

# COALBANK

## Investor Update

To be presented at the  
Noosa Mining & Exploration Conference  
14-15 July 2011

# General Disclaimer

- This document has been prepared by COALBANK Limited (the Company) to provide existing and prospective investors in COALBANK Limited with an update on the Company and its operations.
- This presentation, including the information contained in this disclaimer, does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither the presentation, disclaimer nor anything contained in them forms the basis of any contract or commitment. This presentation does not take into account your individual investment objectives, financial situation or particular needs. You must not act on the basis of any matter contained in this presentation, but must make your own assessment of the Company.
- No representation, express or implied, is made as to the fairness, accuracy, completeness or correctness of information contained in this presentation, including the accuracy, likelihood of achievement or reasonableness of any forecast, prospects, returns or statements in relation to future matters contained in the presentation (“forward-looking statements”). Such forward-looking statements are by their nature subject to significant uncertainties and contingencies and are based on a number of estimates and assumptions that are subject to change (and in many cases are outside the control of COALBANK Limited and its directors) which may cause the actual results or performance of COALBANK Limited to be materially different from any future results or performance expressed or implied by such forward-looking statements.
- To the maximum extent permitted by law, none of COALBANK Limited, or their related corporations, directors, employees or agents, nor any other person, accepts any liability, including, without limitation, any liability arising from fault or negligence, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.

# Contents

- Introduction
- Overview
- Investment Highlights
- Project Team
- Queensland Coal Regions & Recent Acquisitions
- Tambo Project
- East Surat & Bowen Basin Projects
- Exploration Plans
- Summary

# Introduction

## ● Key Metrics:

| ASX Code              | CBQ         |
|-----------------------|-------------|
| Shares on issue       | 679,597,740 |
| Current share price   | 4.5 cents   |
| Market Capitalisation | \$30.5m     |
| Cash on hand          | \$1.6m      |

Source – IRESS, quarterly reports

## ● Significant Shareholders

- Allegro Capital Nominees Pty Ltd 58.5%
- Square Resources Pty Limited 3.5%
- Oliver Lennox-King 2.2%

# COALBANK Overview

## ● Coal

One of Australia's largest holder of Queensland coal acreage

- 27 Granted EPCs
- Over 24,000 km<sup>2</sup> held
- Includes significant contiguous holding in western Surat Basin exceeding 21,000 km<sup>2</sup>

## ● Petroleum & Gas

Holds over 20,000 ha of Petroleum & Gas Authorities to Prospect in Queensland

- 1 granted ATP, 3 offered and proceeding to grant
- Over 20,000 km<sup>2</sup> held
- Prospective for CSG and shale gas, also conventional oil and gas plays

## ● Minerals

Currently retains copper & gold mineral exploration permits near Mt Morgan and Chillagoe

# Investment Highlights

- Large strategic holding in Queensland coal bearing regions
- Potentially significant coal and CSG projects in Walloon Coal Measures
- Initial drilling targets identified
- Weather conditions now favourable to resume drilling
- Continued discussions with domestic and international entities, which may (or may not) develop into possible JV partnerships or asset divestments

# Experienced Project Team

- **Staffan Ever** Chief Executive, *MBA, M.Sc, (Civil Eng)*  
Strong experience in the coal sector. Former CEO of QCoal, former General Manager of AMCI Australia (12 years with AMCI). Strong experience in managing and financing coal projects from greenfields to production and marketing. Previously undertook and oversaw equity investments in Gunnedah, Glennies Creek, Coppabella and Moorvale mines.
- **Bruce Patrick** General Manager, *B.Sc, (Hons), Grad Dip Mgt, Cert. in Mining, MAusIMM*  
Project Manager for Anglo Coal's \$800m Lake Lindsay Project, managing the project from initial exploration, through feasibility and approvals, to construction. Open-cut mining project management roles in Anglo Coal's Operations and Projects and Engineering Group. Early career as a geologist for Coal and Allied Industries and Thiess Mining Division where he assisted in further defining the stratigraphy of the Surat Basin. At Callide Mine in Central Queensland he moved to mining engineering and mine operational management roles.
- **Dr Peter Jorgensen** Senior Geologist, *BSc (Hons), PhD, MAusIMM*  
Over 18 years experience in the Queensland coal industry, more than 20 years general geological experience. Previous roles in exploration, mine site geology and resource evaluation with Anglo Coal, Shell Coal and as a self-employed contract geologist.

# Experienced Project Team ...continued

- **Lance Grimstone** Consultant & Director, *B.Sc. (Hons) Geol. Grad.Dipl. Mangt., F.AusIMM, CPGeo.M.MICA.*

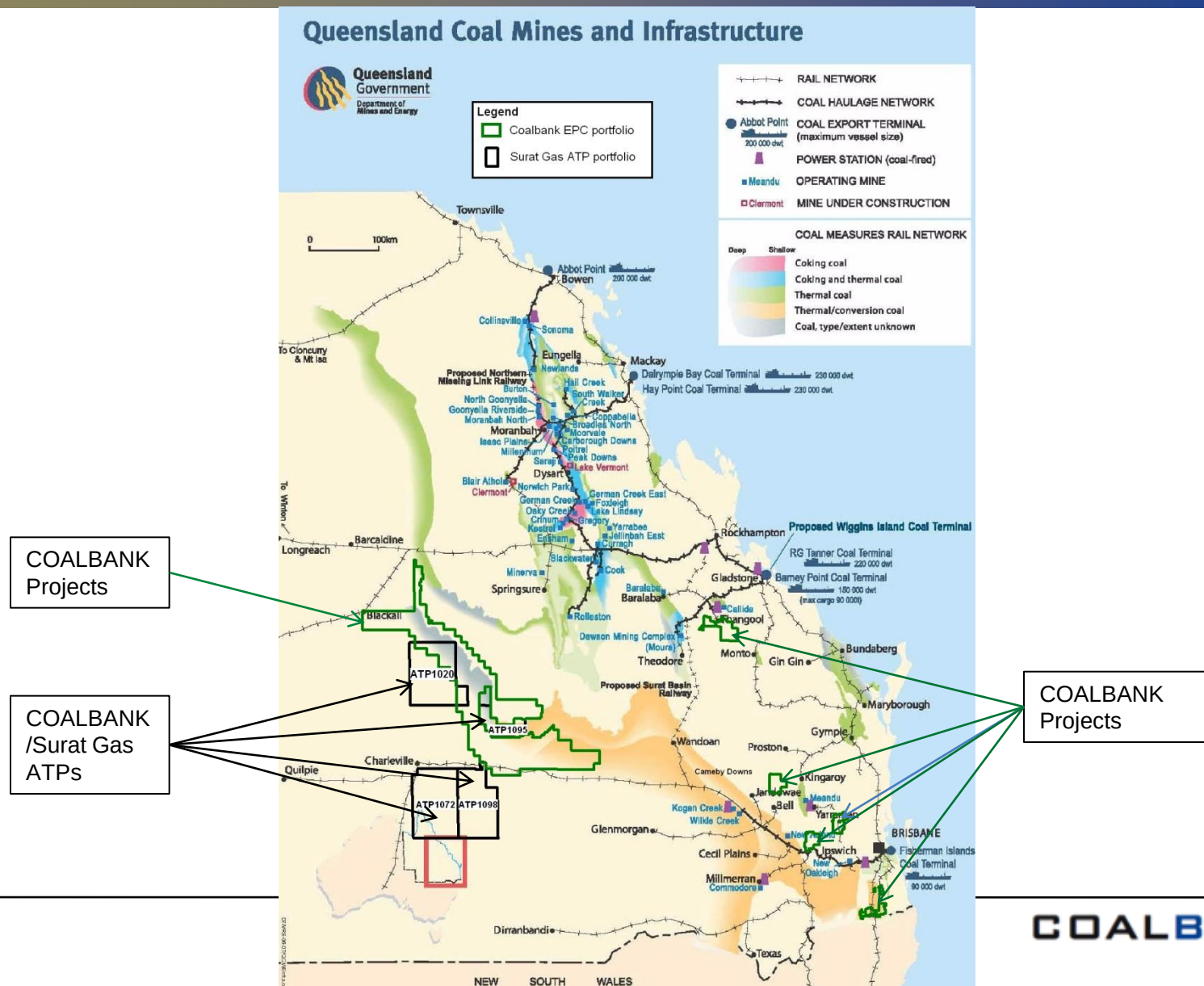
Expert Geologist with over 40 years' experience in the exploration, mining and civil engineering industries. For the last 25 years has operated his own consultancy practice based principally upon his expertise in eastern Australian coal operations. Lance was a key geological consultant to Macarthur Coal Limited prior to its IPO and for approximately eight years following and remains a specialist consultant to Macarthur Coal.

- **Greg Baynton** Deputy Chairman, *M.Econ St., MBA, B.Bus (Accounting), Grad.Dip. Finance and Investment, FFINSIA.*

Founder of Tambo Coal & Gas, Moreton Energy and Coalbank. Founding Director of Arrow Energy. Expertise in new project generation, capital raisings, corporate structuring, tenure application and administration, government relations and joint ventures.



# Queensland Coal Regions & COALBANK Projects



# Recent Coal Acquisitions in Queensland

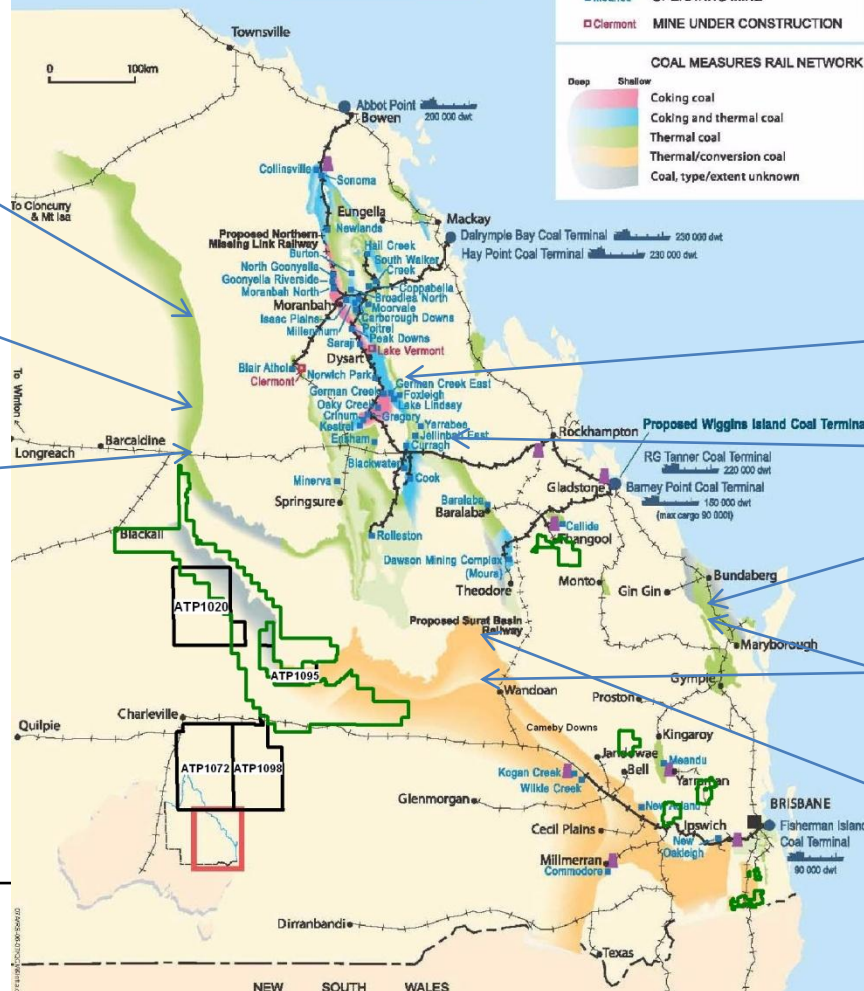
## Queensland Coal Mines and Infrastructure



**Legend**

- Coalbank EPC portfolio
- Surat Gas ATP portfolio

RAIL NETWORK  
COAL HAULAGE NETWORK  
Abbot Point 300 000 dwt  
COAL EXPORT TERMINAL (maximum vessel size)  
POWER STATION (coal-fired)  
Meandu  
CLERMONT  
MINE UNDER CONSTRUCTION  
COAL MEASURES RAIL NETWORK  
Deep Shallow  
Coking coal  
Coking and thermal coal  
Thermal coal  
Thermal/conversion coal  
Coal, type/extent unknown

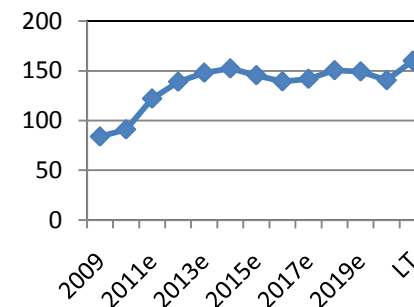


Linc Assets to  
Adani Enterprises

Mineralogy  
acquired 93%  
interest in Waratah  
Coal

Hancock  
Prospecting (Alpha  
& Kevin's Corner)  
to GvK (pending)

## Thermal Coal Price Forecast (USD/t)



Source: Citigroup Global Markets 6 July 2011

Norton Goldfields  
EPC1033 to Boardwalk  
Sienna Pty Ltd

Aston Resources farm-  
in - Dingo

Tiara Coal Ltd acquired  
50% in Bundaberg Coal  
Exploration Project

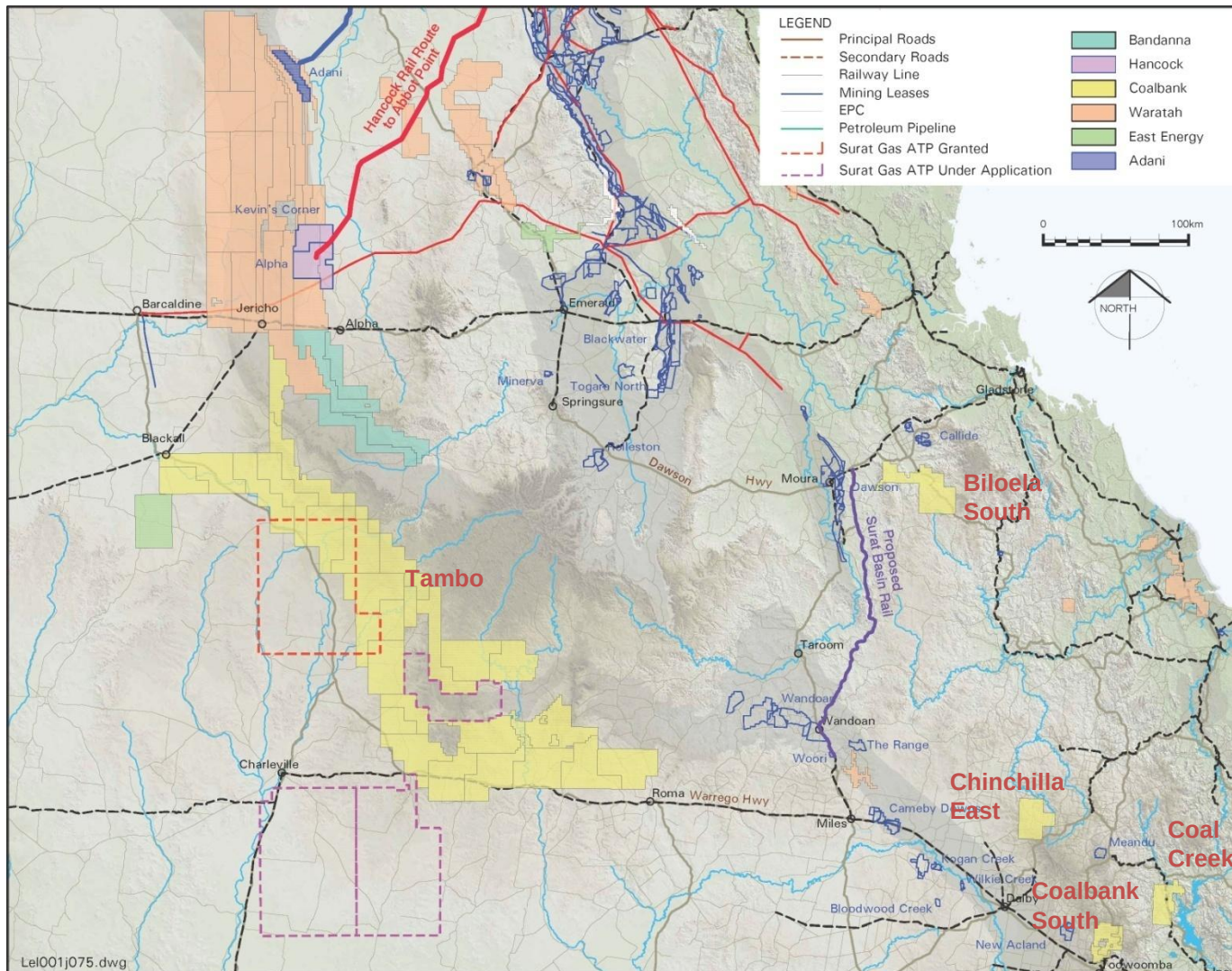
New Hope Corp. Ltd  
acquired 80% Northern  
Energy Corp. Ltd

Anglo Surat projects  
sold to Cockatoo Coal  
Limited & POSCO

**COALBANK**



# Coal Projects in Our Region

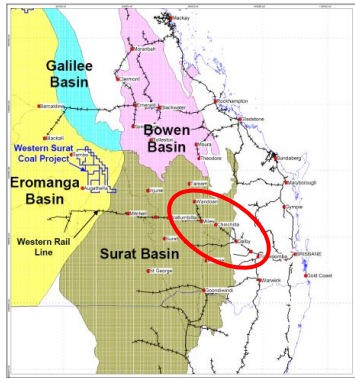


# Tambo Coal Projects





# Target Seam Geometry - Examples



**DEPOSIT STYLE MEANS THAT  
NETT COAL THICKNESS CAN  
VARY RAPIDLY ALONG STRIKE**

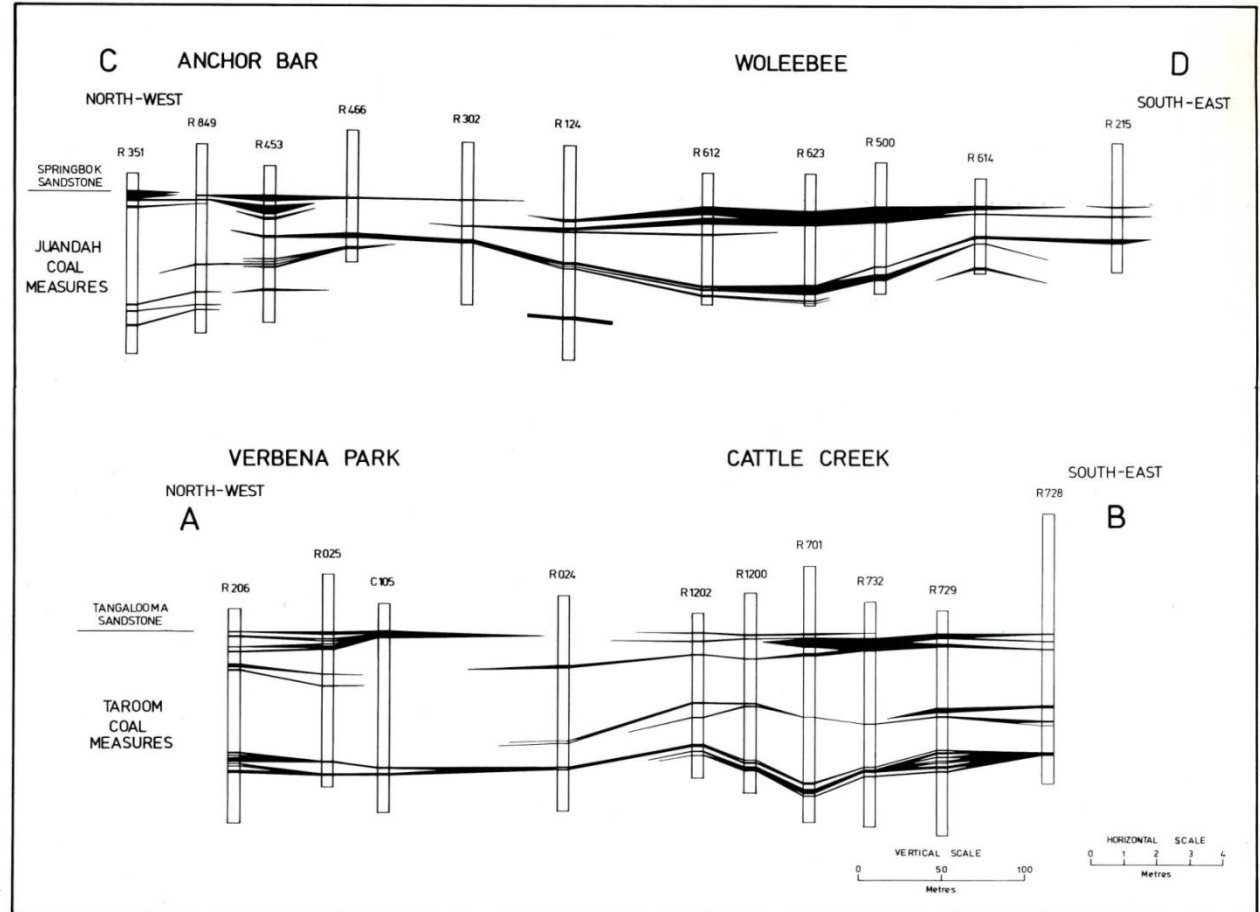
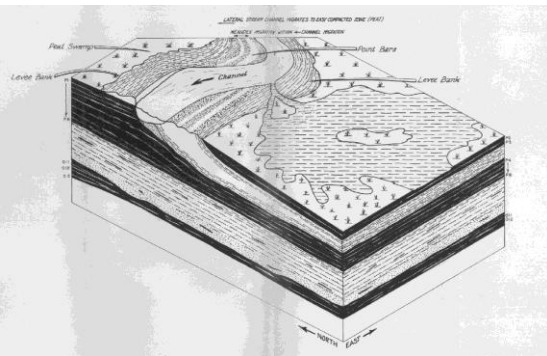
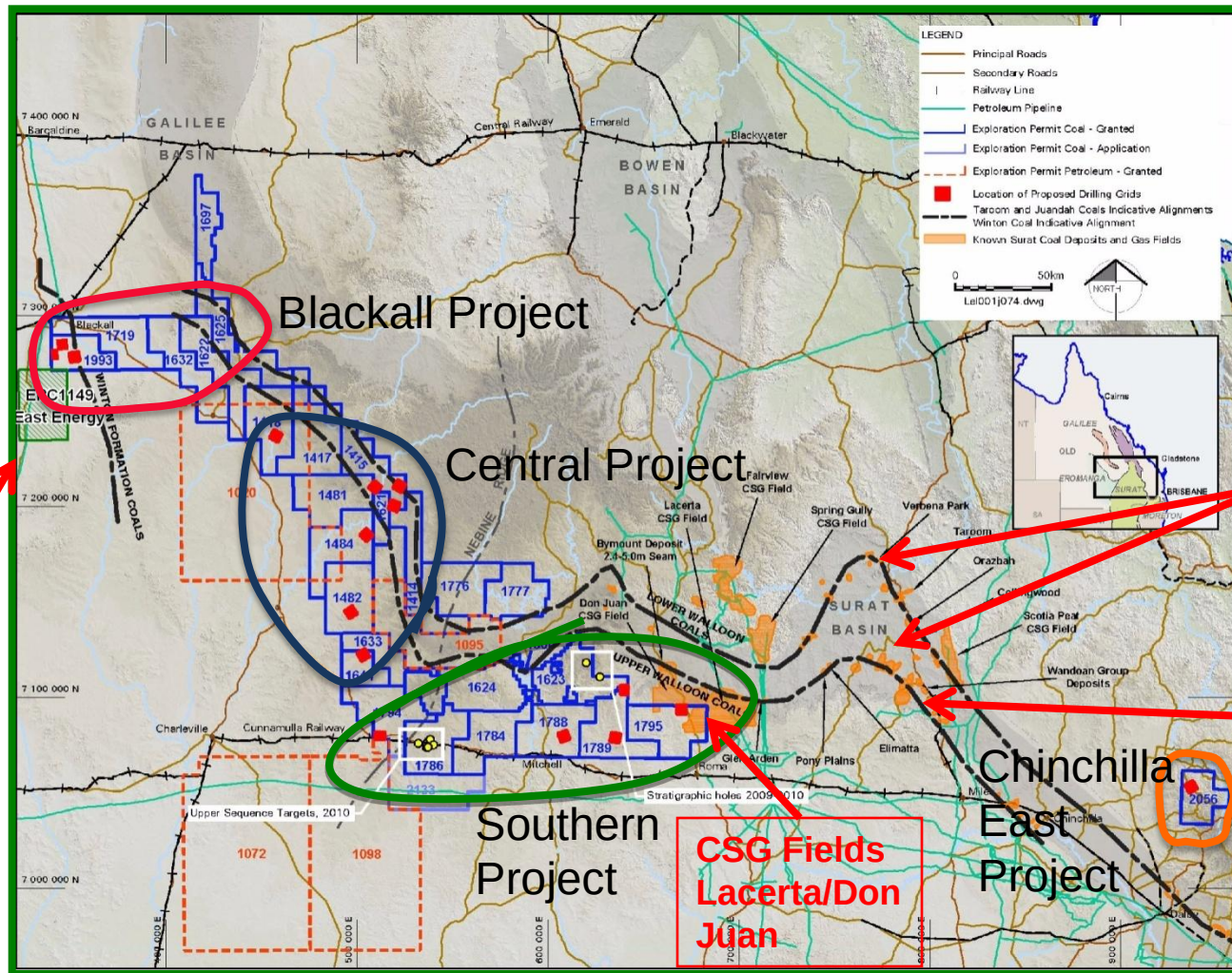


Fig. 3. Lateral seam development.

**WALLOON COAL MEASURE SEAM GEOMETRY**

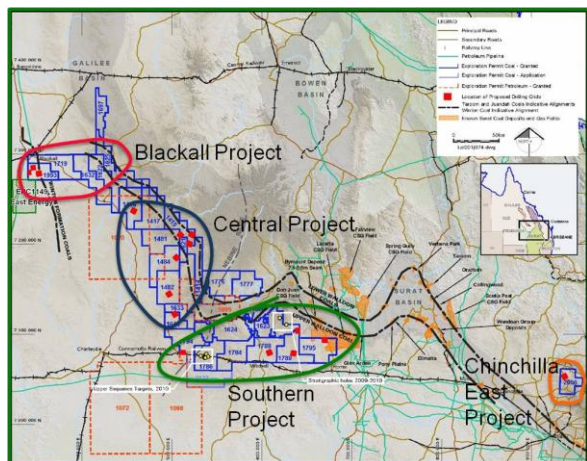
*After Jones & Patrick (1981)*

# COALBANK Project Areas & New Targets



\* Xstrata – “Mineral Resources and Ore Reserves as at 30 June 2010”

# Blackall Project



## Blackall Project

Est coal depths

Number of initial target deposits

Region size

Indicative drilling time

## Key Details

22-152m

3

1,484 km<sup>2</sup>

July/August

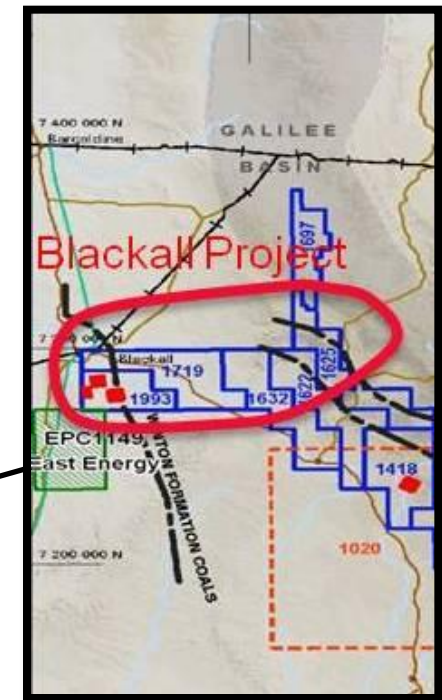
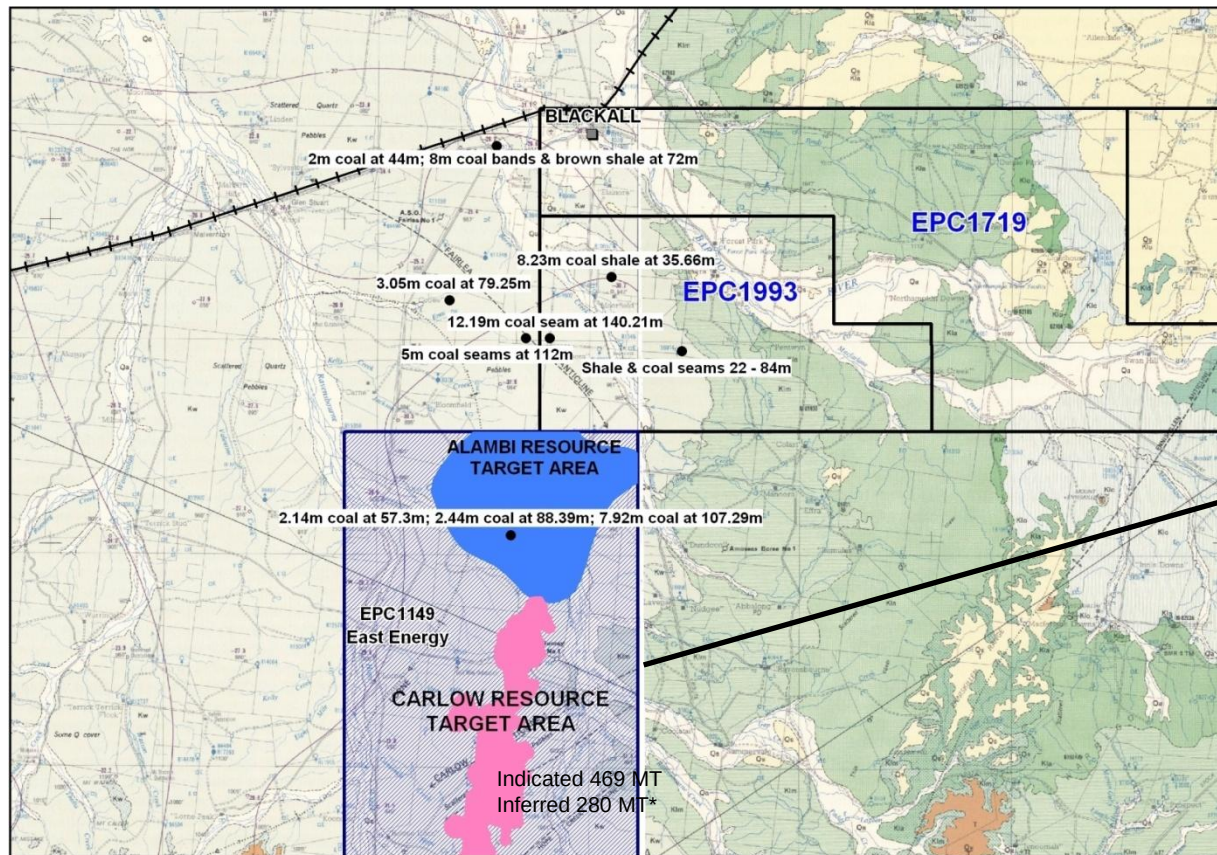
## EPC No. Historical Data Source Target (all information from original drilling log descriptions)

|      |                       |                                                                 |
|------|-----------------------|-----------------------------------------------------------------|
| 1993 | Registered water bore | 12m coal seam from 140m                                         |
| 1993 | Registered water bore | 8m coal shale from 36m (coaly thickness unspecified)            |
| 1993 | Registered water bore | 62m shale and coal seams from 22m (coaly thickness unspecified) |



# Blackall Project – Resource Potential

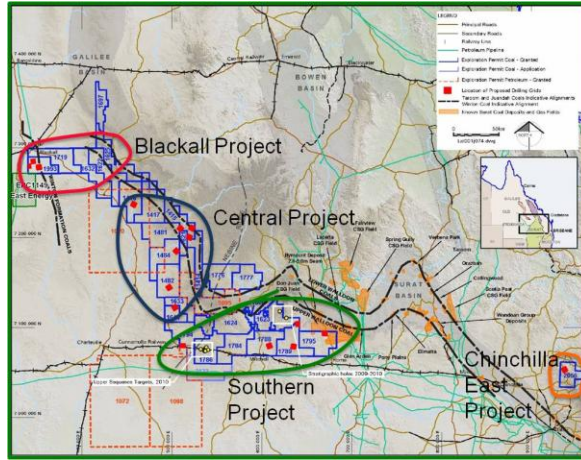
The owners of the adjoining EPC 1149 have recently announced a maiden JORC compliant coal resource of a contiguous target area (749Mt indicated and inferred)



•Water bore log data



# Central Project



## Central Project

Est coal depths

Number of initial target deposits

Region size

Indicative drilling time

## Key Details

18-270m

7

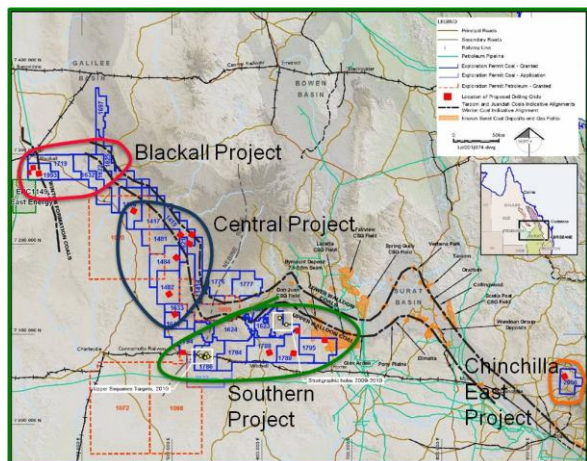
12,624 km<sup>2</sup>

July

## EPC No. Historical Data Source Target (all information from original drilling log descriptions)

|      |                       |                                                                  |
|------|-----------------------|------------------------------------------------------------------|
| 1415 | Registered water bore | Over 10 coaly horizons (up to 5.8m thick) between 18 and 124m    |
| 1415 | Registered water bore | 3m of coal at 30m plus 3m of coal at 70m                         |
| 1418 | Registered water bore | 9m of coal at 52.5m                                              |
| 1482 | Registered water bore | 15m of coal at 201m plus 10m of banded coal at 275m              |
| 1484 | Registered water bore | 7m interbedded coal, black shale, siltstone and sandstone at 24m |
| 1644 | Registered water bore | 30m coal at 270m                                                 |
| 1776 | Registered water bore | 3.5m coal & sandstone at 13.5m, 14m coal & shale at 96m          |

# Southern Project



## Southern Project

Est coal depths

Number of initial target deposits

Region size

Indicative drilling time

## Key Details

20m – 150m

5

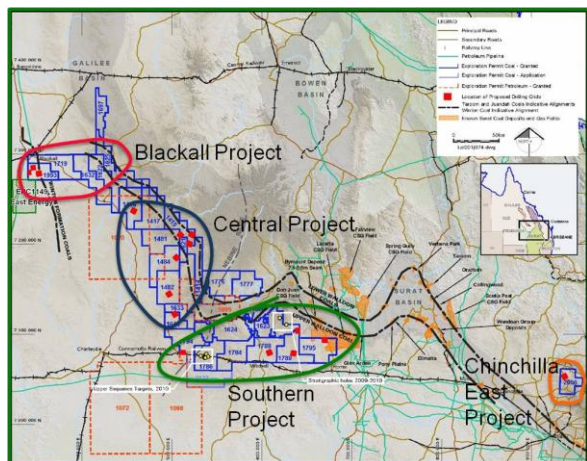
7,490 km<sup>2</sup>

September

## EPC No. Historical Data Source Target (all information from original drilling log descriptions)

|      |                       |                                                             |
|------|-----------------------|-------------------------------------------------------------|
| 1623 | Registered water bore | 6m coal at 18m                                              |
| 1788 | Registered water bore | 30m of interbedded shale siltstone and coal at 148m         |
| 1789 | Registered water bore | 22.5m of interbedded coal and shale/sandstone at 120m       |
| 1794 | Registered water bore | 2m coal at 31m plus 28m interbedded coal/shale/sand at 110m |
| 1795 | Registered water bore | 16m interbedded coal and stone bands at 85m                 |

# Chinchilla East Project



## Chinchilla East Project

Est coal depths

Number of initial target deposits

Region size

Indicative drilling time

## Key Details

20 – 70m

1

537 km<sup>2</sup>

December

## EPC No. Historical Data Source Target (all information from original drilling log descriptions)

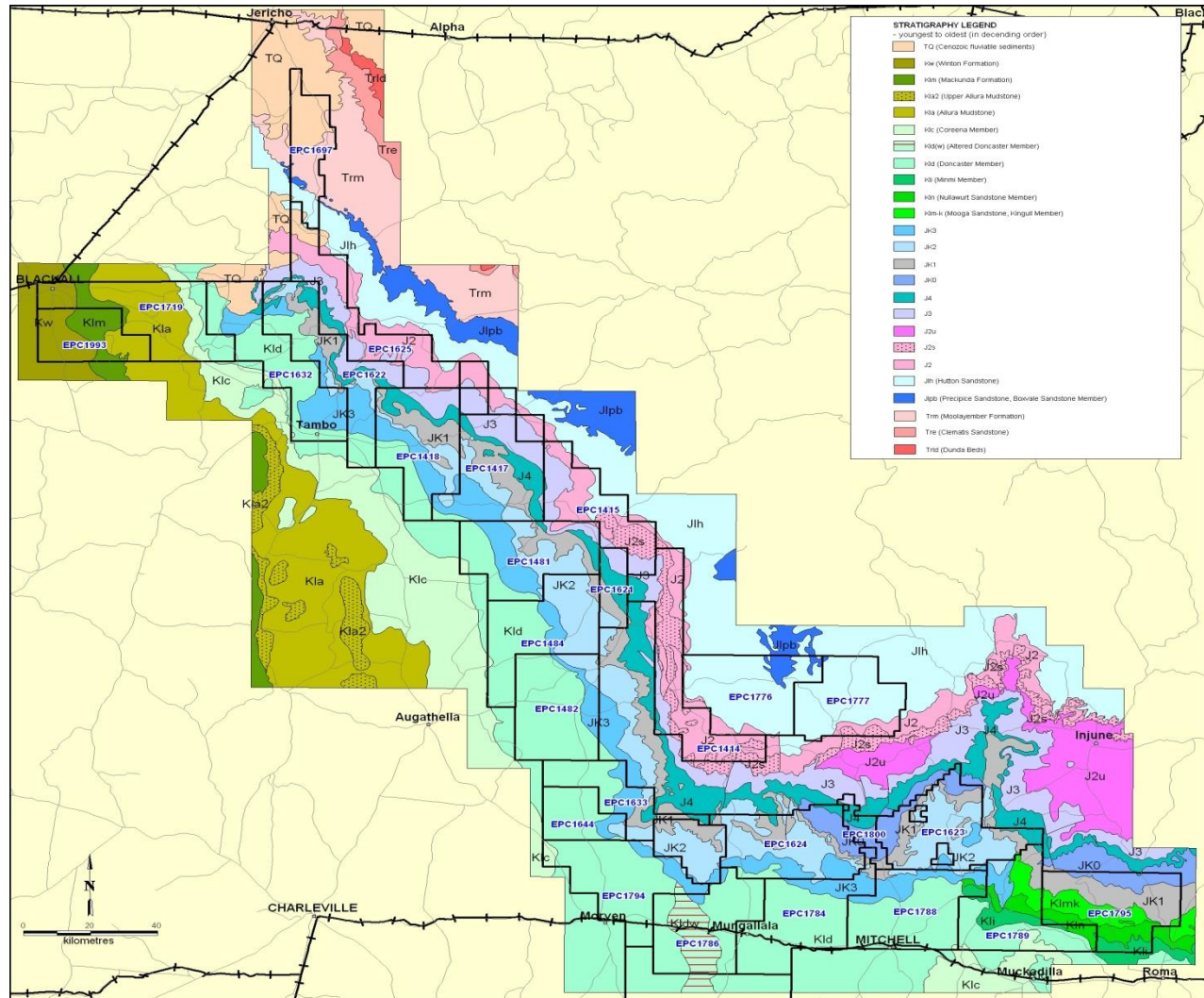
|      |                       |                                                            |
|------|-----------------------|------------------------------------------------------------|
| 2056 | Exploration Bore      | 6.25m inter-bedded coal and stone bands between 17 and 38m |
| 2056 | Registered water bore | 9.9m coal and shale at 20.4m                               |
| 2056 | Registered water bore | 5.9m coal between 15.6 to 66.6m                            |

# COALBANK Developed New Interpretations

**COALBANK re-evaluated the stratigraphy of the Tambo project area using advanced photogeology interpretation methods.**

**This powerful tool clarified the stratigraphic position of many of the coal-bearing horizons identified from the water-bore dataset.**

**It also revealed additional areas to target with field reconnaissance and exploration drilling.**



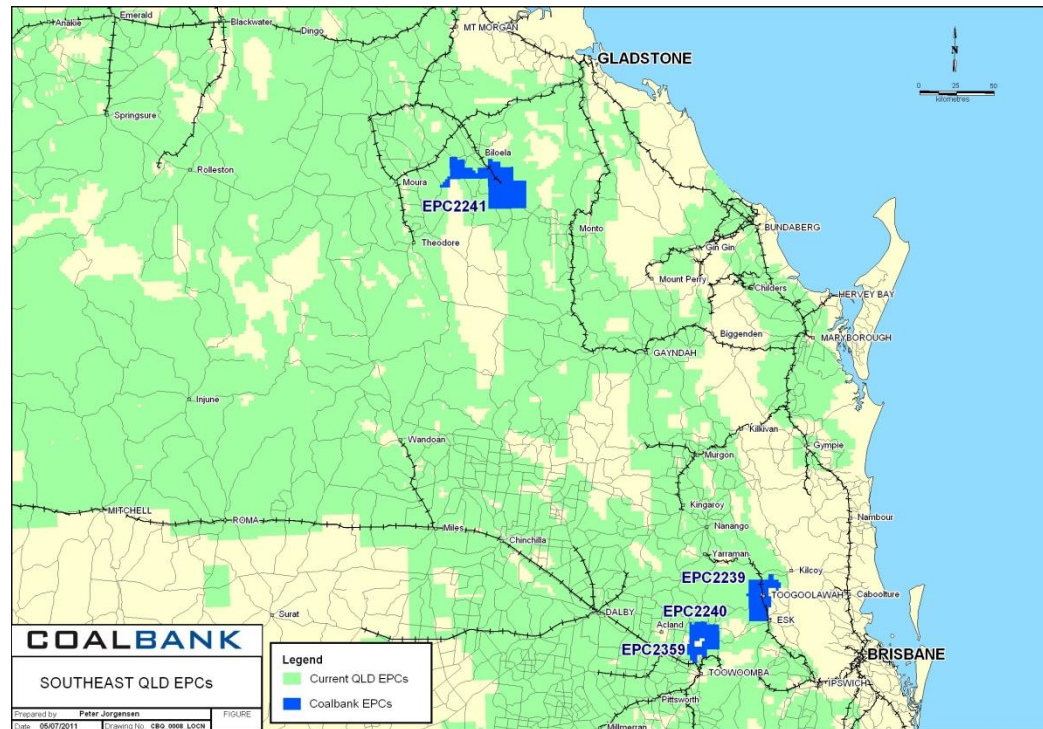
Photogeology



# East Surat and Bowen Basin Projects



# East Surat and Bowen Basin Projects



- Three Eastern Queensland projects
  - Close to major coal deposits, rail infrastructure and ports
- All have coal intersections at shallow depths reported in the waterbore logs eg. 24.4 metres of coal in EPC2239
- Geographical diversity should mitigate the impact of adverse weather within the combined portfolio

# East Surat and Bowen Basin – Selected Targets

Multiple waterbores showing coal intersections, e.g.:

| EPC No. | Historical Data Source | Target (all information from original drilling log descriptions) |
|---------|------------------------|------------------------------------------------------------------|
| 2239    | Registered water bore  | 3m of coal at 25m                                                |
| 2239    | Registered water bore  | 24.4m of coal at 10.4m                                           |
| 2239    | Registered water bore  | 2.1m of shale & coal at 12.2m plus 5.5m of coal at 27.4m         |
| 2240    | Registered water bore  | 6m of black coal at 80m plus 4m of coal at 205m                  |
| 2240    | Registered water bore  | 6.7m of coal at 15.2m                                            |
| 2240    | Registered water bore  | 3m of coal and shale at 48m                                      |
| 2241    | Registered water bore  | 2m of coal at 14m plus 1m of coal at 19m                         |
| 2241    | Registered water bore  | 5m of brown coal at 18m                                          |
| 2359    | Registered water bore  | 1.8m of coal at 19.8m                                            |
| 2359    | Registered water bore  | 5m of coal and shale bands at 52m                                |
| 2359    | Registered water bore  | 2m of coal at 30m plus 1m of coal at 95m                         |

# 2011 Exploration Plans

|                        |                                   |                         |
|------------------------|-----------------------------------|-------------------------|
| <b>Number Of Holes</b> | <b>82 (80 chip, 2 part-cored)</b> | <b>Notes</b>            |
| Timing                 | July – December 2011              |                         |
| Depth Range            | 50 – 300m                         |                         |
| No. of Rigs            | 2                                 | Subject to availability |

Further targets being identified & prioritised from recently granted EPCs.

## Implementation

| Task                                                   | 2011 |    |    |    | 2012 |    |    |    |
|--------------------------------------------------------|------|----|----|----|------|----|----|----|
|                                                        | Q1   | Q2 | Q3 | Q4 | Q1   | Q2 | Q3 | Q4 |
| First-pass drilling on selected targets                |      |    |    |    |      |    |    |    |
| Drill follow-up targets to JORC Resource level         |      |    |    |    |      |    |    |    |
| First-pass drilling on selected targets for newer EPCs |      |    |    |    |      |    |    |    |
| Concept Study Drilling                                 |      |    |    |    |      |    |    |    |



# Summary

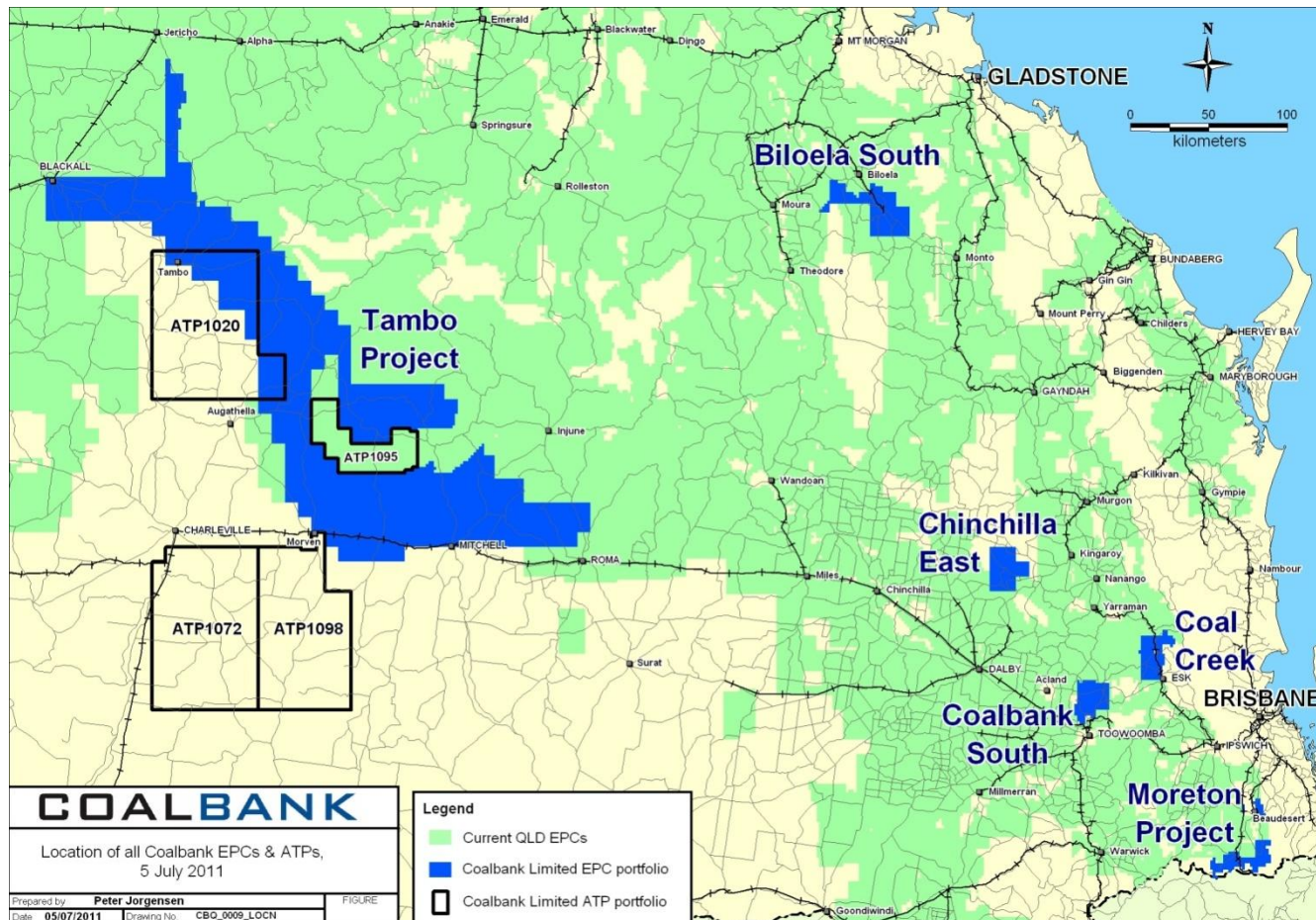
- COALBANK is an explorer and developer of early stage coal assets
  - Aim to unlock value through exploration and geological expertise
  - Introduce strategic partners upon exploration success to realise value
- A significant landholding in an emerging coal basin
  - In excess of 21,000 km<sup>2</sup> across the Surat coal basin west of Roma in Queensland
  - Additional projects in other coal basins close to operating coal mines
  - Historical water bore records indicate significant coal intersections across tenement position
  - At 24,000 km<sup>2</sup> one of the largest coal exploration footprints in Australia
- A team with a track record of success
  - A geological team with a history of involvement in major coal resource finds in Queensland coal basins
- Coalbank has appointed RBS Morgans Corporate Limited and Patersons Securities Limited to advise on funding alternatives for the targeted exploration program.

# Competent Persons Statement

The Competent Persons Statement below relates to the Investor Presentation by COALBANK Limited.

*'The information in this report that relates to previous waterbore and petroleum well drilling results is derived from data provided by the Queensland Government Department of Natural Resources and Water and open file reports obtained via the Queensland Department of Mines and Energy, with information compiled by Dr Peter Jorgensen BSc(Hons), PhD, MAusIMM. Dr Peter Jorgensen is employed by Jorgensen Geological Services Pty Ltd (ABN 32 080 949 775). Dr Peter Jorgensen has sufficient coal geology experience to qualify as a Competent Person as defined by the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Peter Jorgensen consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.'*

# End of Presentation



The COALBANK coal exploration portfolio covers over 24,000 square kilometres in Queensland and represents one of the largest coal exploration footprints in Australia.