

27 September 2012

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

## By e-lodgement

### APPROVALS RECEIVED FOR FERREIRA MINE EXTENSION

#### Key points:

- **Section 102 Approval received from the Department of Minerals and Resources**
- **Mining operations at the Ferreira Mine to now extend from the current open cast operations across and into the two Prospecting Rights acquired earlier this year**
- **Extension provides up to a further 750,000 tonnes of forecast ROM production from the Ferreira Coal Mine to be mined over the next 15 to 18 months**
- **ROM production for FY2013 of 650,000 tonnes and sales of 420,000 tonnes of a high quality export thermal coal forecast from the extended Ferreira Coal Mine**

Continental Coal Limited (ASX: CCC) ("**Continental**" or "**the Company**") the South African thermal coal production, development and exploration company, is pleased to announce that it has received Section 102 approval from the South African Department of Minerals and Resources for the planned extensions to the Ferreira Coal Mine.

The approval allows the Company to extend the current opencast mining operations into adjacent Prospecting Rights, comprising Portions 25, 27 and 100 of the farm Witbank 262 IT, acquired in April and May 2012.

Under the terms of previously executed Sale and Purchase agreements with Morningtide Investments 367 (Pty) Limited and Misty Sea Trading (Pty) Limited, the Company secured the right to develop the Prospecting Rights. The Prospecting Rights were acquired for a monthly royalty payment on each tonne of run-of-mine coal mined. The Section 102 approval extends over the Prospecting Rights that are both located immediately adjacent to and adjoining the current open cast mining activities being conducted by the Company at the Ferreira Coal Mine.

The Company has completed all necessary mine planning work on the Prospecting Rights and incorporated it into the Ferreira Coal Mine's new, and extended, mine plan. With the receipt of the Section 102 approval opencast mining activities now received, the Company's opencast mining contractors can now commence mining activities in this area.

Mining of an additional 650,000 to 750,000 ROM production tonnes is forecast from the new Prospecting Rights over the next 15 to 18 months. The ROM production will be washed through the Company's existing Delta Processing Operations.

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Sales of 420,000 tonnes of a high quality thermal coal are forecast from the extended Ferreira Coal Mine for FY2013. The thermal coal will be transported by rail through to the Richards Bay Coal Terminal and sold under existing off-take agreements.



*The Ferreira Coal Mine with Planned Mining Activities in the Adjoining Prospecting Rights*

Commenting on the receipt of the Section 102 approval from the Department of Minerals and Resources, Continental Coal Limited Chief Executive Officer, Don Turvey, said *"The Section 102 approval from the Department of Mineral Resources, that extends over the Prospecting Right's acquired earlier in the year, not only allows us to materially extend our mining operations at the Ferreira Coal Mine, but also means that there will be now an overlap of coal supply as Penumbra underground is starting up. With almost twice the current ROM feed into the wash plant, the Delta Processing Operations will be producing almost double the current monthly export thermal coal sales in 2H FY 2013 once the Penumbra Coal Mine ramps up towards full production."*

*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. 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.

