CELSIUS SECURES A$10 MILLION STRATEGIC FUNDING FROM SINGAPORE-BASED BLUMONT

HIGHLIGHTS

- **Celsius has secured A$10 million of new financing from Blumont to fully fund its 2013 exploration and development program.**
- **A$5 million will be available immediately through an ordinary share placement of 227,272,727 Celsius shares at A$0.022 per share.**
- **Additional A$5 million in the form of Convertible Notes to be drawn in the second half of 2013, with such notes convertible at A$0.025-0.030 per share and carrying 12.5% annual interest.**
- **Celsius and Blumont to form Strategic Alliance to review additional investment opportunities in Central Asia and whereby Blumont will nominate a director to Celsius and Celsius will provide a director to Blumont.**

Celsius Coal Limited (ASX Code: CLA) ("**Celsius**" or the "**Company**") is very pleased to announce a strategic funding arrangement from Blumont Group Limited ("Blumont") for A10 million.

Key elements of the arrangement include:

- Ordinary share placement – An immediate placement of 227,272,727 ordinary Celsius shares to Blumont for an aggregate subscription of A$5 million (ie, A$0.022 per share).
- Convertible note facility ("**Convertible Notes**") – Blumont is the sole provider of the Convertible Notes, which will enable the Company to draw between A$3 million to A$5 million (at the Company's option) after 30 June 2013. Convertible Notes will carry interest at the rate of 12.5% per annum payable half-yearly. The Convertible Notes will be convertible into ordinary shares of Celsius based at the 20-day volume weighted average share price prior to conversion and subject to a floor price of A$0.025 per share and a cap of A$0.030 per share. Blumont will have the right to call conversion anytime after issuance and the Company will have the right to call conversion anytime from 12-months after issuance, with any conversion subject to the condition that it does not result in a voting interest exceeding 19.9% of Celsius.

- Strategic Alliance – Blumont and Celsius will cooperate to review other potential projects in Central Asia. Blumont will nominate one director to the board of Celsius (subject to it maintaining a shareholding in excess of 10%) and Celsius will nominate Alexander Molyneux to the board of Blumont.

"I'm happy that our 2013 program is fully-funded with this strategic alliance." said Grant Thomas, Managing Director "We are already planning an accelerated physical exploration program to commence this northern hemisphere spring. We hope the prospectivity of these projects becomes clear in the minds of investors once our maiden JORC Code compliant resource is released in March. The opportunity to cooperate with Blumont to review other potential projects in Central Asia is also exciting."

Blumont is a Singapore-based company, listed on the Singapore Exchange under the ticker A33. Its current market capitalization is close to S$700 million. Celsius is its second investment in mining bulk commodities, having announced the proposed acquisition of Hudson Minerals Pte. Ltd. ("**Hudson Minerals**") in December of 2012. Blumont is purchasing 100% of Hudson Minerals for up to S$48 million and will be planning the development of its West Sumatra iron ore deposit.

ABOUT CELSIUS COAL

Celsius Coal Ltd is focused on developing coking and thermal coal deposits in the Kyrgyz Republic.

Celsius owns 80% of its Uzgen Basin Coking Coal Project (comprising: Kargasha; Kokkia; and Min Teke), which cover an established Soviet-era coking coal resource. It also owns 90% of its Alai Range Projects (comprising: Sary Mogol and Bel Alma).

For more information, please visit www.celsiuscoal.com.au or contact Mr Ranko Matic, Company Secretary on +61 (08) 9226 4500.

Competent Person's Statement

The information in this report that relates to Exploration Results, Exploration Targets, Mineral Resources or Ore Reserves is based on information compiled by Mr Grant Thomas and Mr Alistair Muir who are both Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Thomas is the Managing Director and Mr Muir is the Country Manager of Celsius Coal Limited and both have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Thomas and Mr Muir both consent to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.

Exploration Targets

It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information in this announcement relating to Exploration Targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) and Reserve(s) have not been used in this context in this announcement.

The potential quantity of coal presented in this announcement as Exploration Targets are conceptual in nature. It should be noted that there has been insufficient exploration to define a Mineral Resource which complies with the JORC code, and it is uncertain if further exploration will result in the determination of a Mineral Resource. Celsius Coal intends to carry out an exploration programme to systematically test the Exploration Targets for each of the Prospects, which are detailed in table 1 below.

Table 1. Exploration Targets for Tuyuk-Kargasha, Kokkia and Min Teke Projects

Prospect	Exploration Target (millions of tonnes of coal)	Moisture (%)	Ash (%) db	Sulphur (%) db	Calorific Value (kcal/kg) daf
Kargasha	115 – 140	0.9 – 6.0	3.0 – 10.0	0.4 – 0.9	7700 - 8700
Tuyuk	267 – 335				
Kokkia	114 – 198	0.7 – 5.0	5.0 – 15.0	0.4 – 0.9	7800 - 8500
Min Teke	5 – 27	3.0 – 10.0	10.0 – 25.0	0.4 – 0.9	6200 - 7700
Total	**501 - 700**				