

20 April 2011

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

By e-lodgement

**SUCCESSFULLY COMMISSIONS SPIRAL PLANT FOR PROCESSING
OF FERREIRA AND PENUMBRA COAL OPERATIONS**



The Delta Processing Operations with the New Spiral Plant Installed and Operating

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 successfully completed the commissioning of a new spiral plant at the Delta Processing Operations for the processing of run-of-mine ("**ROM**") coal from the Company's Ferreira Coal Mine and soon to be developed third coal mining operation, Penumbra.

The spiral plant was installed in late March and early April 2011 and was installed to allow the processing of the fine coal slurry (<1mm) that has historically been discarded. The spiral plant was successfully commissioned on 8 April 2011 and over the past 10 days has consistently increased primary yields from the average 58% achieved in the March 2011 quarter to over 63%.

The spiral plant has already demonstrated that it can beneficiate the coal efficiently to an export coal quality. In addition, the increased primary yields are forecast to result in up to an additional 3,000 to 5,000 tonnes per month of saleable export thermal coal product, that based on current export coal prices, has the potential to generate up to an additional US\$250,000 of monthly free cashflow.

The Delta Processing Operations currently process approx. 60,000 tonnes/month of ROM coal from the Company's Ferreira Coal Mine. In 2012 processing of ROM coal from the Company's third mining operation, Penumbra is forecast to reach approx. 80,000 tonnes/month of ROM coal production. The new spiral plant in conjunction with the cyclone and drum configuration at the Delta Processing Operations, will allow ROM mine coal from both operations to be more efficiently processed with the coal of between 0.3mm and 1mm now processed by 6 banks of MX-7 Multotec triple start spirals with a full load rating capacity of 56 tonnes/hour.

The Company's management in conjunction with the Delta Processing Operations Build-Own-Operate-Manage ("**BOOM**") operator, Fraser Alexander, agreed to install the spiral plant to the current plant as part of an on-going process of maximising operating efficiencies. Due to the nature of the BOOM contract at the plant no funding was required from the Company for any of the capital costs associated with the installation of the spiral plant.

"The commissioning of the spiral plant demonstrates Continental's continued focus on identifying and implementing ways to improve and optimise operating performance at our existing coal mining operations. The new spiral plant has already had an immediate impact on overall yields achieved at the Delta Processing Operations on production from the Ferreira Mine and will have a further positive impact on reducing unit operating costs and enhancing productivity" said Continentals CEO, Don Turvey.

For and on behalf of the Board

Regards



Jason Brewer
Executive Director

Ends

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

Media

David Tasker
Professional Public Relations
T: +61 8 9388 0944

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

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.

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.