



RESULTS OF WASHABILITY TESTING CONFIRM
EXCELLENT POTENTIAL TO BENEFICIATE
KARGASHA COKING COAL

HIGHLIGHTS

- Laboratory float/sink testing of 26 samples of Kargasha coking coal and coal composites with raw ash >10% show excellent potential for beneficiation.
- Conclusions from the testing are that at a cumulative float density of 1.5g/cc the:
 - Theoretical yield ranges from 41% to 94% and 84% of values being >60%.
 - Product ash ranges from 2.5% to 9.4% and over 40% of values being between 5% and 6%.
 - Free swell index ("FSI") ranges from 6.5 to 8.5 and 64% of values being =>7.
- Testing is continuing to further determine the broader coking characteristics, ash compositions and ultimate analyses of these samples.

Celsius Coal Limited (ASX Code: CLA) ("Celsius" or the "Company") is pleased to release further coal quality analyses received from its drilling programme at the Company's Uzgen Basin Coal Project located in the Kyrgyz Republic (Figure 1).

Interim Conclusions Kargasha Coal Washability Float/Sink Testing

Based on the float/sink results received to date a number of preliminary conclusions can be drawn:

- The material appears to beneficiate with well-defined density cut point of 1.5g/cc. Using this cut point theoretical yield ranges from 41% to 94% and 84% of values being >60%. Theoretical yield has a strong correlation with raw (head) ash.



- The test work has resulted in a very low ash (on an air dried basis) product with ash ranging from 2.5% to 9.4% and over 40% of values being between 5% and 6% at the density cut point of 1.5g/cc.

Washed product shows FSIs consistent with coking coal, ranging from 6.5 to 8.5 and 64% of values being =>7.

*Note: data discussion excludes results from DD12TK0001.

Note: The theoretical yields referred to in this document are laboratory float/sink yields. They do not take into account such factors as coal loss and dilution during mining, process plant efficiency, or differences in feed and washed product moisture levels.

Results Kargasha Coal Washability Float/Sink Testing

Celsius has received the interim results of laboratory testing of 26 core samples from boreholes DD12TK001 to DD12TK007.

Samples tested and results were as follows:

Hole	From	To	Thickness	Sam. No	Head Grade	Product Details for Cumulative Floats to 1.50RD		
					Ash % (ad)	Mass Rec. % (ad)	Ash % (ad)	FSI**
DD12TK001*	361.56	363.10	1.54	3008*	46.2*	31.8*	7.1*	7.5
DD12TK002	502.65	503.26	0.61	3050	11.4	88.7	5.4	7.0
DD12TK002	523.58	525.98	2.40	3053-55	21.0	77.9	2.5	8.0
DD12TK002	540.17	541.46	1.29	3057-59	25.8	65.9	3.6	8.0
DD12TK002	548.08	548.58	0.50	3063	27.0	67.2	5.3	7.0
DD12TK003	552.64	553.70	1.06	3013	9.8	91.6	5.8	7.0
DD12TK003	558.42	559.10	0.68	3019	11.5	90.4	5.0	6.5
DD12TK003	578.85	580.00	1.15	3025-27	31.2	63.6	5.1	7.5
DD12TK003	588.08	588.68	0.60	3029-30	23.2	59.9	9.4	7.5
DD12TK003	602.00	603.00	1.00	3032-35	44.8	41.0	8.2	8.0
DD12TK003	603.44	604.14	0.70	3037	31.6	62.4	3.6	8.0
DD12TK003	606.64	607.20	0.56	3040	15.2	86.2	5.6	7.5



Hole	From	To	Thickness	Sam. No	Head Grade	Product Details for Cumulative Floats to 1.50RD		
					Ash % (ad)	Mass Rec. % (ad)	Ash % (ad)	FSI**
DD12TK004	479.69	480.63	0.94	3066-68	10.9	90.0	3.6	7.5
DD12TK005	230.49	231.16	0.67	3073	26.0	68.8	6.2	7.5
DD12TK005	260.20	261.31	1.11	3078-82	32.0	64.6	5.0	7.5
DD12TK005	263.23	264.00	0.77	3084-88	37.8	53.7	7.6	7.5
DD12TK005	273.08	274.15	1.07	3090-93	29.2	67.0	7.2	8.0
DD12TK005	294.94	296.34	1.40	3096-00	31.4	53.9	5.2	7.0
DD12TK005	298.09	299.00	0.91	3103	10.0	83.0	3.0	8.5
DD12TK005	301.20	301.91	0.71	3106-08	20.6	75.2	5.5	7.5
DD12TK006	146.87	147.40	0.53	3111-12	9.6	90.5	5.8	7.5
DD12TK006	174.23	175.00	0.67	3118-20	26.0	70.7	5.6	7.5
DD12TK007	207.54	208.74	1.20	3134-36	15.3	83.3	5.9	6.5
DD12TK007	245.85	246.68	0.83	3144	8.8	94.6	4.5	7.0
DD12TK007	248.16	248.77	0.61	3147	27.6	63.9	6.8	7.0
DD12TK007	260.44	261.05	0.61	3150	25.3	73.7	6.4	7.0

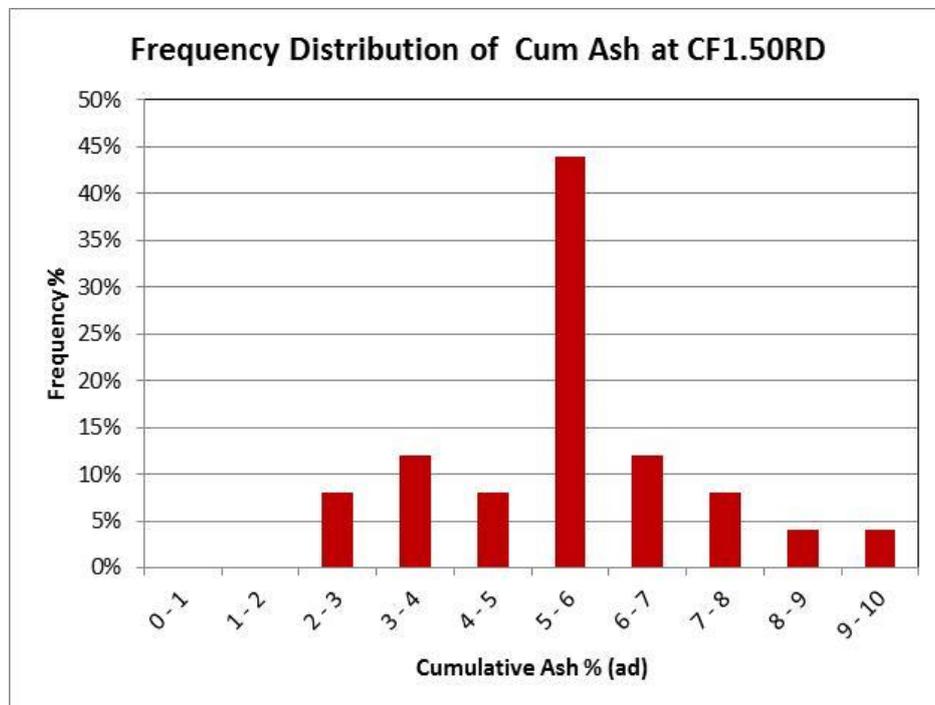
*Results on DD12TK001 are considered anomalous due to likely inclusion of significant parting material. The DD12TK001 float/sink test work was undertaken on the >0.5mm to <10mm fraction.

** FSI results have been rounded to the nearest 0.5.

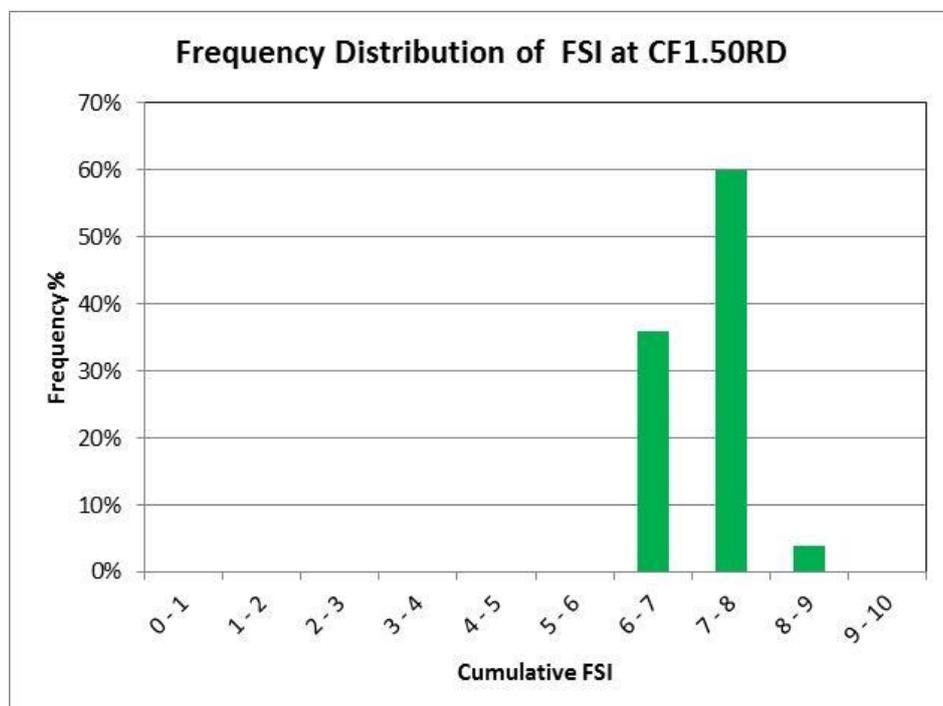
Celsius is now progressing further testing to analyse for phosphorous, sulphur content, ash composition, ultimate and more extensive coking properties. The graphs below provide a more detailed analysis of the results:



Graph 1 – Shows the distribution of sample frequency against washed product ash

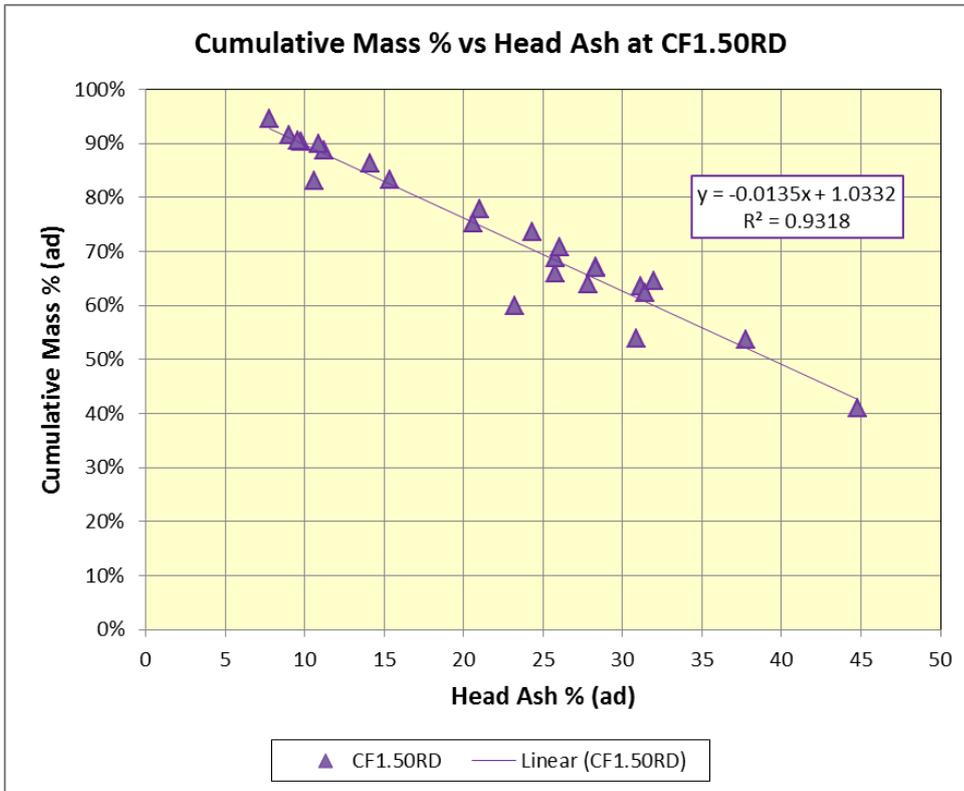


Graph 2 – Shows the distribution of sample frequency against cumulative FSI for the washed product

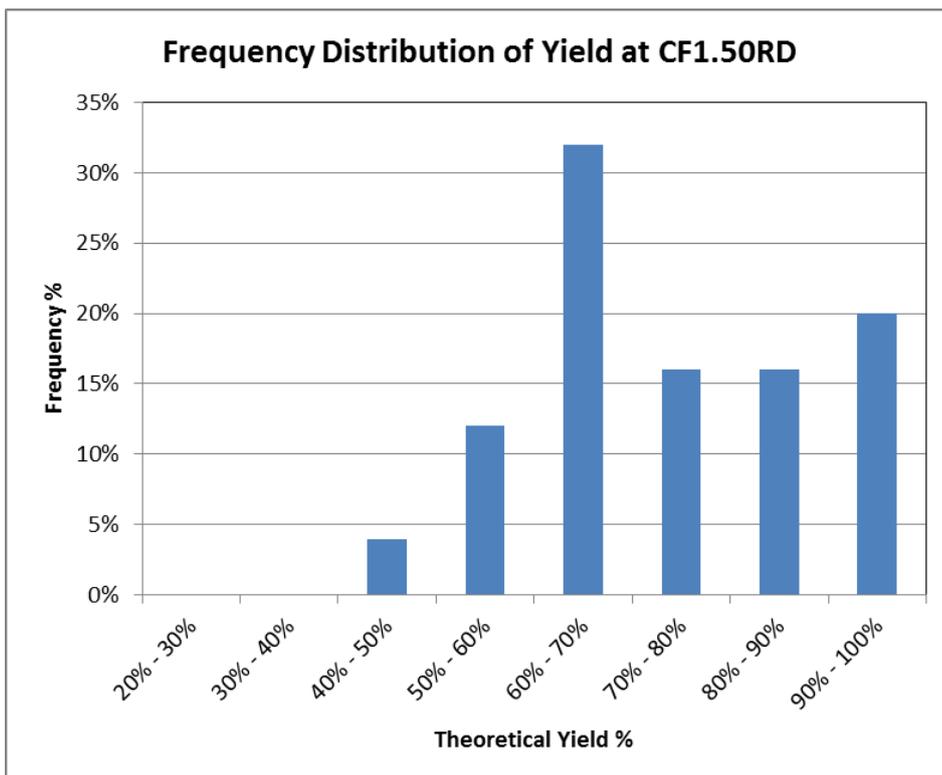




Graph 3 - Shows the relationship between cumulative mass recovered versus head grade ash.



Graph 4 - Shows the distribution of sample frequency against theoretical yield for the washed product.





Uzgen Basin Geology

The Uzgen coal basin is located mainly on the southwestern slopes of the Fergana Range and is enclosed within the Paleozoic Fergana-Kokshaal structural zone. Paleozoic rocks served as a source of clastic material for the Jurassic coal-bearing formations within the Basin.

The Uzgen coal basin is comprised of Paleozoic (Silurian, Devonian, Carboniferous, Permian), Mesozoic (Triassic, Jurassic) and Cenozoic (Paleogene, Neogene) rocks which contains the main coal deposits of Kyrgyzstan including Tuyuk-Kargasha, Kokkia, Min Teke, Kumbel, Zindan Chitty and Besh-Terek Coal Deposits (figure 1).

The Kargasha, Kokkia and Min Teke Projects are located at the northern end of the main Uzgen Basin where seams are normally closer to the surface, thicker and better developed than elsewhere in the Basin. The northern portion of the basin has also been identified as having the potential to host coal of coking qualities. To the south of the basin coals are thought to be anthracitic and therefore of too high a rank to be able to produce coke.

Figure 1 - General geology Uzgen Basin and location of Celsius Coal Limited Projects





Figure 2. Geology Map of the Tuyuk-Kargasha License showing Celsius 2012 drilling, coal intersections and historical Soviet-era drilling

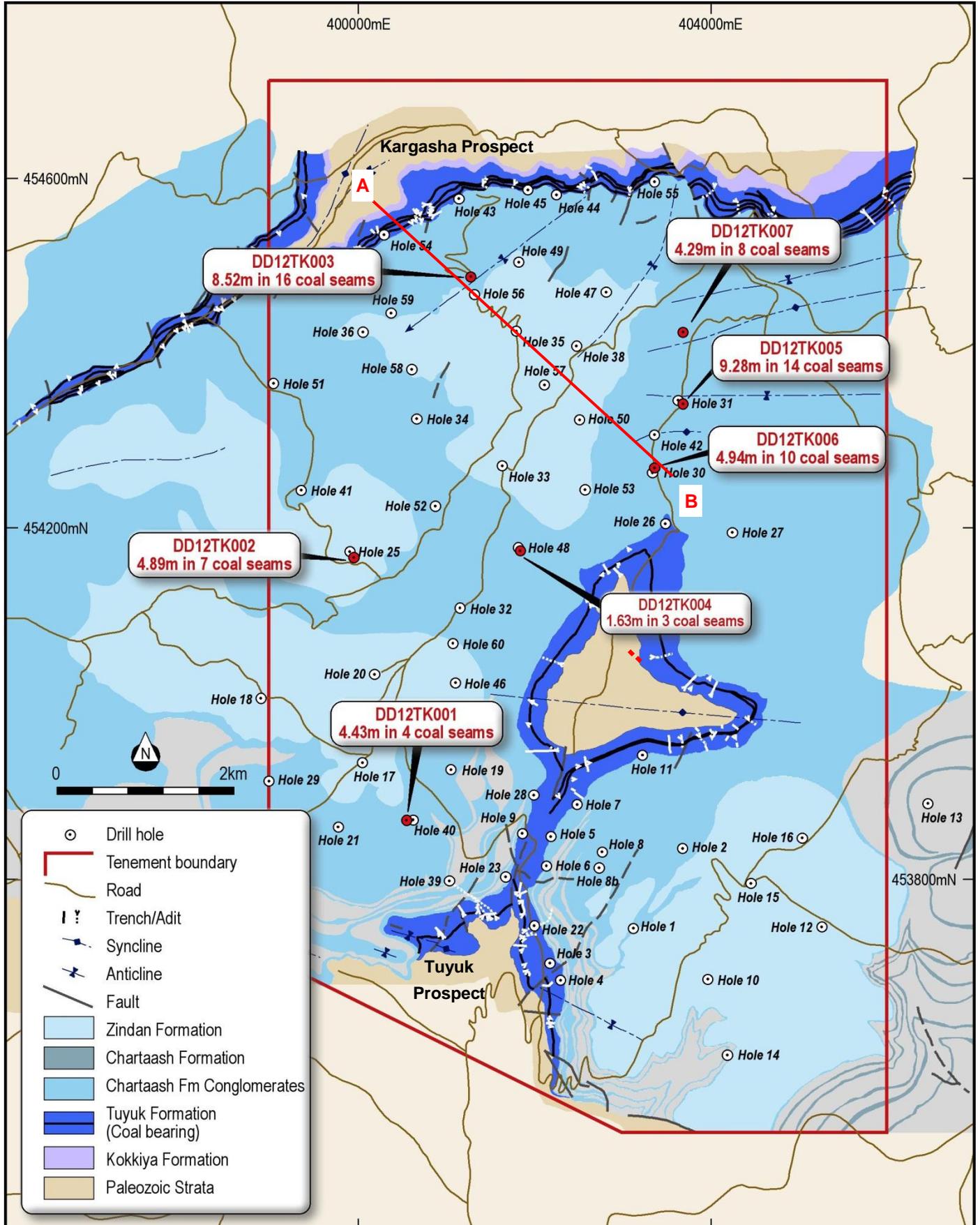
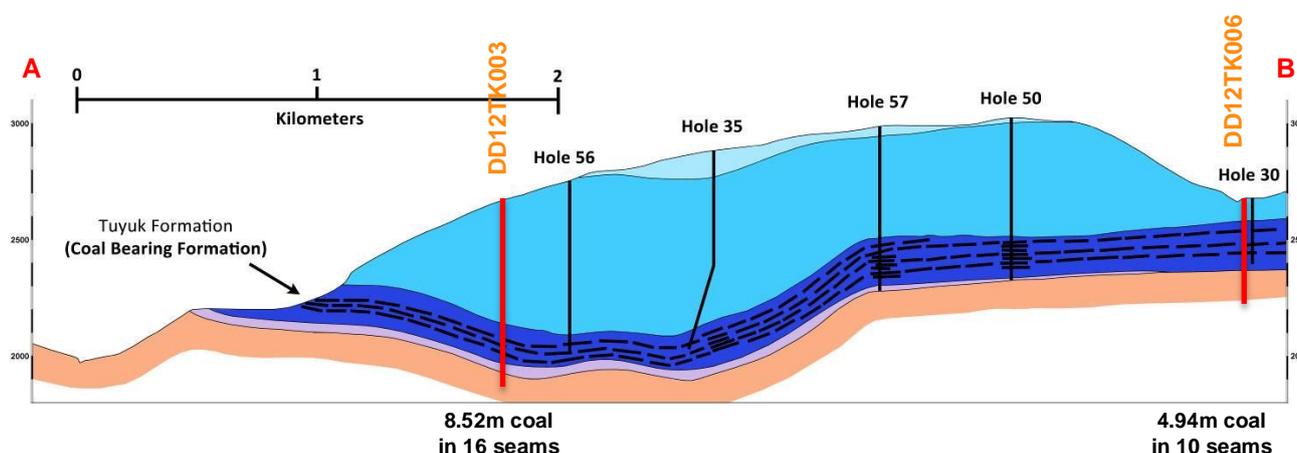




Figure 3. Interpreted Cross Section showing DD12TK003 and historical Soviet-era drilling



ABOUT CELSIUS COAL

Celsius Coal Ltd is focused on developing coking and thermal coal deposits in the Kyrgyz Republic.

Celsius owns 80% of its Uzgen Basin Coking Coal Project (comprising: Kargasha; Kokkia; and Min Teke), which cover an established Soviet-era coking coal resource. It also owns 90% of its Alai Range Projects (comprising: Sary Mogol and Bel Alma).

For more information, please visit www.celsiuscoal.com.au or contact Mr Ranko Matic, Company Secretary on +61 (08) 9226 4500.

Competent Person's Statement

The information in this report that relates to Exploration Results, Exploration Targets, Mineral Resources or Ore Reserves is based on information compiled by Mr Grant Thomas and Mr Alistair Muir who are both Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Thomas is the Managing Director and Mr Muir is the Country Manager of Celsius Coal Limited and both have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Thomas and Mr Muir both consent to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Exploration Targets

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information in this announcement relating to Exploration Targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) and Reserve(s) have not been used in this context in this announcement.



The potential quantity of coal presented in this announcement as Exploration Targets are conceptual in nature. It should be noted that there has been insufficient exploration to define a Mineral Resource which complies with the JORC code, and it is uncertain if further exploration will result in the determination of a Mineral Resource. Celsius Coal intends to carry out an exploration programme to systematically test the Exploration Targets for each of the Prospects, which are detailed in table 1 below.

Table 1. Exploration Targets for Tuyuk-Kargasha, Kokkia and Min Teke Projects

Prospect	Exploration Target (millions of tonnes of coal)	Moisture (%)	Ash (%) db	Sulphur (%) db	Calorific Value (kcal/kg) daf
Kargasha	115 – 140	0.9 – 6.0	3.0 – 10.0	0.4 – 0.9	7700 - 8700
Tuyuk	267 – 335				
Kokkia	114 – 198	0.7 – 5.0	5.0 – 15.0	0.4 – 0.9	7800 - 8500
MinTeke	5 – 27	3.0 – 10.0	10.0 – 25.0	0.4 – 0.9	6200 - 7700
Total	501 - 700				