

18 November 2013

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

By e-lodgement

CONTINENTAL COAL PROVIDES OPERATIONS AND CORPORATE UPDATE

Continental Coal Limited (ASX: CCC) ("Continental" or "the Company") the South African thermal coal production, development and exploration company, is pleased to provide an operations and corporate update.

Production at the Company's recently opened Penumbra underground coal mine located in the Ermelo coal fields of South Africa reached 51,000 run-of-mine (ROM) tonnes for October 2013. Free-on-board cost per tonne for October 2013 was ZAR645/t (US\$64.5/t) and continues to improve as production volumes increase. The availability of the continuous miners during November 2013 had a negative impact on the month to date production. This matter is being addressed by the Company's operations team with the support of the equipment manufacturer. A conventional drill-and-blast section has been established and production from this section is expected to ramp up in the next few months. The Company's Vlakvarkfontein Coal mine continues to exceed production budget targets with another strong production performance of 127,400 ROM tonnes at a Free-on-truck cost of ZAR167/t (US\$16.7/t) during October 2013.

The independent Special Committee (the Committee) appointed by the Board has been engaging with potential funders to enable the Committee to evaluate proposals received and recommend the most appropriate funding partners and structure to the Board as soon as practicable. The Committee will be evaluating the funding structures under review against stringent criteria taking into account the current capital structure of the Company as well as the sustainability of the future capital structure to allow the share price to reflect the underlying asset value of the Company. A further progress announcement on the refinance will be made in December 2013.

The Company has recently submitted its draft Pre-listing statement to the Johannesburg Stock Exchange for review. The listing timeline will be impacted by the timing and structure of the refinancing of the Company's convertible debentures.

The Company plans to relinquish prospecting licence 339 to the Ministry of Minerals, Energy and Water Resources of Botswana. Required future exploration expenditure, the Company's assessment of low exploration prospectivity and the lack of farm-out or divestment opportunities has resulted in the relinquishment. The Company is currently reviewing opportunities to minimize future spend and still extract value from the remaining prospecting licences in Botswana.

Mr Jason Brewer has resigned as Non-Executive Director of the Company on 15 November 2013. The Board thanks Mr Brewer for his contribution to Continental over the past 4 years and wishes him well with his future endeavours.

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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 Bloemsmá Jason Brewer Ron Chamberlain Connie Molusi Bernard Swanepoel

Continental Chief Executive Officer, Mr Don Turvey said:

"We are delighted with the continued progress being made at Penumbra as well as the continued good production results from our Vlakvarkfontein coal mine. We are making good progress to refinance the Convertible debentures that have created a significant overhang in our share price over the past few months. We will continue to update the market with developments in the next few weeks. I would like to thank Jason for his effort the past 4 years and wish him well with his future plans."

For and behalf of the Board



Don Turvey

Chief Executive Officer

For further information please contact:

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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.