

16 May 2011

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

By e-lodgement

Major US Investment Bank Initiates Coverage

Emerging mid-tier South African focussed coal producer Continental Coal Limited (ASX: CCC) ("**Continental**" or the "**Company**") is pleased to announce that following its listing on the OTCQX International platform (US-OTCQX: CGFAY) as announced on 13 May 2011, leading US Investment Bank Madison Williams has initiated coverage of Continental Coal. A copy of the research report can be downloaded from the "Broker" section of Continental's website or downloaded directly from Madison Williams' website.

Madison Williams is a privately held integrated capital markets and investment banking firm offering advisory services, equity sales, trading, and research services to institutional and corporate clients. Headquartered in New York, the firm has more than 100 employees in seven major offices, including New York, Houston, Washington D.C, New Orleans, Boston, Chicago and San Francisco.

For and on behalf of the Board

Regards



Jason Brewer
Executive Director

Ends



Continental Coal Ltd

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About Continental Coal Limited

Continental Coal Limited (ASX:CCC : US-OTCQX:CGFAY) is a South African thermal coal producer with a portfolio of producing and advanced coal projects located in South Africa's major coal fields. Continental currently has two operating mines, Vlakvarkfontein and Ferreira, producing 2Mtpa of thermal coal for the export and domestic markets. In 2011 Continental is set to commence development of two further thermal coal mines. Continental is targeting a ROM production rate of 7Mtpa by the end of 2012. The Company has concluded strategic off-take and funding agreements with EDF Trading for its export thermal coal production and recently signed a joint development agreement with KORES, Korea's state mining and exploration company.

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 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.

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