

8 June 2011

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

By e-lodgement

## RECORD RUN-OF-MINE PRODUCTION FROM VLAKVARKFONTEIN AND FERREIRA

### Key points

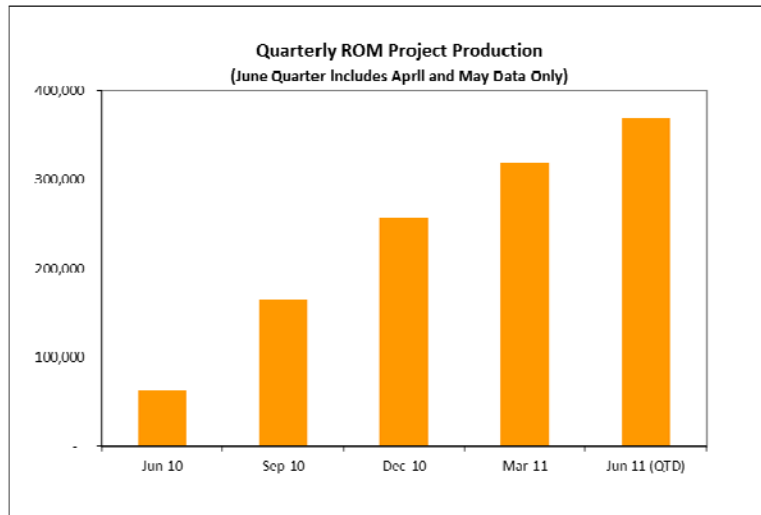
- Fifth successive quarter of increased run-of-mine production of thermal coal
- Total run-of-mine production at both the Vlakvarkfontein and Ferreira mines a record 218,835 tonnes for the month of May
- Record monthly run-of-mine production at Vlakvarkfontein of 152,652 tonnes for the month of May
- Quarter to date run-of-mine production of 368,942 tonnes already exceeds March 2011 quarter run-of-mine production of 318,830 tonnes by 16%
- Vlakvarkfontein on schedule to exceed budgeted quarterly run-of-mine production of 300,000 tonnes

South African focused coal mining producer Continental Coal Limited (ASX: CCC) "Continental" or "the Company") is pleased to provide shareholders with an update on operating performance at its thermal coal mining operations in South Africa.

The Company's continued focus on optimising its existing open pit thermal coal mining operations at Vlakvarkfontein and Ferreira has once again resulted in increased run of mine production for the quarter to date and for the fifth successive quarter. Combined run-of-mine production from the Vlakvarkfontein and Ferreira mines achieved a record for the Company, producing 218,835 tonnes for the month of May and 368,942 tonnes for the quarter to date.

*"I am particularly pleased to be able to report that both operations achieved outstanding production results for May. The Vlakvarkfontein mine produced an all-time record of 152,652 tonnes against a monthly target of 100,000 tonnes and the Ferreira mine continued its good performance by achieving an output of 66,183 tonnes against a target of 55,000 tonnes."* said Continental's CEO, Don Turvey.

Total run-of-mine for the June quarter to date (April and May months only) from the Vlakvarkfontein and Ferreira mines was 368,942 tonnes a 16% increase on the March 2011 quarter production of 318,800 tonnes and a 27% increase on the 289,889 tonnes produced in the December 2010 quarter.



ROM production for the June 2011 quarter from both the Vlakvarkfontein and Ferreira mines is now forecast to exceed 500,000 tonnes, with the Vlakvarkfontein mine set to exceed its budgeted quarterly production of 300,000 tonnes.

*For and on behalf of the Board*

Regards



Jason Brewer  
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**About Continental Coal Limited**

Continental Coal Limited (ASX:CCC : US-OTCQX:CGFAY) is a South African thermal coal producer with a portfolio of producing and advanced coal projects located in South Africa's major coal fields. Continental currently has two operating mines, Vlakvarkfontein and Ferreira, producing 2Mtpa of thermal coal for the export and domestic markets. In 2011 Continental is set to commence development of the Penumbra Coal Mine and complete a Bankable Feasibility Study on the De Wittekrans Coal Project. The Company has concluded strategic off-take and funding agreements with EDF Trading for its export thermal coal production and recently signed a joint development agreement with KORES, Korea's state mining and exploration company.

### **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.



**Continental Coal Ltd**