

22 March 2010

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

By e-lodgement

#### UPDATED BOTSWANA COAL PROJECTS PRESENTATION

Please find attached an updated Company Presentation in relation to the Botswana Coal Projects currently being presented to Institutions in South Africa, Europe and Asia.

Yours faithfully



**Jason Brewer**  
Executive Director

For further information please contact:

#### Investors/ shareholders

Jason Brewer/Peter Landau  
Executive Directors  
T: +61 8 9488 5220  
E: [admin@conticoal.com](mailto:admin@conticoal.com)  
W: [www.conticoal.com](http://www.conticoal.com)

Don Turvey  
Chief Executive Officer  
T: +27 11 881 1420

#### Media

David Tasker  
Professional Public Relations  
T: +61 8 9388 0944  
E: [david.tasker@ppr.com.au](mailto: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.

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# Continental Coal Limited



**Continental Coal Ltd**

ABN 13 009 125 651 ASX Code CCC

## Kweneng and Serowe Coal Projects

## Botswana Update

**March 2011**



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**Continental Coal Ltd**

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# Introduction



**Continental Coal Ltd**

- Continental has interests in 3 Prospecting Licenses in Botswana
- Prospecting licenses cover an area of 964km<sup>2</sup> over Botswana's coalfields
- Botswana's coalfields are considered highly prospective and are largely an extension of South Africa's Waterberg coalfield
- Botswana's coalfields are estimated to contain 212Bt of thermal coal, approx. 65% of Africa's total coal resources
- Prospecting licenses were awarded to Mashala's wholly owned Botswana subsidiary, Weldon Investment (Pty) Ltd in February 2009
- Independent geological consultants have determined an Exploration Target\* of between 6-7 Bt of coal of which 2.7 Bt of coal was identified to be at shallow to moderate depth
- Planning for a ZAR20m, initial exploration and drilling program is currently being finalised by the Company's geological consultants
- RC drilling is forecast to commence early in the June 2011 Quarter
- Completion of initial drill program and the release of results is forecast over the September and December 2011 quarters

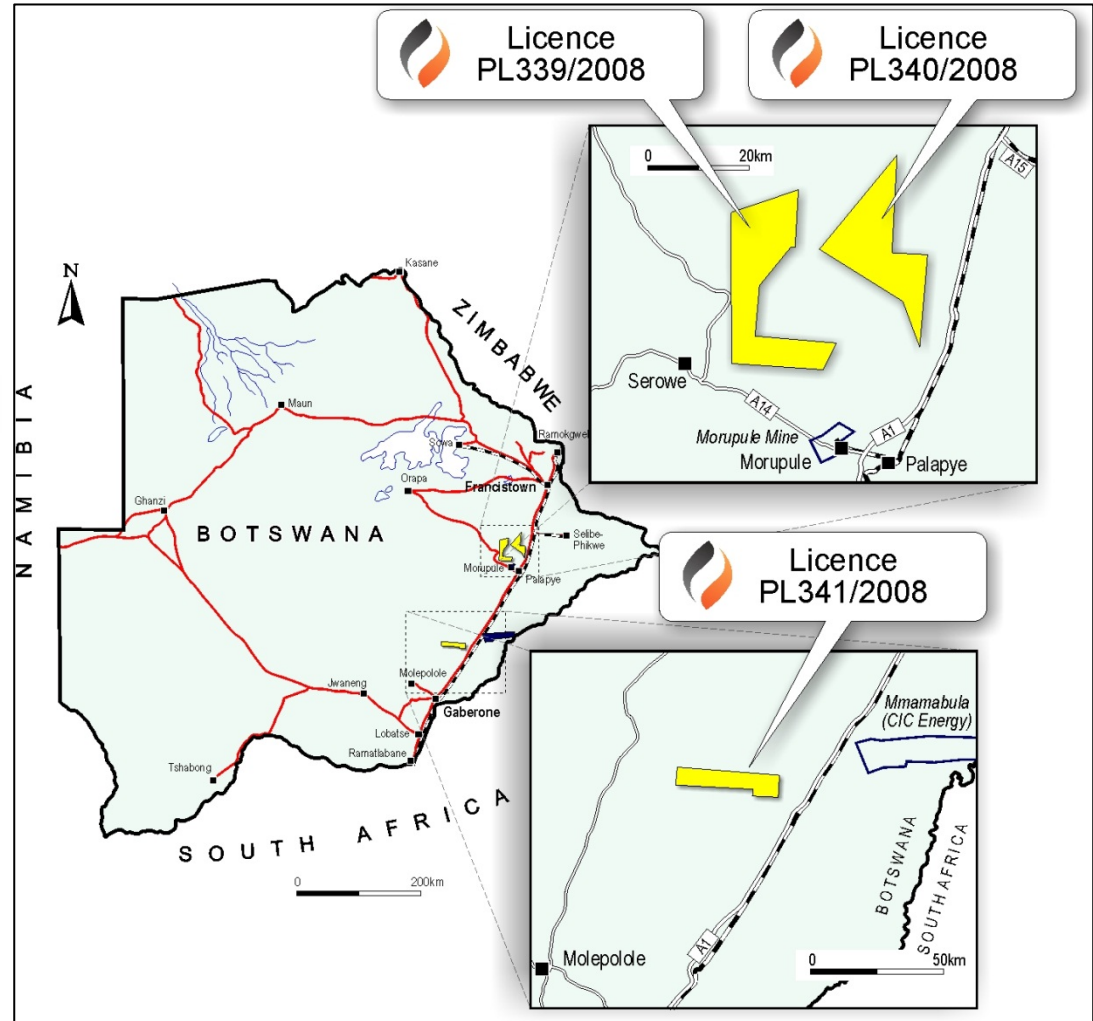


# Botswana Projects



Continental Coal Ltd

- All 3 Prospecting Licenses located close to established road, rail and power infrastructure
- Projects located adjacent to existing coal mining operations/advanced exploration projects
- Two key projects:
  - **Serowe Project:** comprises PL 339/2008 and 340/2008 licenses, located 10km north of Botswana's only operating coal mine – Morupule Mine
  - **Kweneng Project:** comprises the PL 341/2008 prospecting license and is located 25km west of CIC Energy's Mmamabula Coal project
- Historical exploration and drilling work has been undertaken since the 1970s





# Initial Assessment



Continental Coal Ltd

- In September 2011, consulting geologists Gemecs completed an assessment of the possible coal resources underlying the prospecting license areas

Prospecting License	Exploration Target (In Situ Million Tonnes)		Sub-Total
	Shallow-Moderate Depth	Substantial Depth	
339/2008	1,150	1,400	2,550
340/2008	800	1,350	2,150
<b>Sorowe Project</b>	<b>1,950</b>	<b>2,750</b>	<b>4,700</b>
A Seam	300	500	800
K Seam	400	650	1,050
<b>Kweneng Project</b>	<b>700</b>	<b>1,150</b>	<b>1,850</b>
<b>Total Projects</b>	<b>2,650</b>	<b>3,900</b>	<b>6,550</b>

Prospecting License	Potential Coal Bearing Areas (km <sup>2</sup> )		Non-Coal Bearing Areas (km <sup>2</sup> )
	Shallow-Moderate Depth	Substantial Depth	
339/2008	171	210	0
340/2008	116	200	0
<b>Sorowe Project</b>	<b>287</b>	<b>410</b>	<b>0</b>
341/2008	82	133	57
<b>Kweneng Project</b>	<b>82</b>	<b>133</b>	<b>57</b>

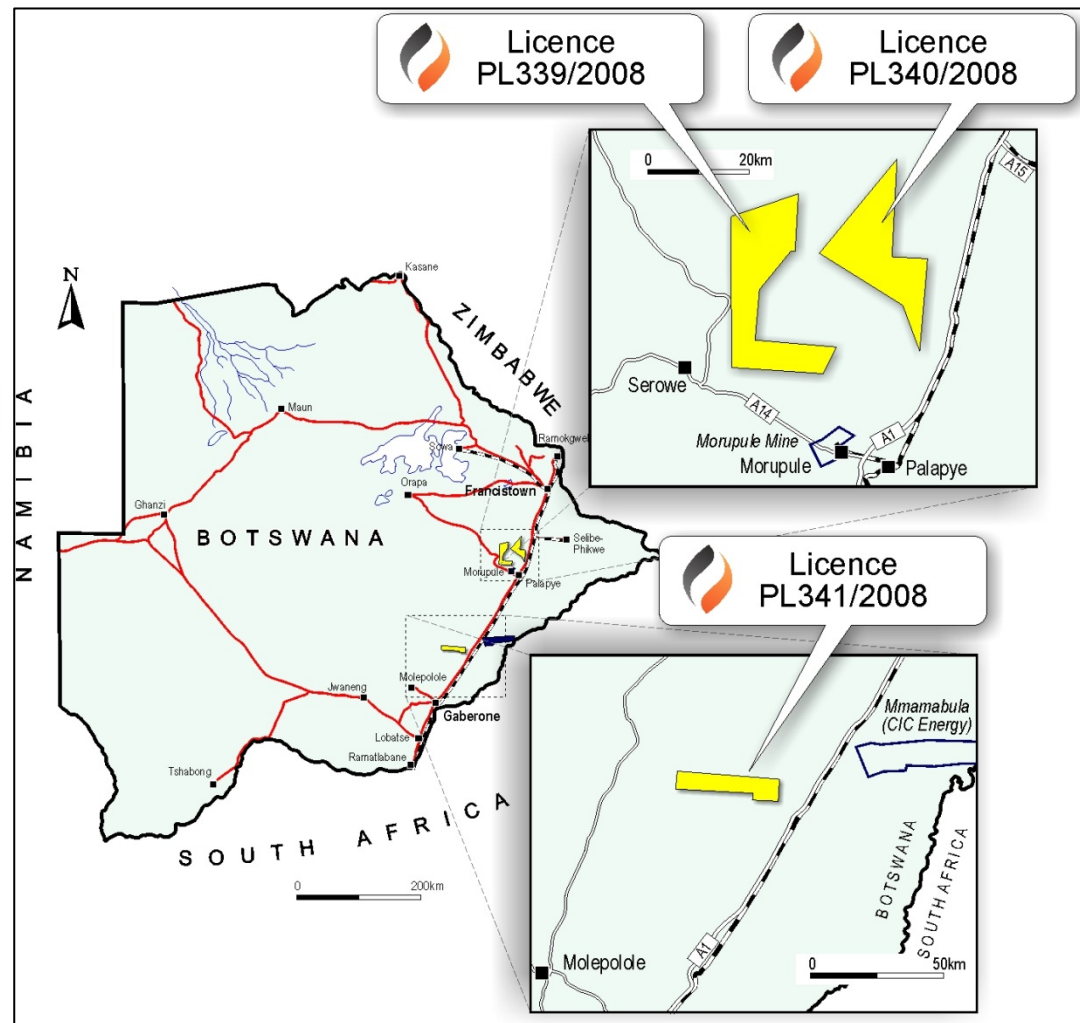


# Serowe Coal Project



Continental Coal Ltd

- Located within the Morupule coalfields, which comprises the geographic sectors of Morupule, Moijabana and Kagaswe
- PL 339/2008 and PL 340/2008 issued in 2009 and covers a combined area of 697km<sup>2</sup>
- 2 non-contiguous areas located northeast / east of Serowe and north of the Morupule Coal Mine, in Central District of Botswana
- Previous regional exploration by Anglo-Botswana Coal (1970's), Total Coal (1982-1985) and Aquila Resources since 2006
- Adjoins Aquila Resources Lechana and Tshimoyapula exploration areas
- Very well-placed in terms of overall transport infrastructure
- North-South railway line and the Serowe-Palapye main line located 2km to the east



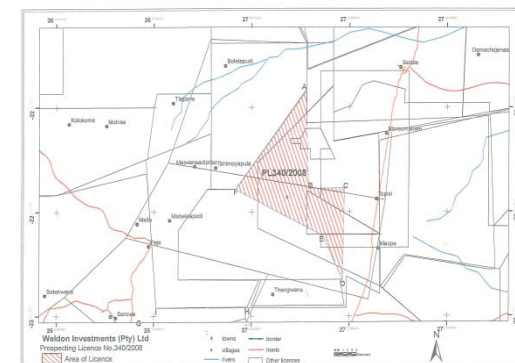
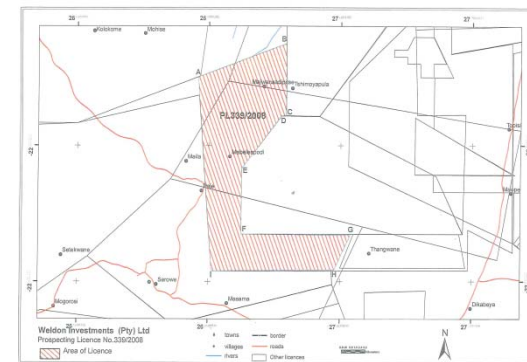


# Serowe Coal Project



Continental Coal Ltd

- Early Prospecting in the Morupule area by the Botswana Geological Survey
- Approximately 25 km<sup>2</sup> was investigated along the Eastern boundary of the Morupula Coalfield
- Anglo American carried out a detailed investigation at Morupule and confirmed the existence of mineable coal seams which led to the establishment of the Morupule Coal Mine in 1973
- Since 1974 the area west of the Morupula Coal Mine has been explored in detail by Shell Coal (Botswana) and others, confirming that considerable resources of medium-ash bituminous coal exist in the Morupule area
- In the Morupule Coalfield the Morupule Main Seam is laterally persistent over a wide area and ranges up to 9.5m thick
- Along the Eastern Boundary of the Morupula Coalfield the coal seam occurs relatively close to surface
- To the Western Boundary the seam occurs at greater depths, down to 300m or more

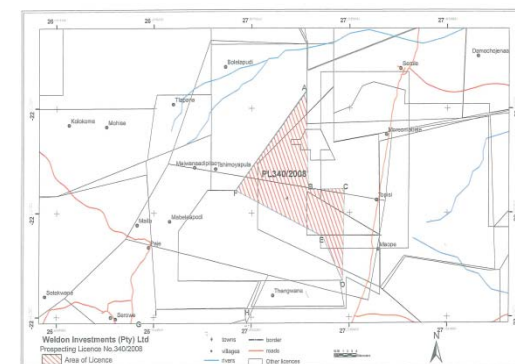
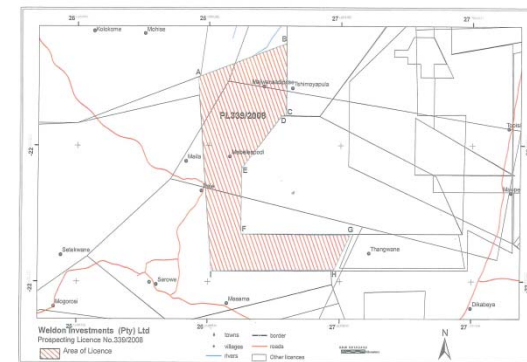


# Serowe Coal Project



Continental Coal Ltd

- In Gemecs September 2010 Report, based on an assessment of the well established areas of nearby coal development, and assessments of local geology and envisaged geological structures, Gemecs determined that:
  - The potential for identification of economically exploitable coal deposits at the Serowe Project within the Morupule Main Seam is predicted to be favourable
  - The geological structure is relatively complex due to post depositional faulting. Geological structure will be the principle controlling factor in terms of block size and configuration and coal depths
  - The total area of PL 339/2008 is potentially underlain by coal and significant parts of the PL 340/2008 are also potentially underlain by coal, with the northern part of the licence area having greatest potential
  - Coal qualities remain unknown but bituminous steam coal with a relatively low sulphur content is predicted for the 'Morupule Main' and 'Taukoma Bright' coals, with the latter seam having general better quality
  - Limited information concerning coal zone thickness and coal quality is available

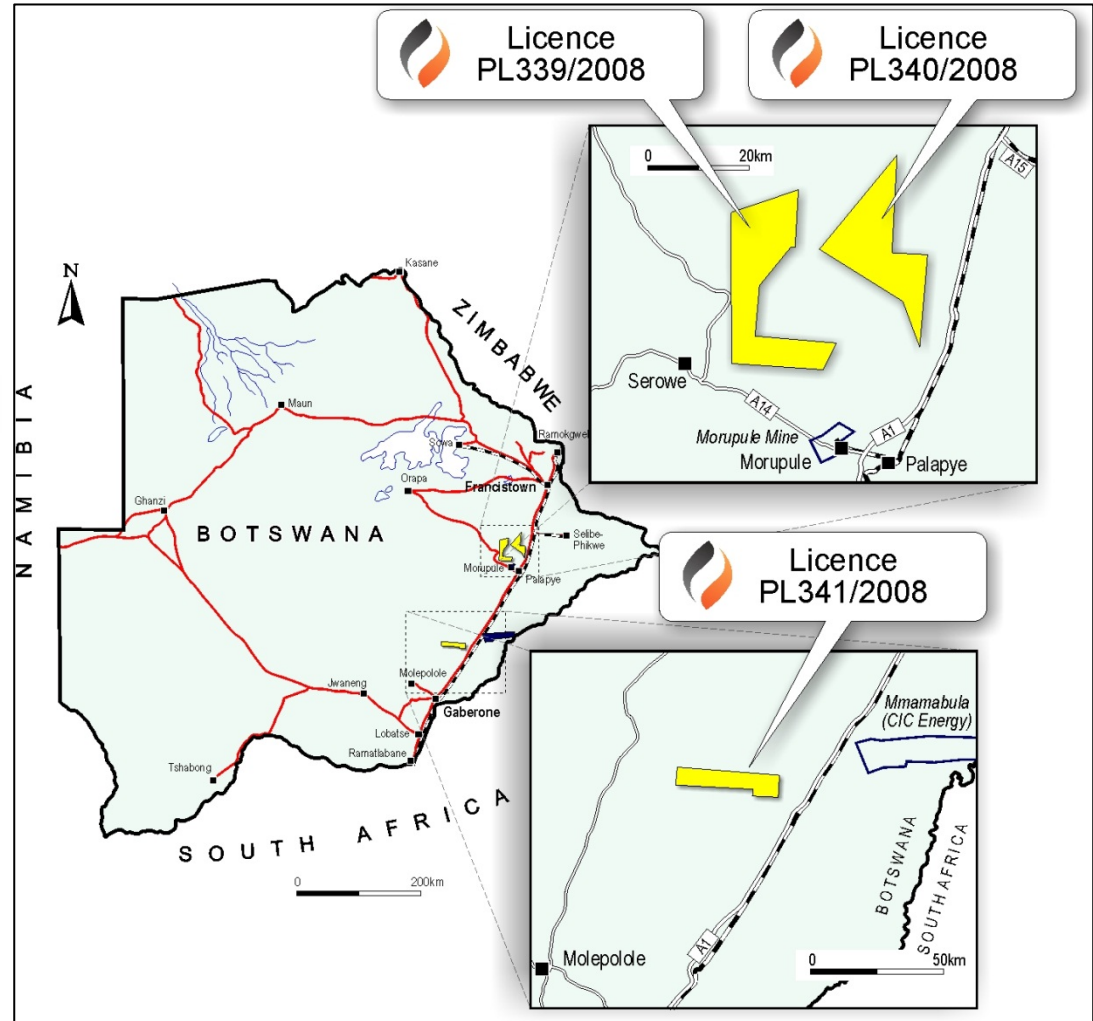


# Kweneng Coal Project



Continental Coal Ltd

- PL 341/2008 issued in 2009 and covers an area of 270km<sup>2</sup> being 51km long and 7.5 – 10km wide
- Eastern limit less than 5km west of the main road/railway from Gaborone to Francistown
- Previous exploration in the region by Shell Coal and BP Coal in the 1970-1980s and most recently CIC Energy and Aquila Resources Adjoins Aquila Resources Lechana and Tshimoyapula projects
- Located within the eastern extremity of the Latlhakeng Coalfield
- Less than 10km west and within the same coal-bearing Karroo measures, as CIC Energy's Mmamabula Project and a further 15km from it's Mmamabula East Project
- Immediately south is Aquila Resources Mmamabula West Project

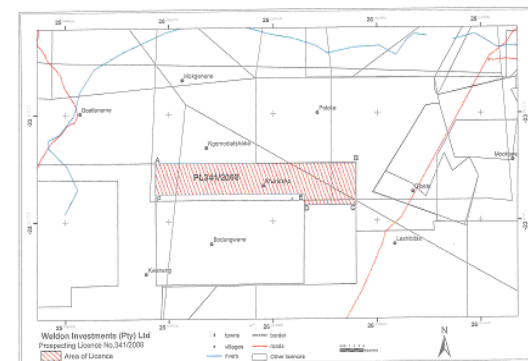






# Kweneng Coal Project

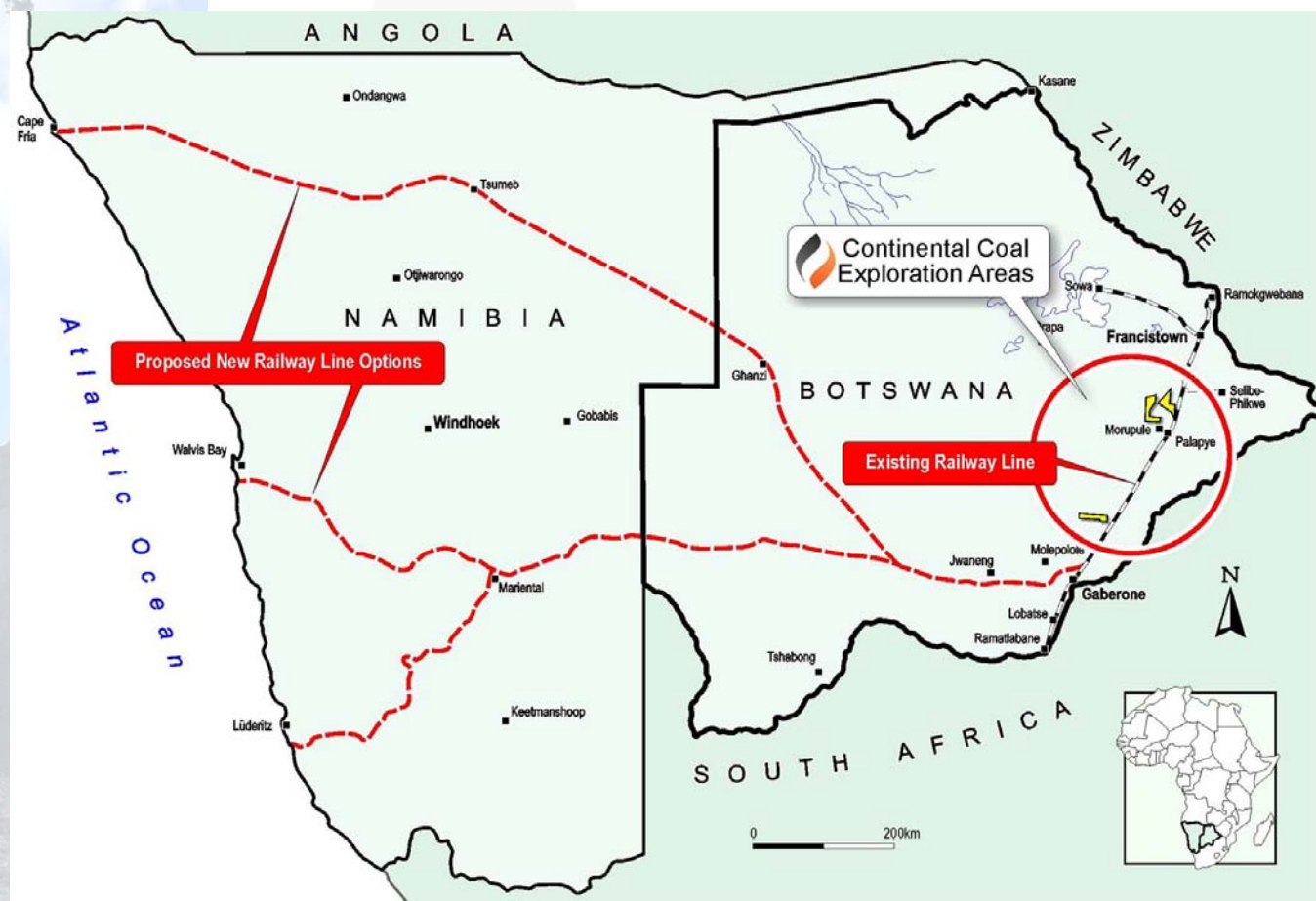
- In Gemecs September 2010 Report, based on an assessment of the well established areas of nearby coal development, and assessments of local geology and envisaged geological structures, Gemecs determined that:
  - General geological considerations and projections from known adjacent deposits suggest that coal resources may be anticipated
  - The potential for identification of economically exploitable coal is predicted to be favourable
  - Geological structures will be the principal controlling factor in terms of block size and configuration and coal depths
  - Selected coal sub-zones (seams) within the coal zones are likely to be variable but may range up to 4.5m in thickness
  - Coal qualities are unknown but a low quality bituminous steam coal with relatively low sulphur may be anticipated
  - Coal qualities may be upgradable by selective mining and/or beneficiation to provide a medium-grade steam raising product (CV of possibly 20-26MJ/kg)





## Major Investment in Infrastructure

- Construction of the Trans-Kalahari Railway line connecting Botswana's Mmamabula coal field with new deep-water ports near of Walvis Bay, Lideritz and Cape Fria pegged at up to US\$9bn, is expected to start in 18 months – Botswana Government Official, Friday 5 February 2011



# Timetable for Exploration



Continental **Coal** Ltd

	Key Exploration Milestones
April 2011	Completion of exploration drilling plan by consulting geologists
April 2011	Appointment of in-country project manager and drilling consultants
May 2011	Commencement of exploration drilling program
Sept 11 Quarter	Release of initial drilling results
Dec 11 Quarter	Completion of drilling program
Dec 11 Quarter	Initial inferred resource calculation and commencement of conceptual development study







# Summary

## **A Unique Opportunity in Botswana's Emerging Coal Sector**

- Extensive and highly prospecting exploration licenses
- Limited drilling actually completed to date on the Projects
- Projects located adjacent to existing coal mining operations and/or advanced exploration projects
- Located close to established road, rail and power infrastructure
- New rail and port infrastructure currently proposed will both accelerate development and raise the valuation of coal exploration projects in Botswana
- Independent geological consultants have determined an Exploration Target\* of between 6-7 Bt of coal of which 2.7 Bt of coal was identified to be at shallow to moderate depth
- Exploration and drilling program being finalised by geological consultants
- RC drilling is forecast to commence early in the June 2011 Quarter
- Completion of initial drill program and the release of results is forecast over the September and December 2011 quarters
- Significant exploration upside and opportunity for Continental

