COALBANK

Date: 15 November 2011

To: Australian Securities Exchange
Companies Announcement Office
Electronic Lodgment System

Dear Sir,

Chairman's Address to Annual General Meeting of Shareholders of COALBANK Limited

Ladies and Gentlemen,

I am very pleased to welcome you to our first Annual General Meeting as COALBANK Limited.

And, we believe we have good news to convey today about the early success of our recent coal exploration efforts at Blackall.

As you may know, in the past year we have implemented some important changes, like changing our name from **Lodestone Energy Limited** to **COALBANK Limited** in June to better reflect our strategic direction, and expanding our exploration footprint in Queensland with the acquisition of Coalbank Pty Ltd.

We also undertook many important activities in preparation for the 2011 drilling program that is currently underway.

Recent drilling activities, which commenced in late August, have now delivered exciting results, with the confirmation of coal seams of up to 10 metres total thickness at shallow depths within our Blackall Project.

Coal has now been intersected in our drilling over a strike length of approximately 26 kilometres north-south, and is also now being confirmed in drilling in an east-west direction.

The scale of the Blackall Project area hosting confirmed coal intersections suggests the potential for very large coal tonnages at shallow depths.

To place the Blackall Project area into context the Blackall Project area represents a very small percentage of our total coal exploration permit coverage in Queensland.

COALBANK's permits now cover more than 24,000 square kilometres in Queensland and represent one of Australia's largest coal exploration footprints.

Importantly, the vast majority of our permits fall outside of any Strategic Cropping Land Protected Areas identified by the Queensland Government. The Blackall Project in particular is not located on or near strategic cropping land.

COALBANK LIMITED
ABN 20 075 877 075
Level 1 101 Edward Street Brisbane Queensland 4000 • GPO Box 762 Brisbane Queensland 4001 Australia
T +61 7 3229 6606 • F +61 7 3221 6625 • info@coalbank.com • www.coalbank.com

The Company was pleased to welcome one of the world's largest hedge funds to its share register earlier this year. Funds managed by leading institutional asset management firm, Och-Ziff Capital Management invested $3.8 million in July.

The Och-Ziff investment enabled us to commence drilling priority coal targets at Blackall during late August 2011.

Och-Ziff has already proven to be a very supportive shareholder for COALBANK and has helped raise our corporate profile and awareness of our coal projects with other institutional and strategic investors on an international level.

Consistent with our focus on coal exploration, the Board has recently been reviewing the Company's options for its 100% owned metals and petroleum subsidiaries - Harvest Metals and Surat Gas.

We have received increasing interest in recent months from highly credible potential partners interested in the Harvest Metals' Copper/Gold projects. In order to keep our options open, we recently commissioned an Independent Geological Expert to provide a geological report on these projects for possible use in the spin-out of this subsidiary or for other transactions. We have also sought initial legal advice on the process and requirements for an in specie distribution of shares in Harvest Metals to COALBANK shareholders.

Discussions are also ongoing with parties in the petroleum sector with potential interest in our Surat Gas subsidiary. The Surat Gas portfolio includes exploration areas in Queensland with potential for shale gas, coal seam gas, and conventional oil and gas targets.

Possible transactions that will be considered for these two subsidiaries in the year ahead include joint ventures, spin offs, and other means of divestment, along with the possibility of continued direct exploration by COALBANK.

It is worth mentioning that with respect to our coal assets both the frequency and quality of parties interested in each of our commodity areas has increased significantly in recent months.

With the commencement of the drilling program, our General Manager, Bruce Patrick, replaced Staffan Ever as CEO, while Staffan has joined the Company's Board as a Director. We are pleased to have the continued involvement of both Staffan and Bruce in these roles in this next exciting phase of the Company's development.

Finally, after the difficulties encountered last financial year from bad weather, historic floods, and related access problems, it is pleasing we are now making significant progress. I would also like to take this opportunity to thank your Directors and COALBANK's Executives for their ongoing efforts and commitment to the Company during the year, and to welcome new Shareholders who have joined our register.

Now, I would like to invite Greg Baynton, Executive Deputy Chairman, and CEO Bruce Patrick to provide a presentation on COALBANK's strategy, progress and plans for the year ahead.

Thank you.

Roger Clarke
Chairman