

5 November 2010

The Manager
Company Announcements
Australian Securities Exchange Limited
Level 6, 20 Bridge Street
Sydney NSW 2000

By e-lodgement

Continental Coal Significantly Enhances Executive Management team following acquisition of Mashala Resources

Key Points:

- **Following acquisition of Mashala Resources, six senior executives previously with Mashala Resources have agreed to join Continental Coal,**
- **Appointments are in the key areas of operations, finance, marketing, legal and commercial, human resources, and projects, and**
- **Together with existing personnel and new appointments Continental Coal has arguably one of the most capable and credentialed management teams in South Africa.**

Emerging mid-tier Southern African focussed coal producer Continental Coal Limited (**ASX: CCC**) ("Continental" or the "Company") is pleased to announce the strengthening of the Company's South African subsidiary Continental Coal Limited's ("CCL") executive management team, with the appointment of six senior mining executives who had previously worked with unlisted South African thermal coal mining and export coal producing company Mashala Resources ("Mashala").

Mashala was acquired by Continental Coal in mid-2010, with the transaction due to settle in the coming days.

The appointment of these key executives, all of which come from Mashala's former executive management team, in the positions of Chief Operations Officer, Chief Financial Officer, Head of Marketing, Head Legal and Commercial, Head Human Resources and Project Manager further strengthens and complements Continental's core management capabilities and positions the Company as one of South Africa's most capable and credentialed management teams.

"I can speak on behalf of the Board of Directors and all at Continental by saying that we are extremely pleased that all of the former executive management team of Mashala have shown their support and commitment to Continental and what we are looking to achieve," stated Don Turvey, Continental Coal's Chief Executive Officer.

"Mashala has been successfully operating and developing mines since 2003 and their integration into the highly capable and experienced executive team at Continental will be invaluable as we look to establish Continental as a major player in South Africa's coal sector." Mr Turvey added.

South Africa

T +27 11 881 1420 **F** +27 11 881 1423 **W** www.conticoal.com
9th Floor Fredman Towers, 13 Fredman Drive, Sandton 2196
P.O. Box 787646, Sandton 2146

Australia

T +61 8 9488 5220 **F** +61 8 9324 2400 **W** www.conticoal.com
Level 3, 1 Havelock Street, West Perth, WA 6005
P.O. Box 684, West Perth WA 6872

Executive Chairman Andy Macaulay

CEO Don Turvey

Executive Director Peter Landau

Executive Director Bruce Buthelezi

Former Mashala Resources CEO, **Mr Johan Heystek**, has been appointed as **Chief Operations Officer** of Continental Coal and will assume responsibility for the operational aspects of the Company's existing two mining operations, at Vlakvarkfontein and Ferreira and development of its third mine, the Penumbra underground project, into production in 2011. Mr Heystek is a registered professional mining engineer with over 25 years of industry experience, focused exclusively on coal in Southern Africa, including senior appointments at Ingwe Coal and BHP Billiton.

On his appointment as CCL's new Chief Operating Officer Mr Heystek said, *"Continental is very well positioned to deliver strong and sustainable returns to its shareholders, and I am excited by the challenges and opportunities ahead"*.

"My immediate focus will be on integrating the Continental and Mashala teams into an efficient management structure that will oversee the immediate commencement of development of the Company's third profitable coal mining operation at Penumbra; to realise the full potential and value of the Company's now broadened asset base; and to take advantage of the tremendous exploration and growth opportunities that exist within our South African and Botswana projects," he added.

In addition to the appointment of Mr Heystek as COO, Continental is also pleased to confirm the following other key executive appointments:

Mrs Rachel Hebron joins CCL as **Chief Financial Officer**, a role she undertook at Mashala since 2003. Mrs Hebron is a qualified Chartered Accountant with over 15 years' broad financial management experience in several leading South African corporates. Mrs. Hebron was also a board member of Unihold Limited, a JSE top 100 company.

Mr Haroon Alli joins CCL as **Head of Marketing**, and will be responsible for the sales of both export and domestic coal products. He has over 25 years of experience within the energy industry, including 20 years in Shell's Oil and Minerals Divisions and as Managing Director of Noble Energy's South Africa subsidiary, Noble Asia Pacific Limited, situated in Johannesburg. Mr Alli was a founding shareholder of Mashala Resources and as Marketing Director he handled the marketing side of Mashala's business, both export and local, including the acquisition of third party coal.

Mr Andrew Lipshitz joins CCL as **Head of Legal and Commercial**. Mr Lipshitz is an admitted attorney and practiced as a corporate commercial attorney as a director of one of South Africa's pre-eminent commercial law firms. In 2004 Mr Lipshitz joined Mashala. At Mashala, he was involved in the legal management, strategic development and the acquisition of mineral rights as well as dealing with corporate and commercial matters of the company.

Mr Ken Hodge joins CCL as a **Project Manager**. Mr Hodge is a professional mining engineer with more than 35 years' experience in underground and opencast coal exploration, development and mining industry in South Africa. His career includes senior management and technical appointments in mining and operations with major coal mining companies such as BHP Billiton and Xstrata. He will work closely with Continental's existing Project Manager, Eugene de Villiers, in the mine design, project management and ultimate development of the Penumbra underground project and Continental's other South African coal projects.

Mr Andries Mtsweni joins CCL as **Head of Human Resource Management**. Mr. Mtsweni has 25 years experience in Human Resources Management, including several Human Resources managerial positions at BHP Billiton over a 12 year period prior to joining Mashala Resources as HR Director in 2007.

In addition, following these key appointments to the executive team the Company is pleased to announce the establishment of two new senior executive positions.

Mr Martin Westerman will assume the role of **Head of New Business Development** where he will be initially focused on the listing of the Company on the Johannesburg Stock Exchange in 2011. Mr Westerman was formerly the Chief Financial Officer of Continental Coal.

Mr Mike Nell will assume the role of **Senior Manager of Operations** where he will be directly involved in all operational aspects of the Company's Vlakvarkfontein and Ferreira coal mining operations.

Continental's Chairman, Mr Andy Macaulay, also welcomed the appointments, saying the incoming Mashala executive team brought an exceptionally strong mix of skills in operational management, project development and corporate and financial management.

"In securing these key appointments, Continental has significantly enhanced its ability to deliver on its stated goal of producing 10Mtpa of run-of-mine coal by 2015 and the development program for the Penumbra Underground Project," Mr Macaulay added.

"We are particularly pleased to have recruited people of this calibre and I am confident that under the strong leadership of Don Turvey our team at Continental has all the necessary skills and attributes to make this company into one of South Africa's leading coal producers," he said.

For further details on the credentials of the Continental Board and Executive Management please refer to the Company's website.

Ends.

Yours faithfully



Peter Landau
Executive Director

For further information please contact:

Investors/ shareholders

Peter Landau / Jason Brewer
Executive Directors
T: 61 8 9488 5220

Don Turvey
Chief Executive Officer
T: 27 11 881 1420

E: admin@conticoal.com
W: www.conticoal.com

Media

David Tasker
Professional Public Relations
T: 61 8 9388 0944/ 61 433 112 936
E: david.tasker@ppr.com.au

About Continental Coal Limited

Continental Coal Limited (ASX: CCC US-OTC: CGFAY) is an established South African thermal coal producer. Continental has a portfolio of producing and advanced coal projects located in South Africa's major coal fields. Following the commencement of production at the Vlakvarkfontein coal mine in May 2010, and its acquisition of Mashala Resources in October 2010, Continental is targeting production from its portfolio of predominantly export thermal coal mines of 10Mtpa ROM by 2015. Continental was formed to take advantage of the robust domestic and global demand for coal, with particular focus on Southern Africa.