

8th August 2011

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

By e-lodgement

MAIDEN 44 MT COAL RESERVES AT DE WITTEKRANS COAL PROJECT

Key points

- **Initial 44Mt JORC compliant saleable coal reserves for the De Wittekrans Coal Project**
- **Total JORC compliant saleable coal reserves managed by the Company's South African subsidiary increase by 222% to 64Mt from 20Mt**

South African focused thermal coal mining producer Continental Coal Limited (**ASX: CCC**) ("**Continental**" or the "**Company**") is pleased to confirm an initial JORC compliant saleable coal reserve of approx. 44 Mt for the De Wittekrans Coal Project.

The JORC compliant saleable coal reserves for the De Wittekrans Coal Project comprise 16.2 Mt of proven reserves and 27.6 Mt of possible coal reserves.

Approx. 27% of the total saleable reserves at the De Wittekrans Coal project are to be mined from the proposed open cast operation with 73% to be mined from the proposed underground mine development.

DE WITTEKRANS COAL PROJECT - COAL RESERVES (JUNE 2011)			
Project	Saleable Reserves (Mt)		
	Proven	Probable	TOTAL
De Wittekrans Open Cast	6.75	5.22	11.97
De Wittekrans Underground	9.40	22.40	31.80
TOTAL	16.15	27.62	43.77

The initial JORC compliant saleable coal reserves for the De Wittekrans Coal Project have been prepared as part of the Bankable Feasibility Study currently being finalised and also as part of the Competent Persons Report that is being completed by international mining consultants SRK Consulting for the Company's planned listing on the London Stock Exchange's AIM Market in early September 2011.

"The maiden JORC compliant saleable coal reserve for the De Wittekrans Coal Project is another significant step forward for the company. With total proven and probable saleable reserves of 43.77 Mt, the De Wittekrans Coal Project is set to become the Company's largest future mine development. With the Bankable Feasibility Study for the De Wittekrans Coal Project nearing completion we anticipate realising further positive news on its findings in the current quarter." commented Continental's CEO Don Turvey.

Total JORC compliant saleable coal reserves now managed by the Company's South African subsidiary have increased by 222% to 63.5 Mt from the Vlakvarkfontein, Ferreira, Penumbra and De Wittekrans Coal Projects. The JORC compliant saleable coal reserves comprise 32.3 Mt of proven reserves and 31.4 Mt of possible coal reserves.

COAL RESERVES (JUNE 2011)						
Project	CCL Interest	Saleable Reserves (Mt)			Sold 31 Jan to 30 June	Total saleable reserves³
		Proven	Probable	Total		
Vlakvarkfontein	60% ¹	14.1	-	14.1	0.40	13.70
Ferreira	100% ²	0.82	-	0.82	0.23	0.59
Penumbra	100% ²	1.71	3.73	5.44	-	5.44
De Wittekrans	100% ²	16.15	27.62	43.77	-	43.77
TOTAL		32.78	31.35	64.13	0.63	63.50

¹ CCL holds a 50% shareholding and a 60% economic interest; ² Assumes CCL has completed the acquisition of the 35.9% balance of the interest in Mashala Resources. ³ As at 1 June 2011

The De Wittekrans Coal Project is located in the Ermelo coalfield, 15km southeast of the town of Hendrina in Mpumalanga Province. The De Wittekrans Coal Project has a New Order Prospecting Right with an application for a New Order Mining Right lodged with the Department of Minerals and Resources that is anticipated to be granted in H2 2011.

The Company is currently finalising a Bankable Feasibility Study on the proposed development of the De Wittekrans Coal Project as a conventional opencast and underground mine, targeting production of 3.6 – 4.0Mtpa ROM coal over a 30 year mine life. Opencast mining of the A, B and C seams are proposed initially at a rate of 100,000 tonnes per month. Underground development is proposed to commence in the second production year with access from the highwall. Underground mining of the B and C seams is proposed with three continuous miner sections operating on each seam. Processing through a 600 tonne per hour Dense Medium Separation Wash Plant producing approx. 1.0Mtpa of an export thermal coal product and 2.0Mtpa of a domestic thermal coal product is planned.

Ends

For and on behalf of the Board



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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 the Penumbra Coal Mine and complete a Bankable Feasibility Study on the De Wittekrans Coal Project. 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 Resources Corporation.

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.

Competent Person 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 Coal Resources on Vlakvarkfontein and Vlakplaats is based on resource estimates completed by Dr. Philip John Hancox. Dr. Hancox is a member in good standing of the South African Council for Natural Scientific Professions (SACNASP No. 400224/04) as well as a Member and Fellow of the Geological Society of South Africa. He is also a member of the Fossil Fuel Foundation, the Geostatistical Association of South Africa, the Society of Economic Geologists, and a Core Member of the Prospectors and Developer Association of Canada. Dr. Hancox has more than 12 years' experience in the South African Coal and Minerals industries, holds a Ph.D from the University of the Witwatersrand (South Africa), and has authored a number of published and unpublished academic articles on the Karoo Basin and its contained coal, as well as over 50 peer reviewed scientific papers on various aspects of sedimentary geology and palaeontology. Dr. Hancox 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 Dr. Hancox 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. Dr. Hancox consents to the inclusion in the ASX release of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Coal Resources and Reserves on Penumbra, Ferreira, De Wittekrans, Knapdaar, Project X, Vaalbank, Leiden and Wesselfon II is based on 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.

The Coal Reserve estimate for Vlakvarkfontein was prepared by Mr. JJ Lotheringen Pr Eng (Ukwazi). Mr. Lotheringen is a member in good standing of the Southern African Institute of Mining and Metallurgy (SAIMM), is a registered Professional Mining Engineer with the Engineering Council of South Africa (ECSA) and has a Mine Managers Certificate of competency for coal mines. He has more than thirteen (13) years' experience in the South African Coal and Minerals industries. Mr. Lotheringen 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. Lotheringen 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. Lotheringen consents to the inclusion in the ASX release of the matters based on his information in the form and context in which it appears.