

Date: 19 August 2016

ASX ANNOUNCEMENT

COALBANK SETTLES UTILITAS INVESTMENT

Coalbank is pleased to advise that it has today settled on its subscription for shares in Utilitas Group Pty Ltd (100% holder of Utilitas Pty Ltd) for a 25% holding for \$1m.

As part of the restructure of the Utilitas Group, Coalbank also acquired the shares held by a number of small shareholders at the placement price of 14.14 cents, representing just under 1% for a total cost of \$28,849, resulting in a reduced number of shareholders in the Utilitas Group.

Utilitas

Brisbane based Utilitas is a specialist biogas energy developer working to become a next generation utility. The company scopes, designs and delivers process plants for both solid organic wastes and wastewater. The company was established in 2010 by Ms Fiona Waterhouse, founding shareholder and director. Ms Waterhouse remains a major shareholder in Utilitas and continues as its Chief Executive Officer.

The Opportunity

Biogas is a renewable energy source with strong potential to assist the new carbon economy through reduction of greenhouse gas emissions. The Federal Government's Clean Energy Finance Corporation (CEFC) puts the investment opportunity in this sector to be between \$3.5 billion to \$5 billion by 2020¹.

Australia's bioenergy and energy from waste market is currently under-developed which makes the investment very attractive to Coalbank.

Opportunities in the bioenergy and energy from waste sectors vary in scale from small scale anaerobic digesters to large bio-mass fired power plants. With over 8,000 biogas plants established in Germany producing 4 GW of installed capacity and supplying more than 8 million households with clean, renewable "organic" energy each year², Utilitas sees the opportunity to develop Australia's market which has currently upwards of 50 biogas plants³.

The Coalbank investment enables Utilitas to advance the first two "bioHub" projects in its own asset portfolio towards construction and demonstrate a new regional utility business model. These projects integrate disposal of organic waste with the generation of energy, water and fertiliser providing local employment, sustainable waste and water treatment and energy security for Australian farmers and food processors.

Commentary

Mr Anthony Chan stated that "We are very pleased that our investment in Utilitas is now complete and we look forward to supporting Utilitas in advancing the significant opportunities in the renewable energy sector throughout Australasia."

Fiona Waterhouse (CEO Utilitas) commented: "We thank Coalbank for its confidence in completing the investment in Utilitas. This investment will expedite Utilitas's growth and ability to materialise the many opportunities existing in this sector."

Further information:

Andrew Fogg - Chief Executive Officer

Bruce Patrick - Chief Operating Officer

¹"The Australian bioenergy and energy from waste market" - Clean Energy Finance Corporation, November 2015

²"Trends from the use of biogas technology in Germany" Lucas Wagner VIV Asia Biogas Conference Bangkok 2015

³"Biogas: Smells like a solution to our energy and waste problems" Bernadette McCabe (Associate Professor and Vice Chancellor's Senior Research Fellow, University of Southern Queensland) in The Conversation January 2015