

14 March 2011

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

By e-lodgement

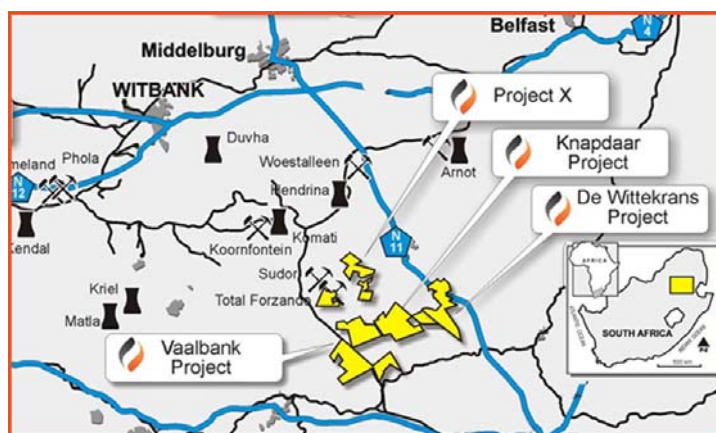
COMPLETES CONSOLIDATION OF INTERESTS IN PROJECT X AND VAALBANK PROJECTS

South African focused coal mining company Continental Coal Limited (**ASX: CCC**) ("**Continental**" or "**the Company**") is pleased to announce that the Company's South African subsidiary Continental Coal Limited ("**CCL**") has completed the consolidation of its interests in the Vaalbank and Project X Coal Projects.

CCL has successfully finalised the acquisition of the 75% and 70% interests in the Vaalbank and Project X Coal Projects following its exercise of the option and financial settlement of the renegotiated ZAR25m (A\$3.6m) final payment to acquire the additional 25% and 20% interests in the projects respectively.

"The financial settlement of this acquisition and the expansion of our ownership in the De Wittekrans Complex, an area where we have significant knowledge, expertise and resources, enhances our ability and commitment to develop a major long-term mining operation that we believe will deliver significant returns to our shareholders" Don Turvey, Continental's CEO said.

The Project X and Vaalbank Projects form part of the Company's "De Wittekrans Complex" which also includes the De Wittekrans and Knapdaar projects.



The De Wittekrans Complex is located in the Ermelo coalfield, 15km southeast of the town of Hendrina in Mpumalanga Province. The De Wittekrans Complex comprises over 400Mt of total JORC compliant resources located within a 15km radius and surrounded by major road and rail infrastructure as well as a number of adjacent major coal mining operations.

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

The Company commenced a Bankable Feasibility Study on the first of the projects within the De Wittekrans Complex in December 2010.

The Bankable Feasibility Study for the De Wittekrans Project, which is based on the development of a conventional opencast and underground mine targeting production of 3.6 – 4.0Mtpa ROM coal over an initial 30 year mine life is scheduled to be completed by the end of June 2010. Subsequent development of the Knapdaar, Project X and Vaalbank Projects are proposed and are forecast to increase production from the De Wittekrans Complex to between 6 and 7 Mtpa ROM production.

Ends

Yours faithfully



Jason Brewer
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

E: david.tasker@ppr.com.au

About Continental Coal Limited

Continental Coal Limited (ASX:CCC : US-OTC:CGFAY) is a new Junior South African 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.

The information in this report that relates to the Mineral Resources on Project-X and Vaalbank as well as on the De Wittekrans Complex is based on a resource estimates completed by NJ Denner who is a professional geologist with over 17 years of experience in the South African Mining Industry and sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and the Ore reserves. NJ Denner is a member of South African Council for Natural Scientific Professions (Membership No. 400060/98) and consents to the inclusion of this information in the form and context in which it appears in this report.

Forward Looking Statement

Certain statements made during or in connection with this communication, including, without limitation, those concerning the economic outlook for the coal mining industry, expectations regarding coal prices, production, cash costs and other operating results, growth prospects and the outlook of Continental's operations including the likely commencement of commercial operations of the Penumbra and De Wittekrans, its liquidity and the capital resources and expenditure, contain or comprise certain forward-looking statements regarding Company's development and exploration operations, economic performance and financial condition. Although Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in coal prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to the Company's most recent annual report and half year report. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.