

18 April 2013

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

By e-lodgement

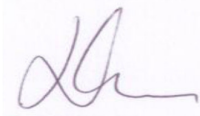
MASHALA RESOURCES TRANSACTION COMPLETED

Continental Coal Limited (**ASX: CCC AIM: COOL**) ("**Continental**" or "**the Company**") the South African thermal coal production, development and exploration company, is pleased to announce that the Company's principal and 74% owned subsidiary in South Africa (Continental Coal Limited ("**CCL**")) has satisfied all necessary regulatory requirements and completed the acquisition of the outstanding minority interests in Mashala Resources.

Following the acquisition and the transfer of the outstanding shares in Mashala Resources to CCL, the Company's principal subsidiary in South Africa CCL now holds, amongst other things, 100% interests in the operating Ferreira and Penumbra Coal Mines. These mines each produce a high quality thermal coal product that is exported through the Richards Bay Coal Terminal and sold under existing offtake agreements into predominantly the Asian markets. The Penumbra Coal Mine, which only commenced underground production in November 2012, is set to achieve an annual export coal sales rate of 500,000t in June 2013, with exports at these levels to continue over an initial 10 year mine life, generating between US\$15m and US\$20m of forecast cashflow based on current export coal prices.

CCL also now holds a 100% interest in the De Wittekrans Coal Project, which is proposed to be developed as the Company's fourth thermal coal mining operation in 2013, and where the Company is advancing off-take agreements, financing and strategic partnership discussions ahead of its initial open pit development. Optimisation work completed in the December 2012 Quarter on the Feasibility Study, identified the opportunity to develop the De Wittekrans Coal Project to be a major mining operation producing 3.6Mtpa of ROM coal over a 33 year mine life with annual sales of up to 2.4Mtpa of a thermal coal product, ideally suited for the Asian export market and South African domestic market and forecast annual sales revenue of up to US\$145m.

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) is a South African thermal coal producer with a portfolio of projects located in South Africa's major coal fields including three operating mines, the Vlakvarkfontein, Ferreira and Penumbra Coal Mines, are set to produce at an annualised rate of 2.8Mtpa of thermal coal for the export and domestic markets. The Company's first underground mine, the Penumbra Coal Mine, commenced development in September 2011 and produced first coal in November 2012. In 2011, a Feasibility Study was also completed on a proposed fourth mine, the De Wittekrans Coal Project and further optimisation studies completed in 2012. The Company has further 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.