

28 April 2017

## **ACTIVITIES REPORT FOR QUARTER ENDED 31 MARCH 2017**

### **ACTIVITIES RELATED TO ENERGY PROJECTS:**

#### **Coal Projects**

The company notes recent announcements by the Queensland Government relating to further progress in the potential development of the coal industry in the Galilee Basin.

Coalbank continues to monitor progress that may lead to the improvement of rail infrastructure closer to its Blackall Coal Project in Central Queensland.

The company expects to lodge the previously flagged surrender of EPC1418 early in the next quarter.

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.

EGHPL has completed its initial exploration activities and has met the conditions to earn a 50% interest in Surat Gas' Authorities to Prospect for Petroleum (ATPs) 1072, 1095 and 1098. A detailed report reviewing the geology and prospectivity of the permits was completed. EGHPL has exercised its right under the MOU to take up a 50% interest in each of the permits.

The parties are working to effect the transfers of a 50% interest in each of the permits. This work includes the requirement for EGHPL to assume rights and obligations under certain agreements associated with the tenements and acceptance by the other parties to those agreements.

#### **Farm-in and Farm-out Arrangements**

Beneficial percentage interests held in farm-in or farm-out agreements at end of the quarter – subject to assumption of rights and obligations by the assignees (ATPs 1072, 1095 and 1098).

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter - subject to assumption of rights and obligations by the assignees (ATPs 1072, 1095 and 1098).

#### **Coalbank Projects - Tenement Portfolio Update**

No mining tenements were relinquished or acquired during the quarter.

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

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#### **COALBANK LIMITED**

ABN 20 075 877 075

Level 6 344 Queen Street Brisbane Queensland 4000 • GPO Box 762 Brisbane Queensland 4001 Australia  
T +61 7 3229 6606 • F +61 7 3221 6625 • [info@coalbank.com](mailto:info@coalbank.com) • [www.coalbank.com](http://www.coalbank.com)

TENEMENT	PROJECT	INTEREST	TENEMENT	PROJECT	INTEREST
EPC 1418	Tambo East 2	100%	ATP 1072	Charleville South	100%
EPC 1625	Alpha SW 2	100%	ATP 1095	Augathella East	100%
EPC 1632	Tambo	100%	ATP 1098	Morven South	100%
EPC 1719	Barcoo River/Blackall	100%			
EPC 1993	Blackall Sth Corner	100%			

**CORPORATE ACTIVITIES:**

In July 2016 Coalbank took a 25% investment in Utilitas Group Pty Ltd, as an extension of its energy portfolio into the relatively under-developed but potentially significant biogas sector in Australia.

Utilitas has progressed the bankable feasibility studies (BFS) for the first two bioHub<sup>i</sup> projects proposed for the company's own asset portfolio. Front End Engineering design (FEED) is underway for the first stage of bioHub project 1, located in regional Queensland. Discussions with key counterparties regarding project structuring and construction funding has commenced. It is proposed that Utilitas will have an equity interest in the bioHubs following construction.

Coalbank continues to look for additional opportunities through acquisitions and joint ventures on current projects which would allow the company to improve its cash flow and provide further funds for development of projects.

Since the end of the quarter, Treasure Wheel Global Limited, a shareholder and a company associated with Mr Anthony Chan, Chairman of Coalbank, has remitted \$150,000 as unsecured interest free loan to Coalbank Limited.

Yours faithfully,

**Anthony Chan – Chairman**

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Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer

<sup>i</sup> A bioHub is a system where Councils and private businesses co-operate to recover the highest value from regional waste streams, offering new industry opportunities, revenue generation and bioenergy opportunities. (Definition by Regional Development Australia).