

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is given that an extraordinary general meeting of the shareholders of **COALBANK Limited ACN 075 877 075 (Company or COALBANK)** will be held at **9.00 am** (Brisbane time) on **Tuesday 15 May 2012** at the offices of Carter Newell Lawyers, in the "Pacific Room", Level 13, 215 Adelaide Street, Brisbane Qld 4000.

The Explanatory Notes accompanying this Notice provide additional information on the matters to be considered at the Meeting to enable Shareholders to make an informed decision regarding the Resolutions. The Explanatory Notes are intended to be read in conjunction with, and form part of, this Notice.

Words that are defined in the Explanatory Notes have the same meaning when used in this Notice, unless the context requires otherwise.

AGENDA

Resolution 1: Ratification of previous issue of Shares

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

"That for the purpose of Listing Rule 7.4, the allotment and issue of 83,333,333 Shares at \$0.06 per Share pursuant to the Placement, on the terms and conditions described in the Explanatory Notes, be ratified."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 1 by:

- anyone who participated in the Placement; and
- any of their associates.

However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as their proxy decides.

Resolution 2: Renewal of Employee Share Option Plan

To consider and, if thought fit, pass the following Resolution as an ordinary resolution:

"That the grant of options under the ESOP be approved for the purpose of Listing Rule 7.2, exception 9(b)."

Voting exclusion statement

The Company will disregard any votes cast on Resolution 2 by:

- any Director (other than a Director who is ineligible to participate in any employee incentive scheme in relation to the Company); and
- any of their associates.

COALBANK LIMITED

ABN 20 075 877 075

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However, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as their proxy decides.

Resolution 3: Adoption of a new constitution

To consider and, if thought fit, pass the following Resolution as a special resolution:

“That with effect from the close of the Meeting, the constitution of the Company be repealed and that the constitution in the form tabled at the meeting, and signed by the Chairman for purposes of identification, be adopted as the new constitution of the Company”.

By order of the Board



Leni Stanley
Company Secretary
11 April 2012

NOTES TO THE NOTICE OF EXTRAORDINARY GENERAL MEETING

Eligibility to vote

A person's entitlement to vote at the Meeting will be determined by reference to the number of Shares registered in the name of that person (reflected in the register of members) as at 7.00pm (Brisbane time) on Friday 11 May 2012.

Proxy votes and corporate representatives

A member who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy. A form of appointment of proxy is enclosed with this Notice.

A proxy need not be a member of the Company. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no such specification is given and two proxies are appointed, each may exercise half of the votes to which that member is entitled.

All Proxy Forms will need to be lodged with the Company no later than 9.00 am (Brisbane time) on 13 May 2012, being 48 hours before commencement of the Meeting. Any Proxy Form received after that time will not be valid for the Meeting.

If you wish to appoint a proxy and are entitled to do so, then complete the

enclosed Proxy Form in accordance with the instructions on it and return it to the Company's share registry by the deadline for lodgement as follows:

- by using the enclosed reply paid envelope;
- by post or fax to the Company's share registry as follows:

COALBANK Limited
C/- Link Market Services
Limited
Locked Bag A14
Sydney South NSW 1235
Facsimile: (02) 9287 0309;

- by delivery to Link Market Services Limited at 1A Homebush Bay Drive, Rhodes NSW 2138.

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment, which must be lodged with the Company no later than 48 hours before commencement of the Meeting.

Questions

If you have any queries on how to cast your votes then please call the Company Secretary, Leni Stanley, on +61 (0)7 3221 6022 during business hours.

EXPLANATORY NOTES

COALBANK LIMITED

ACN 075 877 075

These Explanatory Notes have been prepared for the information of Shareholders in connection with the business to be conducted at the extraordinary general meeting of COALBANK to be held on Tuesday 15 May 2012.

These Explanatory Notes form part of and should be read in conjunction with the accompanying Notice. A number of words and terms used in these Explanatory Notes have defined meanings, which are set out at the end of these Explanatory Notes.

RESOLUTION 1: RATIFICATION OF PRIOR ISSUE OF SHARES

Background

On 20 February 2012, the Company announced that it had successfully raised \$5 million via a placement of approximately 83,333,333 Shares to institutional and professional investors (**Placement**). The issue price under the Placement was \$0.06 per Share.

Listing Rules

Subject to certain exceptions, Listing Rule 7.1 imposes a limit on the number of securities the Company can issue without Shareholder approval. In general terms, the Company may not, without Shareholder approval, issue securities representing more than 15% of its share capital in a 12 month period.

Listing Rule 7.4 provides that shareholder approval can be obtained after the Shares are issued if the issue did not breach the 15% limit in Listing Rule 7.1 when the offer is made and the Company's members subsequently approve it.

The Shares issued under the Placement represented 10.8% of the issued share capital of the Company and so the issue did not breach the 15% limit.

Resolution 1 is proposed for the purpose of ratifying the issue of the Shares under the Placement. Ratifying the issue of Shares under Resolution 1 will give the Company flexibility to issue further securities in the next 12 months up to the 15% limit without the need for Shareholder approval.

Regulatory information

In compliance with Listing Rule 7.5, the following information is provided:

- The number of Shares allotted pursuant to the Placement was 83,333,333 Shares.
- The issue price of the Shares was \$0.06 per Share.
- The Shares rank equally in all respects with existing Shares from the date of issue.
- The Shares were allotted to a number of institutional and sophisticated investors introduced by Patersons Securities Limited and Gleneagle Securities (Aust) Pty Limited, the joint lead managers of the Placement.

- The funds raised from the Placement will be used for the Company's continued exploration at its Blackall coal project in central Queensland, and for corporate overheads, tenement rentals and costs associated with the potential demerger of the Company's 100% owned copper – gold subsidiary, Harvest Metals.

Directors' recommendation

The Directors unanimously recommend that you vote in favour of Resolution 1.

RESOLUTION 2: RENEWAL OF EMPLOYEE SHARE OPTION PLAN (ESOP)

Background

The Shareholders of the Company approved an employee share option plan (**ESOP**) at an extraordinary general meeting held on 9 September 2008.

For the ESOP to qualify for an exemption from the Listing Rule 7.1 limit on the number of securities the Company can issue without Shareholder approval, the Company must obtain Shareholder approval for the issue of options under the ESOP every three years.

Accordingly, Resolution 2 seeks to refresh the Shareholder approval to issue securities under the ESOP.

Listing Rules

Listing Rule 7.1 provides that a company must not issue equity securities without shareholder approval if that issue, when added to other securities issued by the Company in the previous 12 months, will exceed 15% of the ordinary securities on issue at the commencement of the 12 month period.

Unless an exemption applies, an issue of options by the Company to participants under the ESOP will reduce the Company's capacity to issue further securities without obtaining Shareholder approval under Listing Rule 7.1.

Listing Rule 7.2 contains a number of exceptions to Listing Rule 7.1. Listing Rule 7.2, exception 9(b) allows for the issue of options issued under an employee incentive scheme approved by shareholders to be excluded from the 15% limit in Listing Rule 7.1. The approval must be sought every three years.

The exemption in Listing Rule 7.2, exception 9(b) will not apply to the issue of options to Directors under the ESOP. Under Listing Rule 10.14 any such issue will require further Shareholder approval.

Regulatory information

In accordance with Listing Rule 7.2, the following information is provided:

- A summary of the terms of the ESOP is included in the annexure to these Explanatory Notes. There has been no change to the terms since they were approved in 2008.
- Since the ESOP was approved in 2008 the Company has granted the following options under the terms of the ESOP:
 - 10 September 2008 - 2 million options for no consideration with an exercise price of 7 cents per option granted to John McCawley. The issue of these options was approved by Shareholders at the Company's extraordinary general meeting held on 9 September 2008;

- 8 April 2009 - 1 million options for no consideration with an exercise price of 7 cents per option granted to Jeff Jamieson; and
- 20 April 2009 - 1 million options for no consideration with an exercise price of 7 cents per option granted to Jeff Jamieson.

None of the options granted under the ESOP since 2008 have been exercised and all of the options have lapsed.

Directors' recommendation

The Directors unanimously recommends that you vote in favour of Resolution 2.

RESOLUTION 3: AMENDMENT OF CONSTITUTION

Background

Resolution 3 is a special resolution to replace the current constitution of the Company in its entirety.

The primary reason for the proposed replacement of the existing constitution is that there have been significant changes to the Corporations Act and the Listing Rules since the constitution was adopted on 29 May 2002. The Company therefore wishes to adopt an up-to-date constitution.

The resolution to adopt the new constitution is a special resolution. Accordingly, to be effective it must be passed by at least 75% of the votes cast by Shareholders (either in person or by proxy or corporate representative) entitled to vote on it.

If the Resolution is passed, the new constitution will take effect from the end of the Meeting.

New constitution

A copy of the proposed new constitution will be available on the Company's website (www.coalbank.com). Shareholders should note the following provisions of the new constitution.

Issue of Shares (clause 5)

The Directors may issue, grant options in respect of, or otherwise dispose of, Shares on such terms and conditions as they see fit. However, the Directors must act in accordance with the restrictions imposed by the Constitution, the Listing Rules and the Corporations Act.

Small parcels (clause 13)

Clause 13 of the new constitution enables the Company to invoke procedures for the disposal of Shares where a Shareholder holds less than a marketable parcel of shares. A marketable parcel is defined with reference to the ASX operating rules (being a parcel of Shares with a market value of less than \$500).

The procedure under clause 13 can only be invoked once in any 12 month period.

The Company must give six weeks' notice to the Shareholder of the intention to sell a small parcel. The Shareholder may notify the Company in writing that it wishes to retain the Shares, in which case those Shares will not be sold.

The proceeds of any sale of Shares under clause 13, less any unpaid calls and interest, will be paid to the Shareholder.

Transfer of Shares (clause 16)

Subject to the constitution, Shares are freely transferable.

The Directors may, in their absolute discretion, refuse to register a transfer of Shares if the Listing Rules permit the Company to do so. In addition, the Directors must refuse to register any transfer of shares where the Company is required to do so by the Listing Rules.

Proportional takeover (clause 16.4)

A proportional takeover occurs when a bidder makes an offer to acquire a proportion of the total number of Shares in the Company by acquiring the same percentage of each Shareholder's Shares.

The Corporations Act provides that a company can include in its constitution provisions that prohibit the registration of a transfer of shares resulting from a proportional takeover bid unless the bid is approved by shareholders at a general meeting. Clause 16.4 includes such a prohibition.

Section 648G(5) of the Corporations Act requires that any notice that specifies the intention to propose a resolution to alter a Company's constitution by inserting proportional takeover provisions must include a statement that:

- explains the effect of the proposed provisions;
- explains the reasons for proposing the resolution and sets out the factual matters and principles underlying those reasons;
- states whether, as at the date the statement is prepared, any of the Directors is aware of a proposal by a person to acquire, or to increase the extent of a substantial interest in the Company, and if so, explain the extent to which the proposal has influenced the decision to propose the resolution; and
- discusses both the potential advantages, and the potential disadvantages, of the proposed provisions for the Directors and the Shareholders.

Effect of proportional takeover provisions

Clause 16.4 provides that the Directors may refuse to register a transfer of Shares the subject of an acceptance of an offer made under a proportional takeover bid unless and until a resolution to approve the takeover is approved by Shareholders. Such a resolution will be passed if more than 50% of votes cast on the resolution are in favour of the resolution.

If no resolution to approve the bid has been voted on as at the end of the fourteenth day before the end of the bid period, a resolution approving the bid will be deemed to have been passed.

Clause 16.4 ceases to have effect three years after the adoption of the new constitution.

Reasons for proposing insertion of clause 16.4

The Directors consider that Shareholders should have the opportunity to vote on a proposed proportional takeover bid. A proportional takeover bid may enable control of the Company to be acquired by a party without Shareholders having the opportunity to consider the proposal.

If clause 16.4 is adopted, Shareholders will be able to decide whether a proportional takeover bid should be permitted to proceed.

Present proposals

As at the date of this Notice no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Advantages and disadvantages

The adoption of clause 16.4 will ensure that Shareholders have an opportunity to consider any proportional takeover bid made and vote at a meeting specifically called to vote on the proposal. This participation will ensure that Shareholders are able to prevent a proportional takeover bid proceeding if they consider that the control of the Company should not be altered in accordance with the terms of the bid.

A disadvantage of clause 16.4 is that arguably it reduces the attractiveness of the Company to anyone proposing to make a proportional takeover bid due to the requirement of Shareholder approval. This in turn may reduce opportunities that Shareholders may have to sell their Shares to persons seeking to obtain control of the Company.

However, it remains the view of the Board that the adoption of clause 16.4 is in the best interests of all Shareholders as it allows the majority of Shareholders to determine whether a proportional takeover bid should proceed.

The Directors are of the view that they do not obtain any additional advantages or disadvantages from the inclusion of clause 16.4 other than the fact that its inclusion will allow the Directors to make a recommendation to Shareholders at any meeting to approve a proportional takeover bid.

General meetings and notices (clause 19)

Each Shareholder is entitled to receive a notice of, attend and vote at general meeting of the Company.

A quorum for a general meeting is two Shareholders.

Voting (clause 20)

Subject to the constitution and any rights or restrictions attaching to any class of Shares, at any general meeting every Shareholder present in person or by proxy or representative has one vote by a show of hands, and on a poll, one vote for each fully paid Share held. For each party paid Share held by the Shareholder, the Shareholder has a fraction of a vote equivalent to the proportion that the amount paid is of the total amount paid and payable on the Share. A Shareholder is entitled to vote only in respect of Shares on which all calls due and payable have been paid.

The chairperson has a casting vote on a show of hands or on a poll.

Directors (clause 21)

Until the Company in general meeting determines otherwise, the minimum number of Directors is three and the maximum is ten.

The Directors may at any time appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. A Director appointed in this way holds office until the end of the next annual general meeting of the Company but is eligible for election at that meeting.

Each Director must retire from office not longer than the third annual general meeting of the Company following that Director's appointment. This requirement does not apply to the managing director or any alternate directors. Retiring Directors are eligible for re-election.

Remuneration of Directors (clause 22)

The Directors are entitled to be remunerated. Subject to the Listing Rules, the Directors as a whole (other than executive Directors) may be paid or provided remuneration for their services the total amount or value of which must not exceed an aggregate amount of \$400,000 per annum or such other amount approved at a general meeting.

For additional duties a non-executive Director may receive remuneration as determined by the Directors in addition to or in place of their existing remuneration.

The remuneration of an executive Director may be fixed by the Directors and may be by way of salary or commission or participation profits but may not be by commission on, or a percentage of, operating revenue.

Subject to the Corporations Act and the Listing Rules, the Company may give a person a benefit in connection with a Director's retirement from the Board or managerial office in the Company.

Indemnity (clause 26)

To the extent permitted by law, the Company must indemnify each person who is or has been an officer of the Company against any liability incurred by that person as an officer of the Company (including liabilities incurred by the officer as an officer of a subsidiary of the Company where the Company has requested the officer to accept that appointment).

Dividends (clause 31)

The Directors may by resolution declare or determine a dividend. Dividends are paid to Shareholders in proportion to the amount paid on Shares held by them. The Directors may deduct from a dividend payable to a Shareholder all sums payable by the Shareholder to the Company on account of calls or otherwise in relation to the relevant Shares.

Winding-up (clause 32)

Subject to the constitution and the rights or restrictions attached to any Share, if the Company is wound up the property of the Company (after distribution to pay debts and costs associated with winding up) will be divided among the Shareholders in proportion to the number of Shares held by them, irrespective of the amounts paid or credited as paid on the Shares.

Directors' recommendation

The Directors unanimously recommend that you vote in favour of Resolution 3.

Definitions

In these Explanatory Notes:

ASX means ASX Limited or the stock market operated by it, as the context requires.

Board means the board of Directors of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Company means COALBANK Limited ACN 075 877 075.

Director means a director of the Company.

Explanatory Notes means these notes, which form part of and accompany the Notice.

Listing Rules means the listing rules of ASX Limited.

Notice means the notice of meeting of the Company dated 11 April 2012.

Meeting means the extraordinary general meeting convened pursuant to the Notice.

Placement means the placement of approximately 83,333,333 ordinary shares at \$0.06 per Share to institutional and professional investors as announced by the Company on 20 February 2012.

Proxy Form means a proxy form accompanying the Notice.

Resolution means a resolution set out in the Notice.

Shareholder means a holder of Shares.

Shares means ordinary fully paid shares in the issued capital of the Company.

ANNEXURE – SUMMARY OF TERMS OF ESOP

Eligibility	The Board may issue options to full and part-time employees, including executive Directors, of the Company or an associated body corporate, or a person engaged by the Company as a contractor.
Grant of options	The Board may issue options to an eligible participant having regard to various criteria including the participant's position, contribution to the Company, length of service, remuneration and other matters the Board considers relevant.
Nature of option	Each option entitles the holder to subscribe for one Share on exercise of the option.
Participation	An offer of options to a participant must be contained in a letter of offer, which may be subject to conditions. Acceptance of an offer must be in writing.
Issue price	Options are to be issued for no or nominal consideration.
Expiry date	The expiry date of an option is five years after the date the option vests in the participant, or such other date as the Board determines.
Exercise price	The exercise price of a Share to be issued on exercise of an option is the price determined by the Board, in its discretion, on or before the relevant option is issued.
Performance and other conditions	The Board has a broad discretion regarding the terms on which options are issued, including any performance hurdles or conditions that must be satisfied in order for options to vest and be capable of exercise. These conditions may vary between grants.
Transfer	An option is personal to the participant and cannot be transferred or otherwise disposed of except as determined by the Board.
Ranking	Shares issued on the exercise of options will rank equally with all existing Shares then on issue.
Delivery	Upon the exercise of an option, the Shares in respect of that option may, at the discretion of the Board, be delivered to the participant by being either issued to the participant or purchased by the Company and transferred to the participant.
Conditions on exercise	An option may only be exercised after it has vested, and must be exercised before its expiry date. The Board may determine minimum parcels in which options may be exercised, and any further

	conditions of exercise that are otherwise consistent with the rules of the ESOP. The exercise by a participant of some options does not affect their right to exercise other options at a later time.
Lapse	A participant's options lapse on their expiry date, or if the Board determines that the participant has acted fraudulently, dishonestly or in breach of the participant's obligations to the Company or an associated body corporate and that their options should therefore be forfeited. Unless exercised in accordance with the rules of the ESOP, a participant's options will also lapse upon: • the participant ceasing to be employed or engaged by the Company (except as a consequence of a disposal or sale of the Company's undertaking); • 30 days after the date the participant dies, is retrenched or made redundant, retires or is permanently, physically or mentally incapacitated; or • 30 days following a person acquiring a relevant interest in not less than 90% of the Company's Shares or, at the discretion of the Board, ten days following the Company issuing a notice of meeting in connection with a scheme of arrangement, which, if implemented, will give a person a relevant interest in not less than 90% of the Company's Shares.
Change in control	If, in the opinion of the Board, a change of control event as defined in the ESOP rules occurs, or is likely to occur, the Board may declare options to be free on any conditions of exercise, in which case the relevant options may be exercised at any time on or before their expiry date.
New issues	Options to not confer on participants any rights or entitlements to participate in new issues of capital.
Reorganisations of capital	In the event of a reorganisation of the issued capital of the Company the rights of option holders will be changed to the extent necessary to comply with the Listing Rules.
Quotation	Options issued under the ESOP will not be listed for quotation on ASX.
Bonus Issue	If the Company makes a bonus issue, participants whose options have not expired will not be entitled to any adjustment to the number of Shares that will be issued to them upon exercise of any of those options.
Administration	The ESOP will be administered by the Board, or if the Board so determines, by a committee of the Board.

Amendment of rules	The Board may from time to time amend any or all of the rules of the ESOP. An amendment with retrospective affect may only be made provided the Board obtains the prior approval of at least 50% of participants who may be adversely affected by the amendment.
Suspension or termination	The Board may suspend or terminate the ESOP at any time, in which case further grants of options cannot be made at all or, if the ESOP is suspended, during the suspension period.
Maximum number of options to be issued	The number of options granted under the ESOP during any financial year, when aggregated with the number of securities issued during the previous five years under all employee share plans established by the Company, will not exceed 5% of the Company's issued capital (subject to certain exemptions).



By mail:
Coalbank Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: +61 2 9287 0309



All enquiries to: Telephone: 1300 554 474 **Overseas:** +61 2 8280 7454



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SHAREHOLDER VOTING FORM

I/We being a member(s) of Coalbank Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐

**the Chairman
of the Meeting
(mark box)**

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the General Meeting of the Company to be held at 9:00am (Brisbane time) on Tuesday, 15 May 2012, at the offices of Carter Newell Lawyers, in the "Pacific Room", Level 13, 215 Adelaide Street, Brisbane Qld 4000 and at any adjournment or postponement of the meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒

STEP 2

VOTING DIRECTIONS

Resolution 1

Ratification of previous issue of Shares

For	Against	Abstain*
☐	☐	☐

Resolution 2

Renewal of Employee Share Option Plan

☐	☐	☐
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Resolution 3

Adoption of a new constitution

☐	☐	☐
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i * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

CBQ PRX201



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's share registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **9:00am (Brisbane time) on Sunday, 13 May 2012**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Coalbank Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

+61 2 9287 0309



by hand:

delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138.

**If you would like to attend and vote at the General Meeting, please bring this form with you.
This will assist in registering your attendance.**