

10 October 2014

Company Announcements Office
Australian Securities Exchange
Level 6, 20 Bridge Street
SYDNEY NSW 2000

Via E Lodgement

Corporate Update

The board of Continental Coal Limited (ASX:CCC; AIM:COOL) ("**Continental**" or "**the Company**") wishes to advise shareholders that subsequent to the completion of the Rights Issue (see ASX announcement dated 30 September 2014) it has been presented with offers from third parties interested in acquiring its 74% interest in South African subsidiary Continental Coal Limited SA ("**CCL SA**").

The offers include proof of funds and are also of a quantum which provides for the satisfaction of key debts at both the parent and 74% subsidiary level (namely ABSA and EDF) in accordance with negotiations that have been ongoing since the new Board was appointed in February 2014. The offers (if accepted and completed) would leave the company with excess cash reserves at its disposal and the ability to pursue new opportunities that have been presented to it.

Currently the Board is finalising legal advice with regards to a scenario whereby an accepted offer is announced and Shareholders are then offered the opportunity to have their funds returned from the Rights Issue, remain in a new raising by way of a supplementary prospectus or participate in the new raising given the change in circumstances which some Shareholders may want to participate in as opposed to the previous Rights Issue.

It is expected that an announcement detailing the outcome of this consideration, together with advice received, will be released to the ASX on or before Tuesday 14 October 2014.

For and on behalf of the Board



Peter Landau
Executive Director

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Interim Executive Chairman: Dr Paul D'Sylva **Interim Executive Director:** Mr Peter Landau
Non-Executive Directors: Mr Connie Molusi and Dr Lars Schernikau

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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 two operating mines, the Vlakvarkfontein and Penumbra Coal Mines, producing approx. 2Mtpa of thermal coal for the export and domestic markets. A Feasibility Study was also completed on a proposed third mine, the De Wittekrans Coal Project with a mining right granted in September 2013.

Forward Looking Statement

This communication includes certain statements that may be deemed "forward-looking statements" and information. All statements in this communication, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects to take place in the future are forward-looking statements and information. Although the Company believes the expectations expressed in such forward-looking statements and information are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements and information. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, drilling and development results, production rates and operating costs, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those stated.