

26 October 2017

ACTIVITIES REPORT FOR QUARTER ENDED 30 SEPTEMBER 2017

ACTIVITIES RELATED TO ENERGY PROJECTS:

Coal Projects

No new field activities have been undertaken in the quarter.

A review of the JORC Resources Statement was undertaken by the Competent Person to ensure current compliance for inclusion in the AustChina Holdings Limited Annual Report.

Surat Gas

Eastern Gas Holdings Pty Ltd (EGHPL), the operator for the joint venture with AustChina's Surat Gas Pty Ltd has sourced and reviewed available bore hole data. EGHPL has also reprocessed down hole geophysics where available and has attempted to interpret the lithology data to better define the potential zones of organic content within the formations as potential for hydrocarbon source rocks.

This study led to the initiation of a subsequent study on all available stratigraphic exploration holes in which core was recovered to undertake a core sampling exercise. Samples of existing core are now being analysed to review the three primary factors affecting oil and gas potential. The X Ray Diffraction (XRD), Total Organic Content (TOC) and Source Rock Analysis (SRA) is being measured. The results of these studies are expected to indicate if the potential conditions exist that host hydrocarbon accumulations.

Farm-in and Farm-out Arrangements

Beneficial percentage interests held in farm-in or farm-out agreements at end of the quarter – subject to finalisation of transfers of ATPs 1072, 1095 and 1098 through the Department of Natural Resources and Mines.

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter – subject to finalisation of transfers of ATPs 1072, 1095 and 1098 through the Department of Natural Resources and Mines.

Tenement Portfolio Update

No tenements 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:

At an Extraordinary General Meeting held in Brisbane on Monday 7 August shareholders voted to change the company's name from Coalbank Limited to AustChina Holdings Limited. The name change was registered with ASIC on the same date.

The change of name better reflects the company's 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.

On the 14th September The Honourable Anastacia Palaszczuk (Premier and Minister for the Arts) and The Honourable Dr Anthony Lynham (Minister for Natural Resources and Mines) announced the Queensland Government's support, through the \$4m Biofutures Acceleration Program (BAP) for the Bundaberg bioHub, an \$18m biorefinery project being developed, over 3 stages, by Utilitas Group.¹

The BAP funding will allow Utilitas to accelerate the development of the Project Definition Statement required by project investment partner DomaCom to commence a crowd funding campaign along the lines of that already underway for the Casino bioHub project in Northern NSW.

AustChina has a shareholding in Utilitas of just under 26%.

During the quarter ended 30 June 2017, the Company received \$200,000 as an unsecured loan from Treasure Wheel Global Limited (Treasure Wheel), a company associated with Mr Anthony Chan, Chairman of Coalbank.

The Annual General Meeting of the company will be held on 28th November 2017 at Colin Biggers and Paisley Lawyers, Level 35, 1 Eagle Street Brisbane Qld 4000 at 10.00am AEST.

Yours faithfully,

Anthony Chan – Chairman

Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer

¹ "Bundy biorefinery generates jobs, green energy" - The Honourable Anastacia Palaszczuk (Premier and Minister for the Arts) and The Honourable Dr Anthony Lynham (Minister for Natural Resources and Mines) 13 September 2017