

30 April 2012

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

**By e-lodgement**

**FERREIRA COAL MINE EXTENSION  
ACQUISITION OF ADJACENT PROSPECTING RIGHT**



*Mining activities at the Ferreira Coal Mine in March 2012*

Continental Coal Limited ("**Continental**" or "**the Company**") is pleased to announce that through its South African subsidiary Mashala Resources (Pty) Limited ("**Mashala**"), it has entered into agreements that will allow the Company to extend the operating mine life at the Ferreira Coal Mine and its production of high quality thermal coal through the acquisition and development of the adjacent and adjoining Prospecting Right.

Under the terms of a recently executed Sale and Purchase agreement with Misty Sea Trading (Pty) Limited, Mashala has acquired the right to develop the Prospecting Right comprising Portion 25 of the farm Witbank 262 IT. This Prospecting Right is located immediately adjacent to and adjoining the current open cast mining activities being conducted by the Company at the Ferreira Coal Mine and on Portion 19 of the farm Witbank 262 IT. The Prospecting Right has been acquired by the Company for a market related monthly royalty payment on each tonne of run-of-mine coal mined from the C-lower, C-upper and B-lower coal seams.

South Africa	Australia
T +27 11 881 1420 F +27 11 881 1423 W <a href="http://www.conticoal.com">www.conticoal.com</a>	T +61 8 9488 5220 F +61 8 9324 2400 W <a href="http://www.conticoal.com">www.conticoal.com</a>
9th Floor Fredman Towers, 13 Fredman Drive, Sandton 2196	Ground Floor, 1 Havelock Street, West Perth, WA 6005
PO Box 787646, Sandton 2146	PO Box 684, West Perth WA 6872

Independent Non-Executive Chairman Mike Kilbride Chief Executive Officer Don Turvey Executive Director Jason Brewer Executive Director Peter Landau  
Non-Executive Director Connie Molusi Non-Executive Director Johan Bloemsma Non-Executive Director Andy Macaulay Non-Executive Director James Leahy

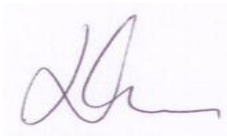
The Company has already commenced mine planning work on the Prospecting Right to incorporate the adjacent block into the Ferreira Coal Mine's existing mine plan. A 15 hole exploration and resource confirmation drill program has been finalised and drilling has commenced. The Company is proposing to commence development of the Prospecting Right once relevant approvals have been obtained.

The Company lodged a Section 102 Application with the Department of Minerals and Resources in September 2011 to allow it to conduct mining activities on the Prospecting Right.

Mining activities at the Ferreira Coal Mine will extend from the current open cast operations across and into the Prospecting Right. Mining on the Prospecting Right of between 350,000 to 400,000 ROM tonnes is forecast to be completed in approximately 8 months. The Company is pleased to also confirm that it is in further negotiations with additional parties to acquire further Prospecting Rights that are both contiguous to - and in close proximity to - the Ferreira Coal Mine on similar terms and will advise the market once these negotiations have been finalised.

Commenting on today's update, Continental Coal Limited Chief Executive Officer, Don Turvey, said *"I am very pleased to announce today's update on our Ferreira Coal Mine, which I am sure will contribute to our future development and mining activities in the Ermelo area adding further value to our shareholder offering at a time when we are also bringing our third mine at Penumbra into production."*

For and on behalf of the Board.



Don Turvey  
Chief Executive Officer

For further information please contact:

**Investors/ shareholders**

Jason Brewer  
Executive Director  
T: +61 8 9488 5220

E: [admin@conticoal.com](mailto:admin@conticoal.com)  
W: [www.conticoal.com](http://www.conticoal.com)

Don Turvey  
Chief Executive Officer  
T: +27 11 881 1420

**Media (Australia)**

David Tasker  
Professional Public Relations  
T: +61 8 9388 0944

**Media (UK)**

Mike Bartlett/ Lydia Eades/ Jos Simson  
Tavistock Communications  
T: +44 20 7920 3150

**Nominated Advisor**

Stuart Laing  
RFC Corporate Finance  
T: +61 8 9480 2500

**Joint Brokers**

Mark Wellesley-Wood / Chris Sim  
Investec Bank plc  
T: +44 20 7597 4000

**Joint Brokers**

Andrew Young  
GMP Securities Europe LLP  
T: +44 20 7647 2800

**About Continental Coal Limited**

Continental Coal Limited (ASX:CCC/AIM: COOL/US-OTCQX:CGFAY) is a coal mining production, development and exploration company. Its principal investment is a 74 per cent interest in a South African thermal coal producer with a portfolio of projects located in South Africa's major coal fields including two operating mines, the Vlakvarkfontein and Ferreira Coal Mines, producing 2Mtpa of thermal coal for the export and domestic markets. A third mine, the Penumbra Coal Mine, commenced development in September 2011 and a Bankable Feasibility Study was also completed on a proposed fourth mine, the De Wittekrans Coal Project. Run of mine production of 7Mtpa is targeted in 2013. The Company has 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.

**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.