

14 May 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**") the South African thermal coal production, development and exploration company, is pleased to announce that the financial settlement of its new partnership in South Africa has proceeded with the established and highly successful Broad Based Black Economic Empowerment Company, Sishen Iron Ore Company Community Development Trust ("**SIOC-cdt**"). The ZAR100m balance of the ZAR140m payment has now been completed along with all necessary administrative matters relating to the share buy-back and share subscription agreements.

Commenting on the finalisation of the transaction Continental Coal Limited Chief Executive Officer Don Turvey, said "*The Company is pleased to be working in partnership with SIOC-cdt and we look forward to working together to grow our thermal coal mining business in South Africa in the coming years.*"

The funds received from SIOC-cdt will be used in South Africa to further the development of the Penumbra, De Wittekrans and Vlakplaats Coal Projects as well as the Company's other coal exploration projects.

For and on behalf of the Board.



Don Turvey
Chief Executive Officer

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About Continental Coal Limited

Continental Coal Limited (ASX:CCC/AIM: COOL/US-OTCQX:CGFAY) is 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 rate 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.