



9th July 2012

CHIEF EXECUTIVE OFFICER'S COMMENCEMENT

County Coal Limited (ASX: CCJ) Mr Bob Cameron, Chairman of County Coal Limited is pleased to confirm that as announced in June, Mr Rod Ruston today commenced employment as Chief Executive Officer of the Company.

Mr Ruston is a mining engineer, who also holds an MBA. He has 37 years of business experience in the resource industry and has worked at senior management level, including as CEO, in public companies in the coal, heavy minerals, construction and oil and gas industries. He has extensive international experience having done business in Asia through his experience in the coal industry (Savage Resources Limited, Wambo Mining, Oakbridge Limited and Kembla Coal & Coke) and in the heavy minerals industry having built a mining and smelting company in South Africa. More recently he has led a major mining and construction contractor, focused on the oil and gas industry, in Canada.

Mr Ruston has been for the last 7 years the President and CEO of North American Energy Partners, a large mining and construction contracting company located in western Canada. Prior to this he was the CEO of Ticor Limited, an Australian listed company involved in heavy minerals extraction and processing in Australia and South Africa. Mr Ruston is currently a non-executive director of AngloGold Ashanti Limited, a major international, South African based, gold mining company.

Mr Ruston's appointment, coupled with the recently announced appointment of Roger Knight to the position of General Manager Marketing, represents the successful completion of County Coal's initial recruiting plans to secure an experienced executive team that can lead the Company.

Key terms of the Chief Executive Officer's employment agreement are detailed below.

(a) Duration of the Contract

Mr Ruston is employed under a continuing contract with no fixed term.

(b) Remuneration

(i) Fixed remuneration – Mr Ruston's fixed remuneration is \$300,000 per annum, inclusive of compulsory superannuation contributions. The fixed remuneration will be reviewed annually with the first review to occur in July 2013.

(ii) Short term incentive plan (STIP) – There is no STIP at this time but a plan will be considered once sales are established. Such short term incentive plan would constitute part of Mr Ruston's overall remuneration package.

(iii) Long term incentive plan (LTIP) – Pursuant to Mr Ruston's employment agreement, the Company will issue 3 million options to an option share trust on behalf of Mr Ruston. The options vest progressively at the rate of one third each completed year of Mr Ruston's employment over the next three years and are to be exercisable, upon payment of 40 cents per share, during the period from 9th July 2015 until their expiry on 9th July 2017.

(c) Termination of Employment

County Coal may terminate Mr Ruston's employment immediately in certain events, including serious misconduct and material breach of contract. County Coal may also terminate Mr Ruston's employment if Mr Ruston is incapacitated due to illness or injury for a period of 3 months.

Mr Ruston's employment may be terminated at any time by County Coal with three month's remuneration being payable to Mr Ruston. Mr Ruston may terminate his employment by giving the Company three months' notice of his intention to cease employment.

Accrued fixed salary and statutory entitlements will be paid to Mr Ruston on any termination.

(d) Non-Competition and Non-Solicitation

Mr Ruston may not be involved in any business in competition with County Coal for 12 months subsequent to the termination of his employment with the Company.

ABOUT COUNTY COAL

County Coal Limited is exploring and developing thermal coal resources in the Powder River Basin in the USA. This coal-bearing region in northeast Wyoming and southeast Montana is 120 miles (190 km) east to west and 200 miles (320 km) north to south and contains County Coal's Shell Creek and Miller Coal Projects that contain an estimated 680 million tonnes of coal resource. Overall, the region supplies about 40 per cent of the coal production and 50 per cent of the thermal coal requirements of the USA.

The Powder River Basin is the single largest source of coal mined in the USA and contains the Black Thunder Coal Mine, one of the largest coal mining operations in the world. Being located predominantly in Wyoming, the large coal mining projects already operating in the Basin have led to this state being the top coal-producing state in the USA since 1988, producing approximately 45% of the USA's coal requirements for power generation.

In 2010, the Powder River Basin alone produced approximately 375 million tonnes of thermal coal, more than twice the production of second-place West Virginia and more than the entire Appalachian region. The Black Thunder Coal Mine is the most productive coal mine in the USA and in 2010 this single mine produced over 104.5 million tonnes of coal.

Presently there are 12 operating mines in the Powder River Basin. Electric draglines and truck/shovel operations are the predominant mining method utilised in this area.

Because Powder River coal has such a low sulphur content, it is in demand for use by electric power companies all over the USA, particularly due to the increasingly stringent requirements of the Clean Air Act. County Coal's Shell Creek and Miller Coal Projects are strategically located resources in the Powder River Basin to mine this low sulphur coal.

County Coal currently has a total of 526 million tonnes of JORC Measured Coal Resource and a total JORC Coal Resource of 681 million tonnes, as shown in the table below.

A summary of County Coal's coal resources are contained in the following table.

Prospect	JORC Inferred Coal Resource	JORC Indicated Coal Resource	JORC Measured Coal Resource	Total JORC Coal Resource
Shell Creek Coal Project	74 million tonnes	81 million tonnes	216 million tonnes	371 million tonnes
Miller Coal Project	-	-	310 million tonnes	310 million tonnes
Total JORC Coal Resource	74 million tonnes	81 million tonnes	526 million tonnes	681 million tonnes

Note: Based on Independent Geologist's Report, Aqua Terra Consultants Inc., February 2012. The information in this report that relates to Geology, Exploration results and Mineral resources is based on information compiled by Steven J Stresky who is a member of the American Institute of Professional Geologists, and a full time employee of Aqua Terra Consultants Inc. (who are consultants to the Company). Mr Stresky has sufficient experience which is relevant to the style of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Mr Stresky consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

ABOUT COUNTY COAL (continued)

The Company is currently undertaking a second stage drilling program with the intention of upgrading its existing resource (Inferred and Indicated) to a Measured Coal Resource. This drilling program will focus on defining structural potential of the multiple coal seams in the Shell Creek project to increase project scale and efficiencies and support improved mine planning and commencement of the permitting process. Lower seams are being additionally targeted to increase size and scope of the project.

This current drilling program commenced after evaluation of the extensive data package obtained from Chevron in late 2011. Before Chevron acquired the Shell Creek project in the 1980's, it is believed that approximately \$200 million was spent by Texaco and an extensive mine-mouth operation planned with a power station. Additional washability data will be collected from this second stage drilling program to supplement and confirm quality data available from the Chevron data package. This will assist in determining the washability process most suited to the coal and best utilized to maximize production rates.

PORTS & LOGISTICS

The Company is continuing discussions with ports and infrastructure providers in North America to enable export coal supply to the Asian markets.

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