

ASX ANNOUNCEMENT

16 October 2013

UPDATE ON THE PARTIAL ASSET SALE

COALBANK LIMITED (ASX: CBQ) hereby provides an update on the partial asset sale announced on 27th August 2013.

Under those arrangements, subject to Ministerial approval (where required), Loyal Strategic agreed to acquire independently of the proportional takeover COALBANK's Biloela South, Coalbank South, and Chinchilla East EPCs, and Harvest Metals Pty Ltd for \$2,000,000 (of which \$1,500,000 has already been received).

Completion was to occur in October requiring Loyal Strategic to pay COALBANK the remaining consideration of A\$500,000.

COALBANK confirms that in consideration of its agreement to extend the date of payment of the remaining \$500,000 Treasure Wheel Global Limited has agreed:

- a. to pay interest on that amount at the rate of 15% per annum until the principal amount of \$500,000 is paid in full; and
- b. that the principal amount plus interest will be paid by no later than 15 November 2013.

The Company will provide an update when the remaining settlement funds and accrued interest are received.

Advisers

COALBANK is being advised on the transaction by McCullough Robertson.

Further information:

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