Date: 29 July 2016

To: Australian Securities Exchange
Companies Announcement Office
Electronic Lodgment System

Dear Sir

ACTIVITIES REPORT FOR QUARTER ENDED 30 JUNE 2016

ACTIVITIES RELATED TO ENERGY PROJECTS:

Coal Projects

A further review of coal exploration permit holdings was undertaken during the quarter. With no change to the likelihood for infrastructure and the near to medium term coal market the company has decided to surrender four coal exploration permits. Three of these were surrendered in the quarter with the fourth (EPC1418) targeted for surrender in the next quarter.

The company has undertaken only desktop activities with no drilling in its permits in the quarter.

Surat Gas

Coalbank continues to seek opportunities with potential partners to advance exploration of its three petroleum and gas permits in central Queensland.

Farm-in and Farm-out Arrangements

Beneficial percentage interests held in farm-in or farm-out agreements at end of the quarter -

Nil

Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed of during the quarter -

Nil

Coalbank Projects - Tenement Portfolio Update

Mining tenements relinquished at the end of the quarter and their locations are as follows:-

TENEMENT	PROJECT	INTEREST AT START OF QUARTER	TENEMENT	PROJECT	INTEREST AT END OF QUARTER
EPC 1414	Maranoa River	100%	EPC 1414	Maranoa River	0%
EPC 1415	Warrego	100%	EPC 1415	Warrego	0%
EPC 1417	Tambo East 1	100%	EPC 1417	Tambo East 1	0%

No tenements were acquired during the quarter.

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Mining tenements held at the end of the quarter and their locations are as follows:-

TENEMENT	PROJECT	INTEREST	TENEMENT	PROJECT	INTEREST
EPC 1418	Tambo East 2	100%	ATP 1072	Charleville South	100%
EPC 1625	Alpha SW 2	100%	ATP 1095	Augathella East	100%
EPC 1632	Tambo	100%	ATP 1098	Morven South	100%
EPC 1719	Barcoo River/Blackall	100%			
EPC 1993	Blackall Sth Corner	100%			

CORPORATE ACTIVITIES:

On 15th July 2016 Coalbank Limited (**ASX: CBQ**) announced that it had entered into an Agreement to subscribe for shares representing a 25% shareholding in Utilitas Pty Ltd (Utilitas) for $1 million. The transaction will be settled upon completion of legal due diligence to the satisfaction of Coalbank.

Utilitas is a privately owned company focussed on the emerging biogas industry in Australasia and represents a unique opportunity for Coalbank as it provides an additional investment in the energy and resources sector to diversify its existing portfolio.

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 2020[1]. With only 0.9 per cent of Australia's electricity output currently being deployed from this sector compared to that of 2.4 percent average by OECD countries, the opportunity exists for Utilitas to further develop this market.

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

During the quarter the Company received $1,220,000 as an unsecured loan from Treasure Wheel Global Limited (Treasure Wheel), a company associated with Mr Anthony Chan, Chairman of Coalbank. It is anticipated that the unsecured loan will, subject to shareholder approval, be replaced with a Convertible Note.

Yours faithfully,

Anthony Chan – Chairman

Further information:

Andrew Fogg – Chief Executive Officer

Bruce Patrick – Chief Operating Officer

[1] **"The Australian bioenegy and energy from waste market" - Clean Energy Finance Corporation, November 2015**