



**Continental Coal Ltd**

ABN 13 620 123 031 ASX Code CCC AIM Code CCC

9<sup>th</sup> November 2011

ASX Compliance Pty Limited  
Level 8 Exchange Plaza  
2 The Esplanade  
Perth WA 6005

Attention: Mauro Piccini  
Email: [Mauro.piccini@asx.com.au](mailto:Mauro.piccini@asx.com.au)  
Facsimile: 9221 2020

By e-lodgement

**RE: PRICE & VOLUME QUERY**

I refer to your letter dated 9 November 2011 in relation to the recent change in price of the Company's securities and respond as follows in line with the number of your letter.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exception to listing rule 3.1 contained in listing rule 3.1A when answering this question.

The Company is not aware of any information concerning it, that has not been announced and which, if known, could be an explanation for recent trading in the securities of the Company.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you needs to consider a trading halt (see below).

Not applicable;

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?

The Company has previously announced in its Quarterly Report for the 3 months ending 30 September 2011, a number key of operational and corporate transactions that the Company anticipated concluding in the current quarter and announcing to the market. These included;

South Africa	Australia
T +27 11 881 1420 F +2711 881 1423 W <a href="http://www.conticoal.com">www.conticoal.com</a>	T +61 8 9488 5220 F +61 8 9324 2400 W <a href="http://www.conticoal.com">www.conticoal.com</a>
9th Floor Fredman Towers, 13 Fredman Drive, Sandton 2196	Ground Floor, 1 Havelock Street, West Perth, WA 6005
P.O. Box 787646, Sandton 2146	P.O. Box 684, West Perth WA 6872

Executive Chairman Andy Macaulay Executive Director Peter Landau Executive Director Jason Brewer  
Non Executive Director James Leahy Chief Executive Officer Don Turvey



**Continental Coal Ltd**

- Commencement of decline development at the Penumbra Mine and further site construction and civil work
- Exploration drilling results from the Company's 60 hole diamond drilling program at its three prospecting licenses in Botswana
- Completion by the new Broad Based Black Economic Empowerment group of Masawu's 26% interest in the Company's South African subsidiary
- Approx. US\$20 million repaid by the new Broad Based Black Economic Empowerment group to the Company
- Financial settlement of the US\$10 million Vanmag asset sale
- Execution and commencement of drawdown of the approx. US\$65 million debt funding from ABSA Capital

Executives of the Company have also undertaken an extensive promotional schedule since the release of its Quarterly Report referred to above. This activity has included:

- Presentation to numerous brokers, funds and analysts in Australia and London
- Presentation to the Sydney Mining Club

In addition to the above, the Company is also aware of a number of macro-events that have occurred in recent days that may have a positive on the coal sector generally and the South African coal industry more specifically, including:

- Bullish long-term thermal coal price forecasts from a range of analysts and investment banks globally
- Confirmation that South Africa's Richards Bay Coal Terminal (RBCT), one of the largest coal terminals in the world, exported 7.4 million tonnes of coal in October compared with 4.96 million tonnes the previous month
- Reports that South Africa logistics group Transnet has been moving coal to the Richards Bay Coal Terminal at a record rate of 1.6 million tonnes per week

4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

The Company confirms that it is in compliance with the ASX listing rules.

Yours Faithfully,

A handwritten signature in black ink, appearing to read 'Jason Brewer', written over a horizontal line.

**Jason Brewer**

**Executive Director**



For further information please contact:

**Investors/ shareholders**

Peter Landau/ Jason Brewer  
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-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 Resources Corporation.

**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-



*Continental Coal Ltd*

looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

#### **Competent Person Statement**

The information in this report that relates to the Coal Resources and Reserves has been prepared in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as published by the Joint Ore Reserves Committee (JORC Code). The Australasian Joint Ore Reserves Committee (JORC) and the JORC Code requires that Competent Persons must belong to the Australasian Institute of Mining and Metallurgy (AusIMM), or the Australian Institute of Geoscientists (AIG), or a Recognized Overseas Professional Organisation (ROPO). ROPOs are professional organisations that the ASX, acting on advice from JORC and its parent organisations, accepts as bodies to which Competent Persons may belong to for the purpose of preparing documentation on Exploration Results and Mineral Resources, on which reports to the ASX are based. The South African Council for Natural Scientific Professions (SACNASP) as well as the Geological Society of South Africa are considered as ROPOs by JORC.



ASX Compliance Pty Limited  
ABN 26 087 780 489  
20 Bridge Street  
Sydney NSW 2000  
PO Box H224  
Australia Square  
NSW 1215

9 November 2011

Telephone 61 2 9227 0125  
Facsimile 61 2 9241 7620  
[www.asx.com.au](http://www.asx.com.au)

Jane Flegg  
Company Secretary  
Continental Coal Limited  
Ground Floor, 1 Havelock Street  
West Perth 6005

By Email

Dear Jane,

**Continental Coal Limited (the "Company")**

**RE: PRICE AND VOLUME QUERY**

We have noted a change in the price of the Company's securities from an open of \$0.195 on 2 November 2011 to an intra day high of \$0.25 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by e-mail at [mauro.piccinini@asx.com.au](mailto:mauro.piccinini@asx.com.au) or by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, **not later than 06:45am (W.S.T) tomorrow.**



Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

### **Listing rule 3.1**

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts, we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely,

*[Sent electronically without signature]*

Mauro Piccini  
**Adviser, Listings (Perth)**