



30th October 2012

ACTIVITIES REPORT FOR THE QUARTER ENDED 30th SEPTEMBER 2012

County Coal Limited (ASX: CCJ) announces its September 2012 Quarterly Activities Report with a continued focus on resource upgrade and expansion, access to transport and loading infrastructure.

HIGHLIGHTS

- Completed the drilling at Shell Creek which has resulted in an increased Total JORC Coal Resource for County Coal of 7% to 730MT.
- Continued discussions with coal terminals and infrastructure providers in North America.
- In July 2012, acquired an option over adjacent property at Shell Creek, increasing the Company's Shell Creek Project Area by 1,420 acres (575 hectares) to 2,339 acres (955 hectares), which represents an additional exploration target of 300-500Mt.

RESOURCE UPGRADE PROGRAM

During the quarter County Coal continued its resource upgrade program, completing the physical drilling in the Shell Creek Project Area. The data obtained from this drilling program, together with the data in the package acquired from previous explorers in this area, has provided sufficient information to allow County Coal to upgrade the coal resource at the Shell Creek Project Area from a Total JORC Coal Resource of 371 million tons reported in Q2 to a Total JORC Coal Resource 420 million tons at the end of Q4. This has increased County Coal's Total JORC Coal Resource across both the Shell Creek and Miller projects by 7% to 730 million tons. It should be noted that this does not include the new option area secured in Q2, where exploration and delineation drilling is yet to commence.

RESOURCE UPGRADE PROGRAM (continued)

The Company's Stage 2 drilling program at Shell Creek included 10 drill holes, some of which were drilled to identify the Project's full range of seams to provide resource definition and washability sampling. However, our prime focus in the 3rd Quarter and in all future drilling will be the identification and delineation of available open cut mining resources.

As mentioned in the 2nd Quarter release, County Coal secured an option over additional adjacent property of 1,420 acres (575 hectares) at Shell Creek providing an estimated additional exploration target of 300-500Mt. The Company considers this additional area has the potential to increase the Company's open cut coal resources at Shell Creek and has identified some locations on this new area where the coal outcrops. Outcropping of the coal has the potential to significantly reduce the start-up costs when mining begins.

COAL TERMINAL AND INFRASTRUCTURE DISCUSSION

The Company continued discussions with ports and infrastructure providers in North America with the view to developing a viable strategy for export coal supply to the Asian markets. As mentioned in previous Quarterly releases, County Coal's mine development is only in the early stage and as a result, the Company is not required to secure capacity immediately in order to sell existing production. During the quarter ongoing visits to the various loader sites and further discussions with rail infrastructure executives continue to give us confidence that a number of potentially viable alternatives can be progressed.

MINEXPO

Management attended the USA MinExpo Conference during the Quarter, being the largest exhibition of mining equipment and service providers in the world. County Coal met with the major equipment suppliers to register our project with their senior management; various equipment and infrastructure funding organizations to commence the process of developing funding options for various parts of the project, and a number of producers to further develop possible opportunities to trade coal, once port facilities have been secured.

COAL EXPORTS

County Coal's management continued discussions with several potential suppliers for possible coal trading. Samples analysis has been completed and the properties determined for some of the mines and we will continue assessing the marketing opportunities for the products these mines can supply. The development of sales from this source will be targeted primarily at Asia with Europe being considered on an opportunistic basis.

OUTLOOK

In the fourth quarter, the Company will finalize the planning and preparation for an exploration drilling program in the new option area, where the drilling will be targeted at delineating open cut reserves and determining coal quality in those reserves.

Our prime focus in the 4th Quarter will be the continuing work on securing rail and port capacity on the west coast of North America, where we are working on a number of opportunities we have identified, with a view to delivering the best short-term and long-term export logistics and strategy.

Our strategy, while focusing mainly on constructing and operating a major thermal coal mine in the Powder River Basin to export to Asia via a west coast port, will also continue to include the evaluation of other opportunities for developing coal sales from the US.

COAL RESOURCE SUMMARY

A summary of County Coal's current Coal Resources is 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	59 Mt	17 Mt	344 Mt	420 Mt
Miller Coal Project	-	-	310 Mt	310 Mt
Total JORC Coal Resource	59 Mt	17 Mt	654 Mt	730 Mt

Exploration Targets *:

Prospect				Total Non-JORC Exploration Target*
Shell Creek Coal Project (new option)	-	-	-	300 to 500 Mt
Miller Coal Project	-	-	-	-
Total Non- JORC Exploration Target	-	-	-	300 to 500 Mt

* Subject to a new drilling program

Notes: (a) The information leading to the Total JORC Coal Resource in the top table is based on Independent Geologist's Report, Aqua Terra Consultants Inc., October 2012. The information in this table 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. (the geology consultants to County Coal). 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.

(b) The section of the table below Total JORC Coal Resource that refers to the coal potentially contained in the new option area is an estimate based on the extrapolation of coal data of the Company's current identified 420Mt of JORC resources at the adjacent Shell Creek area over 919 acres (375 hectares). The potential size of the target is conceptual in nature, and has not been drilled or measured to any required standard or yet had sufficient exploration to define a mineral resource, and at this time it is uncertain that exploration will result in the determination of a mineral resource.

COMPANY BACKGROUND

County Coal Limited is a coal exploration and development company engaged in the acquisition and development of thermal coal resources and projects in the US. In particular, County Coal is targeting thermal coal resources and projects with export potential in proven, quality coal producing regions of the US. Key attributes of the target resources also include being strategically located close to necessary infrastructure, with good logistics to maximize project value and profitability.

The Company's initial focus is to define JORC Measures Coal Resources sufficient to allow the development of large scale open-cut mining operations in the Powder River Basin in Wyoming, USA for the export of coal to Asian markets.

Concurrently, the Company continually assesses opportunities to secure other coal assets in the US with a view to building a portfolio of export coal properties in the USA.

BOARD AND MANAGEMENT

County Coal's Board consists of Chairman Robert Cameron, the founder and former Managing Director of Centennial Coal Company Limited, non-executive director David Miller, a US based geologist and Marcus Boland, a founder and executive director of the Company.

The Chief Executive Officer of the Company is Mr Rod Ruston, who has extensive experience in the coal industry and in mining and construction in North America. The General Manager Marketing is Mr Roger Knight, who previously held the same position with Centennial Coal.