

ASX ANNOUNCEMENT

Date: 28 November 2014

Chairman's Address to Annual General Meeting of Shareholders

The coal industry over the last 12 months has seen further mine closures, reduced profits or increased losses due to a continued decline in selling prices and historically high Australian dollar exchange rate. In order for companies to survive in these times and prepare themselves for the future, they must review their operations and cost structures.

Coalbank has undertaken such measures across the last financial year by reducing Exploration Expenditure to a small drilling programme at its Coal Creek tenement; undertaken a full review of its entire tenement portfolio and has reduced overhead operating expenses. We continue to maintain our Blackall Coal Project.

In summary, a year of consolidation. This consolidation will provide a stable platform for the company to assess other potential investment opportunities.

The company explored coal trading activities throughout the year. With a reduced number of suppliers due to mine closures or put on care and maintenance until market conditions improve, this activity has proven a challenging one. We will continue to develop this activity even under difficult market conditions.

Since the end of the financial year, the company continued to look for opportunities and investors.

On 1st September, the company was successful in raising \$1.921 million as a result of a 15% placement to Kam's Brother Holdings Limited, a sophisticated investor. These funds will allow the company to continue operations as it positions itself for the future.

On 10th November the company signed a Binding Agreement with Zedemar Holdings Pty Ltd for the acquisition of its Ebenezer Mining Lease 4712 and Bremer Valley Mineral Development License 172. These assets are located 10 kilometres south-west of Ipswich and 44 kilometres west-southwest of Brisbane. The Ebenezer mine is currently under care and maintenance having ceased production due to very low coal prices in 2003.

The consideration for the acquisition is ten million dollars plus a royalty of one dollar per saleable tonne of coal sold to a maximum of 20 million tonnes across both assets. The agreement allows for an exclusive sixty day period in which to secure funding and seek Foreign Investment Review Board approval, if required.

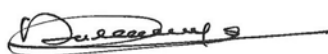
Should the company be able to satisfactorily complete the transaction, it would look to bring the mine back into operation at the earliest economic opportunity. The company will keep both the market and all shareholders updated on the progress of this acquisition.

The company remains positive with regard to the outlook for coal investments supported by the future energy requirements throughout the Asian region.

I would like to take this opportunity to thank the current Board for its contribution in what has been a difficult market and look forward to continuing to work with the Board in taking Coalbank forward.

Yours sincerely

COALBANK Limited



Anthony Chan
Chairman

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