CELSIUS COAL LIMITED

ASX RELEASE | 9 July 2012

Multi-Rig Drilling to Commence at Celsius' Uzgen Basin Coking Coal Project

- **Equipment has been mobilized to the Kargasha/Kokkia project areas to support an extensive multi-rig diamond drilling program**
- **Approximately 4,000 to 5,000 metres of diamond core drilling planned**
- **Exploration program designed to substantially expand existing 255 million tonne JORC Coal Resource and bring targeted areas into the Indicated category**
- **Data to be acquired to further environmental base line and mining studies**
- **Bulk samples to be collected for advanced product testing and results distributed to prospective customers and off-takers**
- **Work program fully funded**

Celsius Coal Limited (**Celsius** or the **Company**) (ASX:CLA) is pleased to announce the commencement of work for the 2013 exploration season on its Uzgen Basin Coking Coal Project in the central region of the Kyrgyz Republic. Equipment is now at site with the Company's field team and work has commenced. Drilling with multiple high production diamond core drill rigs is anticipated to commence in mid July.

Following the success of the 2012 exploration season, which resulted in the estimation of Celsius' maiden JORC Resource of 255 million tonnes of inferred coal resources, the aim of the 2013 program is to:

- increase the Company's total resource inventory;
- target exploration in areas with limited historical drilling which are most prospective for the highest ranking coking coals;
- move some inferred resources into the indicated category; and
- collect data for mining studies.

In addition, bulk samples will be collected and tested and results distributed to prospective customers and off-takers.

"Based on 2012 work, we are already looking at the right approach to start mining, including some very low cost scenarios both in terms of capital and cash cost." said Alexander Molyneux, Chairman, "The point with this 2013 program is to acquire the data that we need to move on so we can be mining here within the next two years or so."

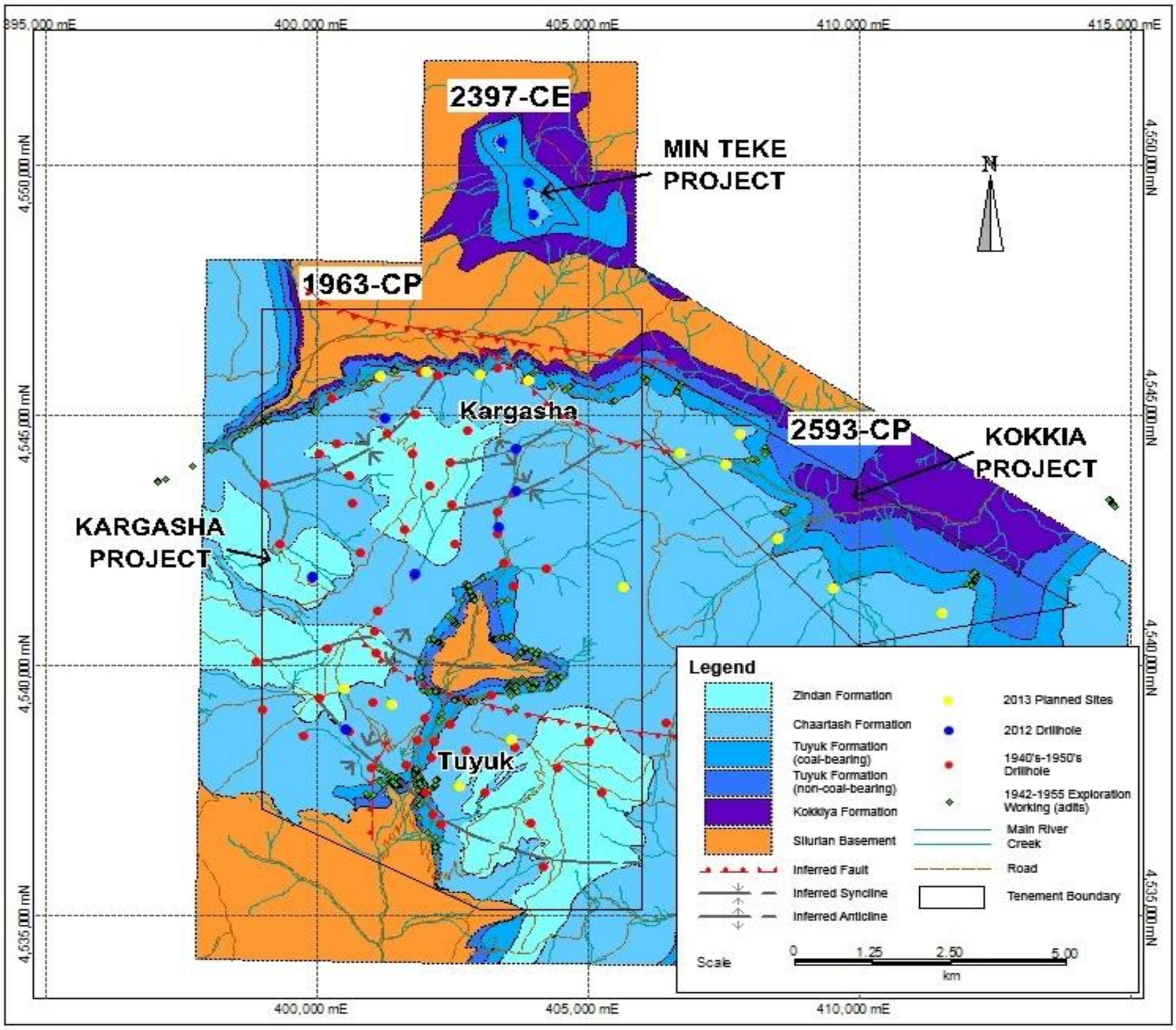
The Company plans to drill between 4,000 and 5,000 metres of diamond core in the target areas as part of the 2013 program. Based on progressive assessment of the exploration results, capacity is available to expand the drilling program.

Celsius has a field team of circa 40 people for the 2013 program, including its own geological staff and third-party contractors Updates on progress will be reported during the program. The Company anticipates the field program will be completed in October 2013, assuming no expansion to the program, following which the focus will be on lab analysis, resource modeling and desktop studies.

The 2013 drilling program will be more extensive than Celsius' maiden drill program in 2012 and will involve more work focused to support a mining license application and subsequent production. A number of larger diameter PQ core holes will be drilled to procure samples that will be used to more accurately determine certain coking coal specifications, particularly coke strength after reaction (CSR). Additionally, more environmental base line and geotechnical data will be collected for mining studies.

Celsius remains fully funded for all of this work.

Figure1: Project area - Planned drill holes for 2013 as well as historical drilling locations



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. Celsius also owns 90% of the Alai Range Project (comprising: Sary Mogol and Bel Alma).

For more information, please visit www.celsiuscoal.com.au or contact Mr. Ranko Matic, Company Secretary on +61 (0) 8 9226 4500.

COMPETENT PERSON STATEMENT

The information in this announcement that relates to resource estimates initially reported to the ASX on 15th March 2013 (Celsius Establishes Maiden JORC Resource at Uzgen Basin) and is based on information compiled by Dr Gavin Springbett, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Dr Springbett is acting as a consultant to Celsius Coal Limited and is an employee of G&S Resources. Dr Springbett has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Springbett consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Further the company confirms it is not aware of any new information, or data which materially affects the original announcement and that all material assumptions and technical parameters underpinning the resource estimates are unchanged. In addition the company confirms that the form and context in which the CP's findings are presented have not been materially modified.