

30 October 2015

REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2015

Continental Coal Limited ("Continental" or "the Company") provides its report for the quarter ended 30 September 2015.

Projects

Vlakvarkfontein Coal Mine

As previously announced, this mine has been conditionally sold by the Business Rescue Practitioners. The mine's 40% joint venture partner has exercised its rights of pre-emption in respect of the sale however full details are subject to confidentiality provisions until formal completion or such other alternative action in respect of the sale process.

With the sales process almost finalised, no mining activity update was provided by the business rescue practitioners. Funds raised from the sale will be applied to reduce the current EDF debt position within Continental Coal SA.

Penumbra Coal Mine

There was no ROM coal production at the Penumbra Coal Mine for the Quarter. As set out in the last quarterly operations report, the Company decided due to the current depressed export coal prices and high production costs as a result of inefficiencies in using continuous miners with the geology being encountered, to place the mine on care and maintenance during the sale process and conserve cash. An alternative mine plan of converting the mine to three drill and blast sections (approximately Rand 35m) has been prepared and is financially viable (based on current prices) for both export and, more specifically, domestic sales where demand remains high and margins strong.

As previously announced, this mine has been conditionally sold by the Business Rescue Practitioners. Relevant Section 11 approval has not been received to date and Continental believes that the sale potentially will be the subject of legal challenge given the process undertaken and the status of other sale / refinancing alternatives at the time.

De Wittekrans Coal Project

The project is in the process of being tendered for sale to reduce current debt levels owing to EDF and ABSA. Continental has taken an active role in the process which is continuing.

South Africa	Australia
T +27 11 881 1420 F +27 86 206 4487 W www.conticoal.com	T +61 8 9488 5220 F +61 8 9324 3400 W www.conticoal.com
34/36 Fricker Road, Illovo 2196	Ground Floor, 1 Havelock Street, West Perth, WA 6005
PO Box 787646, Sandton 2146	PO Box 684, West Perth, WA 6872

Executive Chairman: Dr Paul D'Sylva **Executive Director:** Mr Peter Landau

Non-Executive Directors: Dr Lars Schernikau and Bruce Buthelezi

Corporate

- Upon the outcome of the above sale / challenge processes , the Company will be in a position to assess the relevant impacts upon the current senior secured debt position of the two main creditors in South Africa in terms of reduction of amount owing, on going commitments and security position remaining;
- The company will make key decisions this coming quarter as to the alternatives moving forward and the outcome of all current sale / refinancing negotiations.
- The Company's securities were voluntarily suspended on 9 June 2015 and will remain suspended until the matters referred to above are completed;
- The Company will continue to update the market in respect of the matters referred to above.

For and on behalf of the Board.



Peter Landau
Executive Director

For further information please contact:

Peter Landau
Continental Coal Limited
T: + 61 8 9488 5220
E: peter@conticoal.com

About Continental Coal Limited

Continental Coal Limited (ASX:CCC) is 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 Penumbra Coal Mines, producing approx. 2Mtpa of thermal coal for the export and domestic markets. A Feasibility Study was also completed on a proposed third mine, the De Wittekrans Coal Project with a mining right granted in September 2013.

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.