COALBANK

ASX ANNOUNCEMENT 15 June 2011

GRANTING OF COALBANK PERMITS & REVIEW OF STRATEGIC CROPPING LAND POLICY

Key Points:

- **COALBANK LIMITED** has completed the acquisition of COALBANK QLD. PTY LTD, following shareholder approval on 2 June 2011.
- The Company can now confirm that all key tenements relating to the newly acquired COALBANK projects have now been granted or offered for grant by the Queensland Government (and accepted by the Company).
- The expanded coal project portfolio now 100% owned by COALBANK covers almost 24,000 square kilometres in Queensland coal-bearing areas.
- 95% of all of the Company's coal tenements fall outside of any Strategic Cropping Land Protected Areas by the Queensland Government to take effect on 31 May 2011.

COALBANK LIMITED (ASX: CBQ) is pleased to advise that, following the receipt of shareholder approval at the Company's Extraordinary General Meeting on 2 June 2011, the formal acquisition of its new subsidiary COALBANK QLD. PTY LTD has been completed.

Since the announcement of the acquisition in March this year all key tenements acquired under this transaction have now been granted or offered for grant by the Queensland Government.

In this regard, EPC 2241 (Biloela South) and EPC 2240 (Coalbank South) have now been granted. EPC 2239 (Esk Basin/Coal Creek) has also been offered for grant by Queensland Government. The Company has accepted this offer and paid the rent and financial assurance required for the grant of this Permit.

The entire coal exploration portfolio 100% owned by COALBANK now covers almost 24,000 square kilometres in Queensland and represents one of the largest coal exploration footprints in Australia.

Strategic Cropping Land Policy - Low Impact

Following the release of the Queensland Government's Strategic Cropping Land Policy update announced on 31 May 2011, COALBANK reviewed its tenements and is pleased to confirm that the vast majority of its tenement portfolio is not materially affected by the designated Protected Areas.

The review has confirmed that 95% of all COALBANK's coal tenements fall outside of any Strategic Cropping Land Protected Areas designated under the new policy.

Should further exploration confirm coal resources within the Company's tenements in the Protected Areas, COALBANK will work with the government to carry out ground inspections

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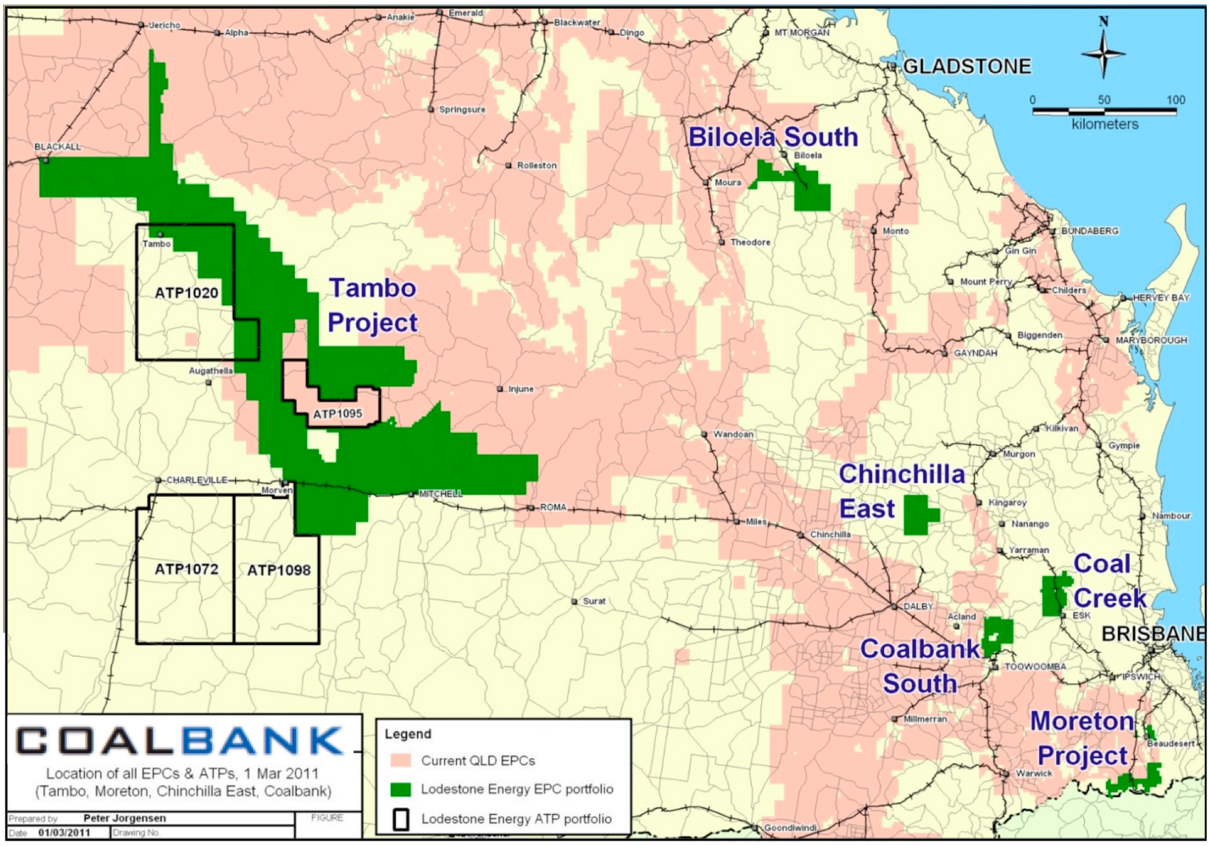
of affected areas to assess whether the land in fact meets the proposed criteria for Strategic Cropping Land.

In addition, each of the Company's four petroleum and gas tenements[1] (held via its wholly-owned subsidiary Surat Gas Pty Ltd) are situated outside of any Strategic Cropping Land Protected Areas.

A location map showing the location and extent of the Company's coal and petroleum tenements is provided below.

COALBANK PROJECT PORTFOLIO IN QUEENSLAND



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[1] Includes granted ATPs and ATPs for "Preferred Tenderer" status ATPs.