



31st January 2012

**QUARTERLY ACTIVITIES REPORT FOR THE QUARTER
ENDED 31st December 2011**

The Directors of County Coal Limited (ASX: CCJ) are pleased to present the Company's December 2011 Quarterly Report. During the quarter significant progress was made in increasing and upgrading the Company's coal resource base.

HIGHLIGHTS

- Successfully completed the Company's listing on the ASX on 15th November 2011.
- Exercised option over the additional property in the Miller Project Area, which increased the Company's fully owned total JORC Coal Resources at the Miller Project Area by 89 Mt to 310 Mt JORC Measured Resource.
- Exercised option over additional acreage (including coal rights) at Shell Creek, adjacent to the Shell Creek Project Area.
- Acquired extensive geological data package over the Shell Creek Project Area.
- Commenced resource upgrade program based on data analysis and resource modeling.
- Commenced discussions with export terminals and infrastructure providers in North America.

GOING FORWARD

The Company has an exciting quarter ahead with a substantial amount of activity scheduled as follows:-

- Results from the data package analysis and resource upgrade program, which are currently under way, are expected to be announced in the near future,
- A Stage 2 drilling program on the Shell Creek Project, consisting of an additional 10 holes over the project area, will commence in the March quarter,
- Additional coal resources for the Company's Shell Creek Project are expected to be confirmed in the current quarter.
- Washability studies are scheduled to commence on the Shell Creek Project following completion of the Stage 2 drilling program.

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RESOURCE UPGRADE PROGRAM

During the quarter County Coal fast tracked its resource upgrade program by acquiring a geological data package over the Shell Creek Project Area. Considerable drilling and exploration activity has already been undertaken on this area.

The data package contains drilling and geophysical data extracted from a major drilling program conducted over the area by Texaco (since acquired by Chevron) in the 1980's. Extensive geological and geophysical data relating to 18 drill holes in the Shell Creek Project Area is available to the Company. This is in addition to the quantitative and qualitative data derived from the Company's drilling program carried out last year.

Detailed analysis and geological assessment of all available data is currently being conducted, which should assist in finalising a resource upgrade for the Shell Creek Project Area. The Company's Stage 2 drilling program will also incorporate these results and allow for the additional data obtained from the data package.

OPTIONS EXERCISED AND RESOURCE INCREASE

County Coal exercised its option over the additional property in the Miller Project Area during the quarter and accordingly the Company's fully owned Total JORC Resource has increased by 89Mt to a total JORC Coal Resource of 642 Mt, of which 310Mt is JORC Measured Resource at the Miller Project Area.

During the quarter the Company exercised an option to acquire an additional 90 acres of land (including coal rights) at Shell Creek, adjacent to the Shell Creek Project Area. The Company believes the property is likely to contain contiguous seams of similar quality and thickness to that of the current project area and expects to be able to include these in its resource upgrade expected in the March quarter.

MINE PLANS

The Company expects to commence work on the necessary mine plans for its two projects this year. The new technical data and results of its Stage 2 Drilling Program will be incorporated into the mine plan at the Shell Creek Project Area.

PORTS AND LOGISTICS

The Company has commenced discussions with a number of ports and infrastructure providers in North America to enable supply to the Asian markets.

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 USA. In particular County Coal invests in thermal coal resources and projects, with export potential in proven quality coal producing regions. County Coal looks for strategically located resources, which are close to necessary infrastructure, with good logistics to maximise project end-values and profitability. County Coal is seeking to establish early production revenue streams from its current coal properties and future projects.

County Coal's initial focus is to define a JORC Measured Coal Resource base of a minimum of 1 billion tonnes of export thermal coal in the Powder River Basin in Wyoming USA and subsequently develop two coal mines each having a minimum annual production of 5 million tonnes for export to Asian markets.

Board

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

Coal resources

A summary of County Coal's current 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	74 million tonnes	258 million tonnes	-	332 million tonnes
Miller Coal Project	-		310 million tonnes	310 million tonnes
Total JORC Coal Resource	74 million tonnes	258 million tonnes	310 million tonnes	642 million tonnes

Note: Based on Independent Geologist's Report, Aqua Terra Consultants Inc., October 2011. 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.