

30 November 2016

Chairman's Address to Annual General Meeting of Shareholders of Coalbank Limited

During the 2015-2016 year the Board and Executive team continued to focus on potential new opportunities for the Company in light of the continued low level of thermal coal prices driven by oversupply in the market. This resulted in a dramatic reduction in coal exploration activity throughout the industry. Of course there has been some improvement of coal prices in recent months, mainly due to changes in the global coal market.

In the latter part of the financial year, the board moved to invest in the biogas renewable energy sector through a 25% investment in the Brisbane based company Utilitas Group Pty Ltd. Utilitas is a specialist biogas energy developer which scopes, designs and delivers process plants for both solid organic wastes and wastewater. After completing due diligence, the company confirmed in August 2016 that it had settled its investment in Utilitas.

We look forward through this investment to participating in the biogas industry which is in its infancy in Australia and provides Coalbank with exposure to exciting developments in the renewable energy sector.

The board continued to reduce the number of coal exploration tenements the Company holds. It maintained the view that a number of its tenements were in areas where development of rail infrastructure was unlikely until well into the future and hence holding and exploration commitment costs could not be justified. The Blackall Coal Project remains a medium term prospect.

With regard to the three Authorities to Prospect for petroleum and gas in Queensland obtained by the Company in 2015 through its acquisition of Surat Gas Pty Ltd, Coalbank Limited was pleased to announce on 10th November 2016 that it had entered into a Memorandum of Understanding with Eastern Gas Holdings Pty Ltd with regard to these permits held by its 100% subsidiary Surat Gas Pty Ltd. We see this opportunity as a way to potentially realise value in these underexplored tenements held by Surat Gas Pty Ltd at minimal cost to Coalbank.

The board continues to monitor the gradual progress of approvals for planned mine and infrastructure developments in the Galilee Basin. These developments may provide opportunity for the Company to progress its 1.3 billion tonnes thermal coal Inferred Coal Resource at the Blackall Coal Project once rail infrastructure is improved in the region.

On behalf of the Board, I thank existing shareholders for your continued support and welcome new shareholders to the Company.

I also take this opportunity to thank the Board of Directors for their contribution to the company during the year.

Anthony Chan
Chairman

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