



23<sup>rd</sup> July 2012

## COUNTY COAL ACQUIRES OPTION OVER ADDITIONAL COAL AT SHELL CREEK

### HIGHLIGHTS

- Option secured over 1,420 acres of additional coal adjacent to County Coal's project area at Shell Creek
- Acquisition will increase the Company's total coal bearing land at Shell Creek by 130% to 2,230 acres
- Some initial geological and geophysical data over the additional acreage comes with the option
- Represents an Exploration Target of an additional 300 to 500Mt

**County Coal Limited (ASX: CCJ)** announced today that it has acquired an option over a further 1,420 acres adjacent to the Company's Shell Creek Coal Project area. If exercised, the option will increase the Company's total resource ownership at Shell Creek by 130% to 2,230 acres.

"The area covered by the option is a great strategic fit with our existing Shell Creek assets," said County Coal's recently appointed CEO, Rod Ruston. "The Company already owns a total JORC Coal Resource of 371Mt at Shell Creek over 919 acres, of which 216Mt is at JORC Measured status, which ideally suits an open cut operation. The potential for additional open cut coal in the 1,420 acres covered in the option is considerable."

During the three year term of the option, the new acreage at Shell Creek will be the subject of a new drilling program to obtain geological and geophysical analysis and resource estimation to upgrade the additional resources acquired under the option from an initial exploration target status to a measured resource upon which a decision to exercise the option can be based.

The Company believes the new acreage has the potential to contain substantial coal resources given its location adjacent to the Company's Shell Creek Coal Project area in the same geological structure and sequence.

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A summary of County Coal's current 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

**Exploration Targets\*:**

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

\* Subject to a new drilling program

**Note:** (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., February 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 from the adjacent Shell Creek area. The potential size of the target is conceptual in nature, and there has not been as yet 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.

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Data obtained through a new drilling program to be conducted over the option area will be incorporated into the Company's mine plan at Shell Creek. The Company expects to commence this new drilling program immediately following completion of its Stage 2 drilling program currently being undertaken at Shell Creek.

"The additional acreage should enable the Company to develop a larger export thermal coal operation at Shell Creek than originally planned" said Ruston. "The extensive nature of the database previously acquired over the Shell Creek area should also aid in fine-tuning this additional drilling program to upgrade these additional resources at Shell Creek to JORC Resource status."

In conjunction with the Company's new drilling program over the option area, washability studies will be undertaken on the new coal resources to enable the Company to enhance its mine plan for the Shell Creek Coal Project and commence targeted marketing for its products.

Washability studies have already commenced on the Company's current coal resources at Shell Creek and will be completed following completion of its current Stage 2 drilling program of which five holes have been already drilled.

## **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 of the USA.

County Coal looks for strategically located resources, which are close to necessary infrastructure with good logistics to maximise project end-values and profitability.

The Company's initial focus is to define JORC Measured 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 will look at opportunities for securing other coal assets with a view to building a portfolio of export coal sources in the USA.

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