



30th January 2013

ACTIVITIES REPORT FOR THE QUARTER ENDED 31st DECEMBER 2012

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

SUMMARY

- The announcement in October 2012 of an increased Total JORC Coal Resource for County Coal of 7% to 730MT at Shell Creek.
- Continued discussions with coal terminals and infrastructure providers in North America.

REPORT ON OPERATIONS

The quarter has been relatively quiet with respect to drilling activity in the Powder River Basin (PRB). While some drilling work was finalized, work at the Shell Creek site was predominantly related to completing the analysis of samples obtained from drilling undertaken in previous quarters. The Shell Creek stage of the exploration program is now complete. The program has yielded some 700 million tonnes of resources, a substantial proportion of which is contained in a single seam averaging 50 metres thick and ranging in depth from 26 metres at the shallowest to more than 160 metres. This indicates a seam that would be amenable to open cut mining methods.

Exploration has not yet been commenced on the recently acquired option area, Shell Creek North. Given the quantity of high potential open cut coal having already been identified, County Coal's management decided to delay further resource development in favour of focusing on securing the supply chain required for the profitable sale of coal off the west coast of North America. This effort has not just been directed towards the logistics of efficient transportation of County Coal's future PRB output but has included work to secure sufficient capacity to service all the proposed business activities planned by County Coal.

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REPORT ON OPERATIONS (continued)

With one of the Company's key assets being management's extensive business network in the Asian coal user market, the Company plans to maximize its coal sales portfolio by selling coal as both an owner/operator of coal mines and as a vendor of coal from third party mines. This activity has resulted in the Company executives having a number of meetings with rail and port infrastructure providers, with respect to both short and longer term transportation of coal. These meetings have been positive and County Coal has been generally well received.

Given the possibility of County Coal transporting coal through British Columbia, the Company has made a conscious effort to engage with public authorities to outline the Company's business proposal and explain in some detail the railing options available. This early engagement with public authorities was also well received.

FINANCE

Expenditure over the quarter was \$626,000. With the postponement of further drilling in the short term, expenditure in the near future will be generally related to further work on securing port access.

County Coal considers it has sufficient funds to continue its business activities preparing the groundwork required to establish a coal export business in North America.

OUTLOOK

As a key initiative, taken after the close of the quarter, County Coal has engaged a Manager for its North American business, who is located in Vancouver, which we have found to be the most central city to the mine/rail/port supply chain. This appointment adds to County Coal's credentials as a company which is building a new North American business.

Also following the end of the quarter, County Coal's chairman, Bob Cameron visited Vancouver to be involved in the discussions with various public authorities and infrastructure providers. County Coal considered it important to have both the management and the Board represented at these meetings in order to demonstrate our commitment to the task we have set ourselves.

The next quarter will see further discussions taking place with rail and port providers along the North American west coast. Discussions with these entities are already well progressed and County Coal remains confident that the necessary infrastructure can be secured.

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 Project	59 Mt	17 Mt	344 Mt	420 Mt
Miller 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 North Project (new option area)	-	-	-	300 to 500 Mt
Miller 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.

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.