

Date: 10 November 2014

To: Australian Securities Exchange
Companies Announcement Office
Electronic Lodgment System

Dear Sir

COALBANK AGREES TERMS TO BUY EBENEZER MINE

Coalbank Limited (**ASX: CBQ**) is pleased to announce that it has today entered into a binding Terms Sheet with Zedemar Holdings Pty Ltd (**Zedemar**), a privately owned company, to acquire a 100% interest in ML 4712, known as Ebenezer Mine, together with its associated assets and MDL 172 Bremer View (**Projects**).

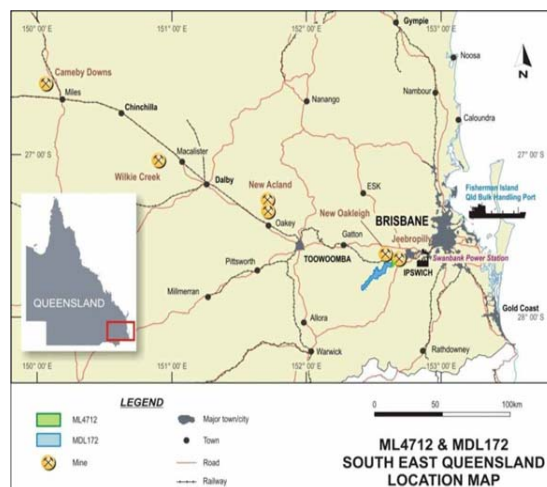
Completion of the purchase is subject to a number of conditions precedent, including finance and shareholder approval (if required).

Key assets of the Projects comprise:

- Mining Lease 4712;
- 650 ha of freehold land on ML 4712;
- Mineral Development Licence 172;
- Property improvements including:
 - Main administration office complex;
 - Secondary office building;
 - Bathhouse;
 - Carports;
 - Sewerage treatment plant;
 - Pumping station, water pipeline and water storage dam at mine site; and
 - Fencing.

Project Overview:

- Located in south-east Queensland, approximately 10 km south-west of Ipswich and 44 km west-southwest of Brisbane. 81 km by rail from Port of Brisbane.
- Ebenezer is an established mine currently under care and maintenance. Zedemar will continue to maintain the mine until the acquisition is completed.
- Current JORC Probable Reserves of 13.7Mt and JORC Resources of 308.2Mt (24.1Mt Indicated and 284.1Mt Inferred categories*
- High Grade Thermal coal (6,700kCal/kg adb)



Key Terms

- The key terms of the Terms Sheet are:
 - Purchase price of ten million dollars (\$10 million) exclusive of GST;
 - Royalty payments of one dollar (\$1.00) per saleable tonne of coal (net of GST) produced from each of the ML 4712 and MDL 172. The Royalty Fee payable for ML 4712 and MDL 172 collectively is capped at a maximum of 20 million tonnes; and
 - Exclusivity for Coalbank during the period from the date of payment of the purchase price until completion of the acquisition or valid termination.

- The Conditions Precedent to the acquisition are:
 - the parties entering into formal asset sale and land sale agreements;
 - Coalbank obtaining finance to fund the Project;
 - Coalbank obtaining Foreign Investment Review Board (**FIRB**) approval for the purchase of the Project;
 - obtaining any third party consents or releases; and
 - the transfer of all leases from Zedemar to Coalbank.

Unless otherwise agreed, the Conditions Precedent are to be satisfied within 60 days from the date of the Terms Sheet.

Should the company be successful in completing the purchase, Coalbank will have a significant opportunity to complete any exploration and other necessary work to bring the mine back into production. It represents a major milestone for the company.

*** Cautionary statement to investors**

Coalbank did not prepare these estimates. The estimates are sourced from OGL Resources Limited's ASX announcement "*OGL Mines and Money Hong Kong Presentation*" dated 20th March 2013, which is publically available information. OGL Resources Limited released the information in relation to ML 4712. Coalbank has not verified the estimates but is not aware of any information or data that materially affects these estimates at the date of this announcement.

Yours faithfully,

Anthony Chan - Chairman

Further information:

Andrew Fogg - Chief Executive Officer

0421 287 868

Bruce Patrick - Chief Operating Officer

0417 389 830