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The Manager
Company Announcements
Australian Securities Exchange Limited
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Sydney NSW 2000

By e-lodgement

RENEWAL OF BOTSWANA PROSPECTING LICENSES

Continental Coal Limited (**ASX:CCC**) ("**Continental**" or the "**Company**") is pleased to announce that the Botswana Department of Mines has approved the renewal of the Company's three coal Prospecting Licenses in Botswana for a further 2 years.

Commenting on the renewal of its licenses, Continental Coal Chief Executive Officer Don Turvey said: *"The renewal of the prospecting licenses that make up our Serowe and Kweneng Coal Projects in Botswana is another positive step forward for the Company."*

"With the JORC Compliant Resource that we have already delineated and the larger Exploration Target that has been determined by our geological consultants, our Botswana projects have the potential to be significant assets for the Company and we can now move forward with our next phase of exploration planning. There have been a number of positive developments in Botswana's emerging coal sector recently, so the renewal of our licenses comes is timely, and we look forward to making a significant contribution to what is a rapidly growing and exciting sector" Mr Turvey added.

Continental, through its Botswana subsidiary, Weldon Investment (Pty) Ltd, holds three coal prospecting licenses that cover an area of approx. 475km² in Botswana. The Prospecting Licenses, PL339/2008 and PL340/2008 are together known as the Serowe Coal Project, whilst PL341/2008 is known as the Kweneng Coal Project.

The Company's licenses are considered very well located strategically, with the Serowe Coal Project located immediately north of Botswana's only major producing thermal coal mine, the Morupule Coal Mine, whilst the Kweneng Project is 25kms west of CIC Energy's Mmamabula Coal Project that was recently acquired by Jindal Steel and Power Ltd of India for US\$1.16m.

In August 2012 following completion of its Phase 1 drilling program, the Company announced a maiden JORC Compliant Inferred Resource of 2.2 Billion Tonnes on the Kweneng Coal Project and a further Exploration Target in excess of 9 Billion Tonnes¹ across both the Kweneng and Serowe Coal Projects (refer ASX Announcement dated 8 August 2012).


¹ It should be noted that the Exploration Target at the Serowe and Kweneng Projects is conceptual in nature as there has been insufficient exploration to define a Resource and that it is uncertain if further exploration will result in the determination of a Resource. To delineate a resource that is JORC Compliant will require significant more levels of drilling.

The Phase 1 drilling program that was completed in early 2012 and subsequent geological modelling by the Company's geological consultants further confirmed that there are shallow coal seam areas at the Serowe Coal Project that are suitable for open cast mine development, whilst coal washability tests also confirmed the potential for low grade thermal coal exports from the Kweneng Coal Project.

The renewal of the Prospecting Licenses for a further 2 years allows the Company to finalise its proposed Phase 2 exploration drilling program across both the Kweneng and Serowe Coal Projects with the principle aims being to increase existing resources, increase the level of confidence in the extent, continuity and quality of the known resources as well as to convert a significant portion of the Exploration Target into JORC compliant resources on the Serowe and Kweneng Coal Projects.

The renewal of the Prospecting Licenses will also allow the Company to advance its discussions with several strategic parties that have already expressed an interest in participating in the Company's exploration activities across the Serowe and Kweneng Coal 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 three operating mines, the Vlakvarkfontein, Ferreira and Penumbra Coal Mines, producing approximately 2.0Mtpa of thermal coal sales for the export and domestic markets. The Company's first underground mine, the Penumbra Coal Mine, commenced development in September 2011 and is planning to produce first coal in November 2012. In 2011, a Feasibility Study was also completed on a proposed fourth mine, the De Wittekrans Coal Project. 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.

Competent Persons Statement

The information in this report that relates to the Coal Resources and Reserves has been prepared in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as published by the Joint Ore Reserves Committee (JORC Code). The Australasian Joint Ore Reserves Committee (JORC) and the JORC Code requires that Competent Persons must belong to the Australasian Institute of Mining and Metallurgy (AusIMM), or the Australian Institute of Geoscientists (AIG), or a Recognized Overseas Professional Organisation (ROPO). ROPOs are professional organisations that the ASX, acting on advice from JORC and its parent organisations, accepts as bodies to which Competent Persons may belong to for the purpose of preparing documentation on Exploration Results and Mineral Resources, on which reports to the ASX are based. The South African Council for Natural Scientific Professions (SACNASP) as well as the Geological Society of South Africa are considered as ROPOs by JORC.

The information in this report that relates to Exploration Results and Coal Resources is based on data and coal resource estimates completed by Mr. Nico Denner, a full time employee of Gemecs (Pty) Ltd. Mr. Denner is a member in good standing of the South African Council for Natural Scientific Professions (SACNASP No. 400060/98) as well as a Member and Fellow of the Geological Society of South Africa. He has more than 15 years' experience in the South African Coal and Minerals industries. Mr. Denner has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2004 Edition of the 'Australasian Code of Reporting of Exploration Results, Mineral Resources and the Ore reserves. Within the constraints mentioned above, all work undertaken by Mr. Denner and related to the resource estimate was carried out following industry best practice standards using the South African Code for Reporting of Mineral Resources and Mineral Reserves (the SAMREC Code, 2007) in conjunction with the South African guide to the systematic evaluation of coal resources and coal reserves (SANS 10320:2004) as a basis. As such the resource statements contained in this report may be considered compliant with the JORC Code. Mr. Denner consents to the inclusion in the ASX release of the matters based on his information in the form and context in which it appears.

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.