

27 July 2017

ACTIVITIES REPORT FOR QUARTER ENDED 30 JUNE 2017

ACTIVITIES RELATED TO ENERGY PROJECTS:

Coal Projects

The surrender of EPC1418 has been completed. The remaining sub-blocks of EPC1632 were also relinquished in lieu of sub-blocks that were required to be relinquished from EPC1993 under the terms of the exploration permit. The two EPCs 1632 and 1993 were both within Coalbank's Northern Project Based Administration Area.

No new field activities have been undertaken in the quarter. The company has undertaken only desktop activities on its Blackall Coal Project.

Surat Gas

As announced on 10 November 2016 Coalbank entered into a Memorandum of Understanding (MOU) with Eastern Gas Holdings Pty Ltd (EGHPL) with regard to Coalbank's Petroleum and Gas Permits held by its 100% subsidiary Surat Gas Pty Ltd.

Surat Gas granted EGHPL a right to earn a 50% interest in the tenements by carrying out initial exploration activities over the tenements.

The parties are working to effect the transfers of a 50% interest in each of the permits through the Office of State Revenue for stamping then to the Department of Natural Resources and Mines.

Farm-in and Farm-out Arrangements

Prior to 30 June 2017 the farm-outs of ATPs 1072, 1095 and 1098 were completed as set out above resulting in the transfer of beneficial interest of 50% to EGHPL. As at 30 June 2017 Coalbank retains a 50% beneficial interest in the permits.

Coalbank Projects - Tenement Portfolio Update

EPC1418 and EPC1632 were relinquished during the quarter. No new tenements were acquired during the quarter.

Mining tenements held at the end of the quarter and their locations are as follows:-

TENEMENT	PROJECT	INTEREST	TENEMENT	PROJECT	INTEREST
EPC 1625	Alpha SW 2	100%	ATP 1072	Charleville South	50%
EPC 1719	Barcoo River/Blackall	100%	ATP 1095	Augathella East	50%
EPC 1993	Blackall Sth Corner	100%	ATP 1098	Morven South	50%

CORPORATE ACTIVITIES:

On Monday 26 June 2017 Coalbank released a Notice of Extraordinary General Meeting to be held in Brisbane at 11am on Monday 7 August.

The Agenda (Resolution 1) is to consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That the Company’s name be changed from Coalbank Limited to AustChina Holdings Limited”.

The change of name is proposed so that the Company’s name better reflects its strategy not only to continue its investment in the resources and energy sectors, but also to build a platform to allow for investment in a wider range of quality investment opportunities.

Please refer to the Notice of Extraordinary Meeting lodged with the ASX on 26 June 2017 for complete details.

During the quarter ended 30 June 2017, the Company received \$350,000 as an unsecured loan from Treasure Wheel Global Limited (Treasure Wheel), a company associated with Mr Anthony Chan, Chairman of Coalbank.

Coalbank’s 25% held Utilitas Group Pty Ltd (Utilitas) and fractional investment fund manager DomaCom Australia Limited have launched Australia’s first crowd-funding campaign to secure a site at Casino, northern NSW and develop a bioHub to service the energy needs of its nearby industries and community. This exciting “new-age” energy project aims to raise \$4.3m for the land and the development costs, after which Utilitas will enter into a 10-year lease to operate the bioHub.

The daily run of news headlines about electricity, gas and network crises is a strong signal that the time is right to roll out Utilitas’ pipeline of bioHub projects. Utilitas has mapped, scoped and assessed more than 200 opportunities. The first three in Australia are progressing towards financial close.

Yours faithfully,

Anthony Chan – Chairman

Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer