

8 November 2013



Continental Coal Ltd

ABN 13 009 125 651 ASX Code CCC AIM Code COOL

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

By e-lodgement

DIRECTOR SHARES TO BE SOLD AND APPROVAL SOUGHT FOR THEIR RE-ISSUE

Background

Continental Coal Limited (ASX: CCC) (the **Company**) advises that on 26 April 2013, 1,000,000 fully paid ordinary shares in the Company (**Director Shares**) were issued to Mr Don Turvey (a director of the Company) as director remuneration.

This issue was pursuant to shareholder approval obtained at the Company's General Meeting held on 19 November 2010, in accordance with ASX Listing Rule 10.11. The Director Shares were issued by the Company on 26 April 2013, a date being later than one month after the date of the General Meeting, being the time limit required under ASX Listing Rule 10.13.3.

ASX Listing Rules

ASX Listing Rule 10.11 provides that a company may not issue securities to a related party without obtaining prior shareholder approval. Directors are related parties for the purposes of the ASX Listing Rules. ASX Listing Rule 10.13.3 provides that the date by which the Company shall issue the securities must not be more than 1 month after the date of the meeting at which such shareholder approval was obtained.

On 29 October 2013, ASX advised the Company that as a consequence of the breach of ASX Listing Rule 10.13.3, ASX required the Director Shares to be sold by Don Turvey as soon as reasonably practicable with any loss arising from the sale to be borne by Don Turvey and any profit arising from the sale to be donated to a registered charity.

ASX further advised as follows:

- if the Company wished to re issue the Director Shares to Don Turvey, general shareholder approval for the issue of the Director Shares would need to be re-obtained at the next general meeting to be held by the Company (this approval is being sought at the Company's AGM to be held on 21 November 2013);
- the Company is to disregard any votes cast in respect of the Director Shares on any resolution, unless and until shareholder approval for their issue has been re-obtained at a general meeting; and
- if any dividends are paid in relation to the Director Shares prior to the next general meeting and if shareholder approval is subsequently not re-obtained at the general meeting, those dividends paid are also to be donated to a charity.

The Company and Don Turvey will shortly arrange for the Director Shares to be sold in line with ASX's requirements.

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Independent Non-Executive Chairman Mike Kilbride Chief Executive Officer Don Turvey Chief Financial Officer Lou van Vuuren
Non-Executive Directors: Johan Bloemsmas Jason Brewer Ron Chamberlain Connie Molusi Bernard Swanepoel

For and on behalf of Continental Coal Limited



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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, producing approx. 2.2Mtpa of thermal coal for the export and domestic markets. A Feasibility Study was also completed on a proposed fourth mine, the De Wittekrans Coal Project.

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.