis Vuitton Moët Hennessy (LVMH) in real estate development in China.

Prior to working in the Chinese real estate industry, Mr Chan accumulated valuable financial and investment experience through working for JP Morgan Chase and Fitch Rating in London for several years. He holds a Master's Degree in Finance from Imperial College London and CFA and MRICS qualifications.

6 Sources of Offer Price

Section 8 of the Bidder's Statement provided details in relation to the source of the Offer price.

In relation to the funding arrangements Treasure Wheel notes:

- all funds required by Treasure Wheel to pay the Offer consideration for the Coalbank Shares and to redeem the Coalbank Convertible Bonds will be provided through a facility to be made available by EFG Bank AG (Hong Kong) which is part of EFG International, a global private banking group headquartered in Zurich, Switzerland. EFG International operates in around 30 locations worldwide and its shares are listed on the SIX Swiss Exchange;
- the terms of the facility to be provided by EFG Bank AG are still to be finalised, although EFG Bank AG has agreed that up to \$9 million will be made available under the facility to pay the Offer consideration for the Coalbank Shares and to redeem the Coalbank Convertible Bonds and to cover

incidental costs. EFG Bank AG will likely seek to secure the facility by way of charge(s) or guarantee(s) to be provided by Treasure Wheel, Loyal Strategic and their directors. No security, charge or other form of financial assistance is to be sought from or otherwise expected to be provided by Coalbank or any of its subsidiaries, including any securities, charges or mortgages against their assets;

- Treasure Wheel does not intend to provide any cash to fund the transactions as contemplated by the Bidder's Statement; and
- Treasure Wheel has no reason to believe that the EFG Bank AG facility will not be provided, that any events of default will occur under the facility or that any relevant conditions of the facility will not be met to enable Treasure Wheel to draw down on the facility.

7 ASX Listing

The Bidder's Statement, at section 6.2 (under the heading 'ASX Listing') on page 24, stated "*ASX may suspend and eventually de-list a company which does not meet its spread requirements. It is possible that, depending upon the level of acceptances under the Offer, ASX may delist Coalbank on this basis.*"

Treasure Wheel now provides the following further information to explain the risk of delisting:

If all (or most) Coalbank Shareholders holding unmarketable parcels were to accept the Offer, the number of Coalbank Shareholders would fall to somewhere between 280 and 350 shareholders. This means that the number of Coalbank Shareholders could fall below the number of shareholders required to maintain an appropriate spread in accordance with Australian Securities Exchange (**ASX**) Listing Rules.

The ASX Listing Rules require a minimum of 300 shareholders if fewer than 50% of a listed company's shares are held by related parties. Where between 50% and 75% of the shares of a listed company are held by related parties, the company must have 350 shareholders. Finally, a listed company must have a minimum of 400 shareholders if over 75% of the company shares are held by related parties. Assuming the Offer is successful, the 350 shareholders threshold will likely apply to Coalbank.

Given these requirements, it is possible that Coalbank will not be able to satisfy the ASX requirements for a spread of shareholders. Possible consequences of this could include delisting by the ASX or further capital raisings by Coalbank to increase the number of unrelated shareholders in the company to meet applicable shareholder spread requirements under the ASX Listing Rules, which would dilute current shareholders' holdings in the company.

8 Risks

Section 7 of the Bidder's Statement set out some risks associated with Treasure Wheel.

Below are some further risks associated with Treasure Wheel and the Offer. (Again, in determining these risks, Treasure Wheel has not concentrated on risks attaching to the coal exploration and mining industry and Coalbank, to which Coalbank Shareholders are already exposed.)

Increased illiquidity

Coalbank Shares may be subject to increased illiquidity if a significant number of Coalbank Shareholders accept the Offer. For example, if 50% of the current Shareholders accept their respective Offers (and assuming 50% of those shareholders who hold unmarketable parcels also accept their offers), Coalbank may be left with around 700 shareholders as opposed to 1122 shareholders (the number of registered shareholders immediately before the Offer was made).

Spread requirements

Section 6 of this First Supplement noted that there is a risk that Coalbank may not be able to satisfy the ASX Listing Rules requirements concerning the necessary spread of shareholders.

Business experience

Neither Treasure Wheel nor Loyal Strategic has any experience in mineral exploration and production. Accordingly, if at the end of the Offer Period Treasure Wheel is the majority shareholder in Coalbank it intends to procure the appointment of directors who will be selected to bring to the Coalbank Board necessary technical and managerial experience, in particular having regard to Coalbank's business as a coal exploration company. Potential nominee directors are yet to be identified and selected.

Uncertainty around an offshore controlling shareholder

If Treasure Wheel gains effective control of Coalbank (by holding more than 50% of Coalbank Shares on issue), then Coalbank's controlling shareholder will be located offshore in a jurisdiction where there is less transparency about the positions and identities of corporate officers and directors. In other circumstances this could give rise to difficulties in communications although in this instance it should be noted that both Treasure Wheel and Loyal Strategic operate from the same office in Hong Kong (c/- 13F., Guangdong Investment Tower, 148 Connaught Road Central Hong Kong).

Passing resolutions with majority control

If Treasure Wheel gains effective control of Coalbank (by holding more than 50% of Coalbank Shares), it may be able to pass resolutions (that do not require a 75% majority) without having any regard to minority shareholders' views or concerns.

9 Withdrawal rights

All Coalbank Shareholders to whom Treasure Wheel has made an Offer and who have accepted the Offer before the date of this First Supplement have the right to withdraw their acceptance within 14 days of the date of this First Supplement.

A withdrawal notice withdrawing an acceptance must:

- if a Coalbank Shareholder's shares are in a CHESS Holding:
 - o be in a form of a Valid Originating Message transmitted to ASX Settlement by the Controlling Participant for that CHESS Holding in accordance with the ASX Settlement Operating Rules; or
 - o be in the form of a notice in writing to Treasure Wheel setting out the information that Treasure Wheel requires to enable it to transmit a Valid Message to ASX Settlement on behalf of the Coalbank Shareholder in accordance with the ASX Settlement Operating Rules;
- otherwise, be in a form consistent with the annexed Withdrawal Form.

If as a Coalbank Shareholder you choose to exercise this withdrawal right and return the Withdrawal Form correctly completed so that it is received by Treasure Wheel within 14 days of the date of the date of this First Supplement, your acceptance of the Offer will be cancelled. Your Coalbank Shares will be transferred back into your name(s).

Withdrawal Forms must be mailed to:

Link Market Services Limited

Coalbank Limited Takeover

Locked Bag A14, Sydney South NSW 1235

If as a Coalbank Shareholder you withdraw your acceptance of an Offer in this manner, and are legally entitled to withdraw your acceptance, Treasure Wheel must, before the end of 14 days after the day it receives the withdrawal notice:

- return to you any documents that you sent to Treasure Wheel with the acceptance of your Offer or destroy such documents, at Treasure Wheel's discretion; and
- transfer into your name in Coalbank's issuer sponsored subregister that number of Coalbank Shares to which the Withdrawal Notice relates or, if your Coalbank Shares are in a CHESS Holding, transmit a Valid Message that authorises the release of the relevant shares from the Offer Accepted Subpositions in which those shares have been reserved in accordance with the ASX Settlement Operating Rules.

(Words defined in the ASX Settlement Operating Rules have the same meaning in this section of the First Supplement, unless the context requires otherwise.)

Approval of First Supplement

The copy of this First Supplement that is to be lodged with ASIC has been approved by a resolution passed by the sole Director and Chairman of Treasure Wheel on 28 September 2013.

Signed by Mr Chan Wai Lun, Anthony, Chairman of Treasure Wheel

A handwritten signature in black ink, appearing to read 'Chan Wai Lun', is written over a horizontal line. The signature is enclosed within a hand-drawn oval.

Mr Chan Wai Lun, Anthony

Chairman
Treasure Wheel Global Limited

Annexure (Withdrawal Form)

The Withdrawal Form is annexed on the next page of this document.

THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND IT PLEASE CONSULT YOUR PROFESSIONAL ADVISER.

Please insert the name and address details of the Coalbank shareholder

Please insert your Coalbank Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

If you are unable to provide your SRN/HIN, we will need to contact you on the contact details below in order to process your withdrawal. Your withdrawal will be treated as received on the date it is first received by us.

Please insert the number of Coalbank Shares in the holding

Please provide your contact details in case we need to speak to you about your Withdrawal Form:

Contact Name	Contact Daytime Telephone Number	Date
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Please sign with the appropriate boxes below

Individual or Joint Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

**Sole Director &
Sole Company Secretary**

Director/Company Secretary

Director