



30th April 2012

QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 31st March 2012

The Directors of County Coal Limited (ASX: CCJ) are pleased to present the Company's March 2012 Quarterly Report. During the quarter the company announced both the tonnage and status of the Company's JORC Coal Resources at the Shell Creek Project area had been increased and upgraded.

HIGHLIGHTS

- Exercised option over an additional property at Shell Creek, which increased the Company's fully owned total JORC Coal Resources at the Shell Creek Project Area by 61 Mt to 371 Mt with 216Mt of JORC Measured Resource.
- Continued resource upgrade program based on data analysis and resource modeling.
- Total JORC Coal Resources increased by 39Mt to 681Mt.
- JORC Measured Coal Resources increased by 69% to 526Mt.
- Geological and geophysical data purchased relating to 18 drill holes in the Shell Creek Project area were incorporated into the Company's JORC Coal Resource estimates.
- Stage 2 drilling program for the Shell Creek Project adjusted to reflect analysis of the data package information and a more efficient program devised resulting in the relocation of some of the drill hole locations.
- Discussions with export terminals and infrastructure providers in North America continued.

GOING FORWARD

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

- As a result of the new data acquired, an updated drilling program incorporating the new data was formulated, with Stage 2 drilling to be commencing in May 2012.
- Additional coal resources for the Company's Shell Creek Project are expected to be confirmed in the next 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 continued to fast track its resource upgrade program by analysing the previously acquired 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 continuing, which has already assisted in upgrading the resource at the Shell Creek Project Area. The Company's Stage 2 drilling program has incorporated these results and additional data obtained from the data package.

The resource upgrade is a result of the Company's evaluation of geological and geophysical data obtained at the project area by Texaco in the 80's and the additional coal resources at the project area acquired by the Company due to the recent exercise of its option over an additional 104 acres of property and coal rights at Shell Creek.

The new drill holes and geophysical data have now been incorporated into the Company's upcoming Stage 2 drilling program at Shell Creek, which is targeting the lower seams of the project area, with the intention to upgrade these additional seams. The Company expects to commence the Stage 2 drilling program in May 2012.

The resource upgrade program further fast-tracks the Company's plan to develop a large export thermal coal project at Shell Creek. The extensive nature of the database acquired over the Shell Creek Project area has assisted in fine-tuning the Company's Stage 2 drilling program to upgrade the remaining coal resources at the project area to JORC Measured Resource status.

Geological modelling of the resource included new data relating to 18 previously drilled holes over the Shell Creek Project area by Texaco, data from 6 holes already drilled over the project area by the Company, further holes previously drilled by Texaco and others in the area immediately surrounding the project area, as well as density calculations and modelling of all drill holes at the Shell Creek Project area and area immediately surrounding the project area.

The preparation of the coal resource upgrade was undertaken by Aqua Terra Consultants, Inc. ("ATC") in accordance with the JORC Code (2004). ATC has had a long association with coal properties in the Powder River Basin ("PRB") and are considered to be amongst the most respected coal experts in Wyoming. ATC has an extensive client base of major coal companies operating in the PRB, including Chevron, Kiewit Mining, Alpha Coal, Rio Tinto and Arch Coal.

RESOURCE UPGRADE PROGRAM (Continued)

ATC prepared County Coal's Independent Geologist Report for the purposes of the Company's listing on the ASX in late 2011 and inclusion in its Prospectus, and also oversaw the Company's Stage 1 drilling program at Shell Creek and Miller. They have been retained to assist in the Company's ongoing resource upgrade program and further drilling programs at the Company's project areas.

Following completion of the Company's Stage 2 drilling program, washability studies will be conducted on the resource at Shell Creek to enable the Company to commence work on the necessary mine plan for the project later this year. The Miller Project Area already contains a JORC Measured Resource and accordingly the Company will shortly commence its mine plan for this project.

OPTIONS EXERCISED AND RESOURCE INCREASE

County Coal exercised its option over the additional property in the Shell Creek Project Area during the quarter and accordingly the Company's fully owned Total JORC Resource has increased by 61Mt to a total JORC Coal Resource of 681 Mt, of which 526Mt is now JORC Measured Resource.

During the quarter the Company exercised an option to acquire an additional 104 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 include these in its planned resource upgrade expected following completion of the Stage 2 drilling program.

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 is continuing discussions with ports and infrastructure providers in North America to enable export coal 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 located 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	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.