

29 June 2011

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

By e-lodgement

LANDMARK BEE INVESTMENT AGREEMENT

Key Points:

- Agreement reached with a Broad Based Black Economic Empowerment Group ("BBBEE") to acquire the existing 26% Black Economic Empowerment equity interest in the Company's South African subsidiary, Continental Coal Limited ("CCL") ;
- The BBBEE company is a highly respected and well established Broad Based Black Economic Empowerment Company;
- BBBEE to acquire its 26% interest in CCL with the assumption of an existing ZAR215 million loan;
- BBBEE to repay ZAR140 million (approx. US\$20m) and the balance of ZAR75 million to be vendor financed upon deal completion scheduled for August 2011;
- Continental to re-invest the US\$20m loan repayment into its South African business and aggressively advance a number of its projects and initiatives

South African focused coal mining company Continental Coal Limited (ASX: CCC) ("**Continental**" or "**the Company**") is pleased to announce that it has reached agreement with an established Broad Based Black Economic Empowerment group for it to become the Company's Black Economic Empowerment partner in South Africa.

Under the terms of the agreement, the BBBEE will acquire the 26% BEE interest in the Company's South African subsidiary Continental Coal Limited ("**CCL**") currently held by Masawu Investment Limited ("**Masawu**"). It will assume the ZAR215 million intercompany loan that has accrued between CCL and Masawu since October 2008 and has further agreed to repay ZAR140 million (approx. US\$20m) upon settlement.

The agreement, which has received all relevant due diligence and respective Board approvals, is subject to execution of relevant formal documentation and receipt of any applicable governmental approvals.

Upon completion of the formal documentation process it is expected that a formal announcement of the BBBEE party will be made. Documentation and settlement of the agreement is anticipated to be completed by August 2011.

Following completion of the transaction, the BBBEE will have the right to appoint one director to the Company's board and two directors to the board of the Company's South African subsidiary, CCL.

For and on behalf of the Board

Regards



Jason Brewer
Executive Director

For further information please contact:

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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