

4 April 2012

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

## By e-lodgement

### SETTLEMENT OF SIOC-CDT TRANSACTION

Continental Coal Limited ("**Continental**" or the "**Company**") is pleased to announce its new partnership in South Africa with the established and highly successful Broad Based Black Economic Empowerment Company, Sishen Iron Ore Company Community Development Trust ("**SIOC-cdt**").

Under the terms of Subscription and Shareholder Agreements executed in November 2011, SIOC-cdt agreed to acquire the 26% interest in the Company's subsidiary, Continental Coal Limited ("**CCL**") previously held by Masawu by way of a subscription for shares. SIOC-cdt has now commenced payment of ZAR140m of the loan to be advanced by it to CCL as required under the agreements.

Commenting on the agreement with SIOC-cdt, Continental Coal Limited Chief Executive Officer, Mr Don Turvey, said *"The partnership with SIOC-cdt is considered to be a landmark agreement and we believe it will have a major impact on our business activities and opportunities in South Africa."*

*"In addition to the agreement and partnership itself, it will now provide CCL with further capital of ZAR140m from the repayment, that will now be applied to advance our South African coal projects."*

Mr Connie Molusi, Chairperson of the SIOC-cdt Board, non-executive director of the Company and newly appointed Chairman of CCL, said *"We are pleased that our investment in CCL has proceeded, and as a partner with Continental, we can now look forward to working together to further build on our thermal coal mining business in South Africa."*

### About SIOC-cdt

SIOC-cdt was established in 2006 as a broad based socio-economic empowerment ownership initiative as part of Anglo American PLC's 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 the Sishen Iron Ore Company ("**SIOC**"). SIOC is the operator of the Sishen, Sishen South and Thabazimbi iron ore mines, Africa's largest iron ore mining operations. The 26% BEE partners in SIOC are made up of Exxaro (20%), SIOC-cdt (3%) and an employee trust (3%).

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 iron ore mines in the Northern Cape and Limpopo Provinces, through their nominated Beneficiary Trust's, are the eligible beneficiaries for support from the Super Trust.

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Independent Non-Executive Chairman Mike Kilbride Chief Executive Officer Don Turvey Executive Director Jason Brewer Executive Director Peter Landau  
Non-Executive Director Connie Molusi Non-Executive Director Johan Bloemsma Non-Executive Director Andy Macaulay Non-Executive Director James Leahy

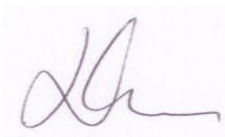
As a broad based socio-economic empowerment ownership initiative SIOC-cdt strives to fund education, skills development, infrastructure projects and other initiatives that benefit its community members, it accomplishes the above through its Public Benefits Activities and through its investment arm SIOC-Investment Holdings (Pty) Limited.

SIOC-cdt has identified its investment in CCL and partnership with Continental as signaling SIOC-cdt's intention of growing the Super Trust's balance sheet within the next 7 to 10 years and taking a more active role in investing in key South African natural resources to generate significant additional returns for its community members.

Ends

For and on behalf of the Board.

Regards



Don Turvey  
Chief Executive Officer

For further information please contact:

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**About Continental Coal Limited**

Continental Coal Limited (ASX:CCC/AIM: COOL/US-OTCQX:CGFAY) is a coal mining investment and production company. Its principal investment is a 74% interest in a South African thermal coal producer with a portfolio of projects located in South Africa's major coal fields including two operating mines, the Vlakvarkfontein and Ferreira Coal Mines, producing 2Mtpa of thermal coal for the export and domestic markets. A third mine, the Penumbra Coal Mine, commenced development in September 2011 and a Bankable Feasibility Study was also completed on a proposed fourth mine, the De Wittekrans Coal Project. Run of mine production of 7Mtpa is targeted in 2013. The Company has concluded strategic off-take and funding agreements with EDF Trading for its export thermal coal production, signed a joint development agreement with KORES, Korea Resources Corporation and secured debt funding from ABSA Capital to fund its growth.

**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 the 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.