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The Manager
Company Announcements
Australian Securities Exchange Limited
Level 6, 20 Bridge Street
SYDNEY NSW2000

By e-lodgement

**SISHEN IRON ORE COMPANY COMMUNITY DEVELOPMENT TRUST
CONTINENTAL'S NEW BROAD BASED BLACK ECONOMIC EMPOWERMENT PARTNER**

Key Points:

- Sishen Iron Ore Company Community Development Trust ("SIOC-cdt") confirmed as Continental's new Broad Based Black Economic Empowerment partner in South Africa
- SIOC-cdt is a highly respected and well established Broad Based Black Economic Empowerment Company whose principal investment is a shareholding in the Sishen Iron Ore Company (Pty) Ltd ("SIOC"), which is one of the largest iron ore operations in the world owned 74% by Kumba Iron Ore Limited ("Kumba")
- SIOC-cdt to acquire the 26% interest in Continental's South African subsidiary held by the Company's current BEE partner Masawu Investments (Pty) Limited
- SIOC-cdt initial investment of ZAR140 million (approx. US\$20m) upon completion of the transaction to be invested by the Company into its South African coal business

South African focused coal mining company Continental Coal Limited (**ASX: CCC**) ("**Continental**" or "**the Company**") is pleased to confirm that established Broad Based Black Economic Empowerment Company, the Sishen Iron Ore Company Community Development Trust ("**SIOC-cdt**") is set to become the Company's new Broad Based Black Economic Empowerment partner in South Africa.

Further to the Company's announcement of 29 June 2011, Continental is pleased to advise that documentation of the binding agreement with SIOC-cdt is well advanced with execution of subscription and shareholder agreements scheduled to be completed in August 2011. Financial settlement of the transaction will be completed shortly thereafter, although will be dependent on the receipt of any applicable government approvals.

SIOC-cdt was established in 2006 as a broad based socio-economic empowerment ownership initiative. SIOC-cdt holds a 3% shareholding in the Sishen Iron Ore Company (Pty) Ltd ("**SIOC**"), the operator of the Sishen. The Sishen mine is one of the largest single open-pit mines in the world.

The value of SIOC-cdt's shareholding in SIOC is valued at approximately ZAR6.5 billion based on the market capitalisation of Kumba Iron Ore Limited. For the financial year 2011, SIOC-cdt has an interim dividend for the 6 months to 30 June 2011 of ZAR284 million declared by Kumba .

SIOC

SIOC was established during the unbundling of South African-based mining group Kumba Resources into two companies: Exxaro Resources and Kumba Iron Ore. Kumba Iron Ore is a 74% shareholder and the manager of SIOC. The 26% BEE partners in SIOC are made up of Exxaro (20%), SIOC-cdt (3%) and an employee trust (3%).

SIOC operates the Sishen, Sishen South and Thabazimbi mines in the Northern Cape and Limpopo provinces, with total mineral resources in excess of 2 billion tonnes and at least 30 years life on mine remaining.

Since 2006, a total of ZAR11 billion has been returned to SIOC's BEE partners as dividend cash flows.

SIOC Community Development Trust (SIOC-cdt)

SIOC-cdt, also known as the "Super Trust" is the sole beneficiary of 3% of the ordinary shares of SIOC through a Special Purpose Vehicle established to hold the shares on its behalf. Historically Disadvantaged South African communities around the Sishen, Sishen South and Thabazimbi mines in the Northern Cape and Limpopo Provinces, through their nominated Beneficiary Trust's, are the eligible beneficiaries for support from the Super Trust with emphasis on welfare and humanitarian, healthcare, land and housing, education and development, conservation and enterprise development.

Explaining the transaction, Mr Connie Molusi, Chairperson of the SIOC-cdt Board said: *"As a broad based socio-economic empowerment ownership initiative the Sishen Iron Ore Company Community Development Trust strives to fund education, skills development, infrastructure projects and other initiatives that benefit its community members. In addition to public benefit type investments, in and around the beneficiary communities, this investment signals SIOC-cdt's intention of growing the trust's balance sheet within the next 7 to 10 years"*.

"We see this investment in Continental Coal as broadening our exposure to and investment in key South African resources, and look forward to playing an active role in advancing Continental's growth and its project pipeline in South Africa which in turn will generate significant additional returns for our community members," Mr. Molusi added.

Commenting on the agreement, Continental Coal's Chief Executive Officer, Don Turvey, said: *"This agreement has been the culmination of a great deal of time, effort and consultation with one of South Africa's most established and successful broad based empowerment groups, to ensure broader based community participation in Continental's future growth in South Africa."*

"It is particularly significant for the Company's shareholders, and I believe paves the way for Continental's long term future and success in South Africa." Mr Turvey added.

Following completion of the transaction, SIOC-cdt 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.

Ends

For and on behalf of the Board

Regards



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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.

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.