



CELSIUS COAL
LIMITED

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COMPLETION OF 2013 DRILLING PROGRAMME **UZGEN BASIN COKING COAL PROJECT**

HIGHLIGHTS

- 2013 field exploration programme at the Company's Uzgen Basin Coking Coal Project is now complete.
- 11 HQ & PQ diameter core holes drilled for a total of 4,051 metres, the largest drilling program undertaken by Celsius to date.
- Significant coal intersections observed at both Kargasha and Kokkia, with cumulative thicknesses of up to 16.28 metres and individual seams of up to 2.58 metres.
- Coal samples are now progressively being sent to SGS and ALS labs for coal quality testing.
- Additional environmental and geotechnical data collected to further mine plan studies.
- Near-surface results at Kokkia highlight additional open-pit / auger potential.
- 2013 programme included two larger diameter PQ holes to allow for testing of specific coking properties, including Coke Strength after Reaction (CSR).

Celsius Coal Limited ("Celsius" "the Company") (ASX:CLA) is pleased to announce the field exploration programme for 2013 at its Uzgen Basin Coking Coal Project has been successfully completed. 11 holes were drilled for a total of 4,050.6 metres. At Kargasha, 2,304.0 metres of drilling was completed and at Kokkia 1,746.6 metres was completed.

Analysis of the data and the coal samples has now commenced. Desktop works include reviewing seam correlation and construction of a 3D model of the coal seams prior to updating the Resource Statements for the project areas. Coal samples are progressively being sent to SGS labs in Russia and ALS labs in Australia for testing of a range of coking and other properties.



KARGASHA

- HQ diamond core from drill holes DDTK008 to DDTK012 and PQ drill hole DDTK013 have now been logged and sampled, with a significant cumulative coal thickness of 13.63m and 14.13m intersected in DDTK0011 and DDTK0013 respectively.
- The results of DDTK012 show that coal seams continue in the east of the license area, where no drilling had previously been carried out.
- Results from intersections in DDTK0010, 011 & 013 confirm predictions made during the 2012 resource modeling that the coal seams thicken in the north of the Kargasha area, where coal is generally closer to surface as can be seen from the intersections in DDTK0010 (first coal at 55.69m), DDTK0011 (first coal at 29.52m), & 0013 (first coal at 56.33m) as well as the presence of outcrops in the Kargasha Valley.
- Validation work on Soviet-era drill holes and adits was completed with a number of drill holes and adits having been located using modern survey techniques to help confirm the accuracy and location of the historical data.
- Seam intersections observed at Kargasha are as follows:

Drill hole	Coal seam intercepts thicker than 0.5m	Total coal thickness
DDTK008	2.08m & 1.80m	4.48m
DDTK009	1.64m	2.45m
DDTK010	1.67m, 1.00m, 0.52m, 0.91m, 0.73m 0.82m & 0.90m	8.79m
DDTK011	0.71m, 1.62m, 0.57m, 1.54m, 1.22m, 0.65m, 1.79m, 0.60m & 0.78m	13.63m
DDTK012	1.14m, 0.73m, 1.56m, 0.67m, 0.56m & 0.56m	8.86m
DDTK013	0.51m, 2.58m, 0.91m, 0.54, 0.68m, 0.73, 1.51m, 1.37m, 0.63m, 1.17m, 0.57m, 0.56m, 0.92m, 0.73m & 0.68m	14.13m

Note: Intervals and thicknesses are estimated based on drilling depths as logs are yet to be corrected to geophysics log data

KOKKIA

- The focus of Kokkia drilling in 2013 was to better define the coal Resource for this area of the project and determine the coal quality characteristics.
- Drilling at Kokkia intersected significant thicknesses of coal near surface with a maximum cumulative coal thickness of 16.28m** in DDKK004. This is very significant given the intersections are near surface, providing open-pit potential, and that there has been no prior drilling in the area.

- SRK Consulting completed a structural mapping program to compliment ongoing coal exploration. This work located previously unidentified coal bearing strata at Kokkia.
- Seam intersections observed at Kokkia are as follows:

Drill hole	Coal seam intercepts thicker than 0.3m	Total coal thickness
DDKK001	0.88m, 0.7m, 1.29m, 1.06m, 0.33m, 0.91m, 0.73m, 1.34m & 0.40m	9.20m
DDKK002	0.37m & 0.64m	1.69m
DDKK003	0.47m, 0.38m, 0.44m, 1.13m, 1.89m, 0.91m, 0.33m, 1.02m, 0.79m, 0.66m, 0.56m, 1.18m, 0.37m & 0.62m	11.75m
DDKK004	1.33m, 1.67m, 0.39m, 0.65m, 0.37m, 0.71m, 1.07m, 0.59m, 1.91m, 0.36, 0.98m, 0.48m, 1.94m, 0.56m & 0.31m	16.28m**
DDKK005	0.59m, 0.59m, 1.00m, 1.81m, 1.53m, 0.43, 0.96m, 0.78m, 0.79m, 0.61m & 0.72m	10.30m

Note: Intervals and thicknesses are estimated based on drilling depths as logs are yet to be corrected to geophysics log data.

** In the ASX Release dated October 1st, 2013, a total figure of 16.5m was quoted. This has been revised to 16.28m following review and further detailed logging.

TESTING PROGRAM

- Samples from diamond drill holes DDTK008, DDTK009, DDTK010, DDTK011, DDTK012, DDKK001, DDKK002, DDKK003 and DDKK005 have been received at the internationally accredited SGS laboratory in Novokuznetsk (Russia) and testing has commenced.
- Coal samples from PQ diamond drill holes DDKK004 and DDTK013 are being sent to ALS Australia for coking coal specification determination and advanced product analysis.
- Geotechnical data for mine design purposes was collected, with 283 samples across the 2 project areas. To complement this point-load testing was conducted on all HQ drill holes across both deposits with a total of 837 samples.
- Celsius' focus is now on progressing as quickly as possible to revised resource statements for both Kargasha and Kokkia, and then to the completion of mine studies. This will include the continued assessment of augers / high wall miners for rapid production start-up. In addition we will be seeking to establish an off-take agreement with potential Chinese customers.

Detailed Commentary

Celsius is very pleased to release a summary of coal intersections following the completion of its drilling programme at its Uzgen Basin Coking Coal Project located in Kyrgyz Republic. All data is based on visual inspection and will be subject to revision once analytical work at the internationally accredited laboratories of SGS in Novokuznetsk, Russia and ALS in Australia has been completed. Sampling is now complete and samples from all drill holes have been dispatched or are in process of being dispatched for analysis.

Work now moves to analysis of all data collected during the programme including correlation of coal seams and construction of 3D coal seam models which will be used to update the coal Resource for the project areas.

Kargasha

The focus of this year's drilling at Kargasha was primarily to investigate the thickness and extent of coal seams to the north of the Kargasha project with the aim of better defining resource tonnages in this area. Of the six diamond drill holes at Kargasha three (DDTK010, DDTK011 & DDTK013) were planned on the escarpment on the Kargasha valley to confirm model predictions about thickness and extent. Drill hole DDTK012 was an exploration hole targeted to extend the potential resource area to the north-east, while DDTK008 and DDTK009 were exploration holes expected to confirm coking properties in the south of the Kargasha project area.

The location of the 2013 drilling is shown on Figure 2 along with the location of existing Soviet-era drilling and the drilling completed by Celsius in 2012.

A summary of preliminary findings and conclusions are:

- Diamond core from 6 drill holes (5 HQ & 1 larger diameter PQ) DDTK008 to DDTK013 at Kargasha have been logged and sampled in detail with a maximum cumulative coal thickness of 14.13m intersected in DDTK0013 and results ranging between 2.45m and 14.13m cumulative thicknesses.
- Bulk sampling of hole DDTK013 was also completed for coking coal specification determination and advanced product analysis. This hole was chosen for more detailed testing based on previous quality analysis of both Celsius' 2012 and Soviet-era drilling.
- The results of DDTK012 show that coal seams continue in the east of the license area where no drilling had previously been carried out. Interpretation of the coal seams intersected in this hole suggest there is continuity of coal seams between DDTK007 and DDTK012 across a significant area in the east of the license. The Company anticipates that a coal Resource will now be able to be delineated in this area.
- Coal in the north of the license area is generally closer to surface as can be seen from the intersections in DDTK0010 (first coal at 55.69m), DDTK0011 (first coal at 29.52m), & DDTK0013 (first coal at 56.33m) as well as the presence of outcrops in the Kargasha Valley.
- Results from intersections in DDTK0010, 011 & 013 confirm predictions made during the 2012 resource modelling that the coal seams thicken in the north of the Kargasha area. For example DDTK010 intersected 1.37m of coal within a 1.67 metre interval from 55.69 metres; DDTK011 intersected 1.54m of coal within a 1.62m interval from 43.79m, 1.45m of coal within a 1.54m interval from 78.53m and 1.66m of coal within a 1.79 metre interval from 116.75m; DDTK0012 intersected



1.31m of coal within a 1.56m interval from 598.24m and DDTK013 intersected 1.94m of coal within a 2.58m interval from 80.72m.

Analysis of geological logging data shows potential major seam and working section thicknesses as follows:

Drill hole	Completed depth	Intervals of Interest
DDTK0008	401.0m	2.08m interval with 1.94m of coal at 370.40m 1.80m interval with 0.87m of coal at 375.81m
DDTK0009	497.0m	1.64m interval with 1.57m of coal at 352.92m
DDTK0010	203.0m	1.67m interval with 1.37m of coal at 55.69m 1.00m interval with 0.91m of coal at 59.00m 0.52m interval with 0.48m of coal at 68.24m 0.91m interval with 0.64m of coal at 73.58m 0.73m interval with 0.63m of coal at 86.27m 0.82m coal interval at 116.42m 0.90m interval with 0.80m of coal at 126.68m
DDTK0011	293.0m	0.71m coal interval at 29.52m 1.62m interval with 1.54m of coal at 43.79 0.57m coal interval at 52.00m 1.54m interval with 1.44m of coal at 78.53m 1.22m interval with 0.85m of coal at 90.62m 0.65m interval with 0.53m of coal at 108.88m 1.79m interval with 1.66m of coal at 116.75m 0.60m coal interval at 166.00m 0.78m coal interval at 198.43m
DDTK0012	689.0m	1.14m interval with 0.91m of coal at 543.46m 0.73m interval with 0.30m of coal at 576.06m 1.56m interval with 1.31m of coal at 598.24m 0.67m interval with 0.63m of coal at 602.28m 0.56m interval with 0.41m of coal at 606.05m 0.56m interval with 0.46m of coal at 609.41m
DDTK0013	221.0m	0.51m interval with 0.48m of coal at 56.33m 2.58m interval with 1.94m of coal at 80.72m 0.91m interval with 0.84m of coal at 84.14m 0.54m interval with 0.35m of coal at 94.30m 0.68m interval with 0.63m of coal at 111.00m 0.73m coal interval at 113.00m 1.51m interval with 0.78m of coal at 115.49m 1.37m interval with 1.17m of coal at 140.63m 0.38m interval with 0.38m of coal at 156.37m 1.17m interval with 0.73m of coal at 162.96m 0.57m interval with 0.52m of coal at 168.03m 0.56m coal interval at 181.34m 0.92m interval with 0.67m of coal at 192.74m 0.73m interval with 0.59m of coal at 196.69m 0.68m coal interval at 201.06m

Note: Intervals and thicknesses are estimated based on drilling depths as logs are yet to be corrected to geophysical log data.

Validation work on Soviet-era drill holes and adits has been completed with a number of drill holes and adits having been located using modern survey techniques to help confirm the accuracy and location of the historical data.

Kokkia

The focus of Kokkia drilling in 2013 has been to delineate the coal Resource for this area of the project and to determine the coal quality characteristics. Historical Soviet-era data indicated the presence of coking coal in the license area and the Company is eager to confirm this as there is potential for coal from the area to be utilised to supply the Xinjiang, China, coking coal market. There has been no previous drilling on this license by Celsius so it is very encouraging that significant intersections were reported in drill holes DDKK003, DDKK004 and DDKK005, with cumulative coal thicknesses of 11.75m, 16.28m and 10.3m respectively.

Key observations from the logging and sampling of Kokkia drill hole core are:

- A thick coal interval of 1.89m in DDKK0003 starting at a depth of 103.28m (including 0.3m of parting). Also identified within this drill hole is a 1.13m interval at 84.30m and a 0.91m interval at 112.39m.
- Several significant coal intervals intersected in DDKK0004 including a 1.33m coal seam from 38.12m, a 1.67m interval (including 0.72m of partings) from 48.12m and a 1.91m seam interval (including 0.1m stone band) at 130.54m with further significant intersections of 1.07m at 93.83m (0.44m of partings) and 1.94m at 166.96m (0.90m of partings).

Analysis of geological logging data shows potential major seam and working section thicknesses as follows:

Drill hole	Completed depth	Intervals of interest
DDKK0001	700.6m	0.88m interval with 0.78m of coal at 515.78m 0.70m interval with 0.43m of coal at 531.02m 1.29m interval with 1.16m of coal at 538.33m 1.06m interval with 0.84m of coal at 546.17m 0.91m interval with 0.60m of coal at 563.05m 0.73m interval with 0.4m of coal at 571.27m 1.34m interval with 0.94m of coal at 582.62m
DDKK0002	245.0m	0.64m interval with 0.32m of coal at 77.96m
DDKK0003	362.0m	1.13m interval with 0.63m of coal at 84.30m 1.89m interval with 1.59m of coal at 103.28m 0.91m interval with 0.69m of coal at 112.39m 1.02m coal interval at 141.53m 0.79m coal interval at 144.69m 0.66m coal interval at 168.26m 0.56m coal interval at 174.44m 1.18m interval with 0.48m of coal at 195.17m 0.62m interval of coal at 284.94m
DDKK0004	221.0m	1.33m coal interval at 38.12m



Drill hole	Completed depth	Intervals of interest
		1.67m interval with 0.95m of coal at 48.12m 0.65m interval with 0.47m of coal at 70.70m 0.71m interval with 0.64m of coal at 70.70m 1.07m interval with 0.63m of coal at 93.83m 0.59m interval with 0.45m of coal at 117.91m 1.91m interval with 1.81m of coal at 130.54m 0.98m interval with 0.73m of coal at 136.63m 1.94m interval with 1.04m of coal at 166.96m 0.56m coal interval at 195.09m
DDKK0005	218.0m	0.59m interval with 0.43m of coal at 32.03m 0.59m interval with 0.36m of coal at 39.07m 1.00m interval with 0.85m of coal at 53.31m 1.81m interval with 1.60m of coal at 89.02m 0.43 coal interval at 114.49m 0.96m interval with 0.78m of coal at 122.18m 0.78 coal interval at 152.00m 0.79m interval with 0.54m of coal at 156.78m 0.61m interval with 0.61m of coal at 178.09m 0.72m interval with 0.34m of coal at 207.79m 0.67m interval with 0.36m of coal at 213.17m

Note: Intervals and thicknesses are estimated based on drilling depths as logs are yet to be corrected to geophysical log data.

Geology

The Uzgen Basin is located mainly on the south western slopes of the Fergana Range and is enclosed within the Paleozoic Fergana-Kokshaal structural zone. Paleozoic rocks served as a source of clastic material for the Jurassic coal-bearing formations within the Basin.

The Uzgen Basin is comprised of Paleozoic (Silurian, Devonian, Carboniferous, Permian), Mesozoic (Triassic, Jurassic) and Cenozoic (Pleistocene, Neogen) rocks which contains the main coal deposits of Kyrgyzstan including Kargasha, Kokkia, Min Teke, Kumbel, Zindan Chitty and Besh-Terek coal Deposits (figure 1).

Kargasha and Kokkia are located at the northern end of the main Uzgen Basin where seams are normally closer to the surface, thicker and better developed than elsewhere in the Basin. The northern portion of the Basin has also been identified as having the potential to host coal of coking quality. To the south of the Basin coals are thought to be anthracitic and therefore of too high a rank to be able to produce coke.

Figure 1 - Geology of the Kyrgyz Republic showing the Uzgen Basin

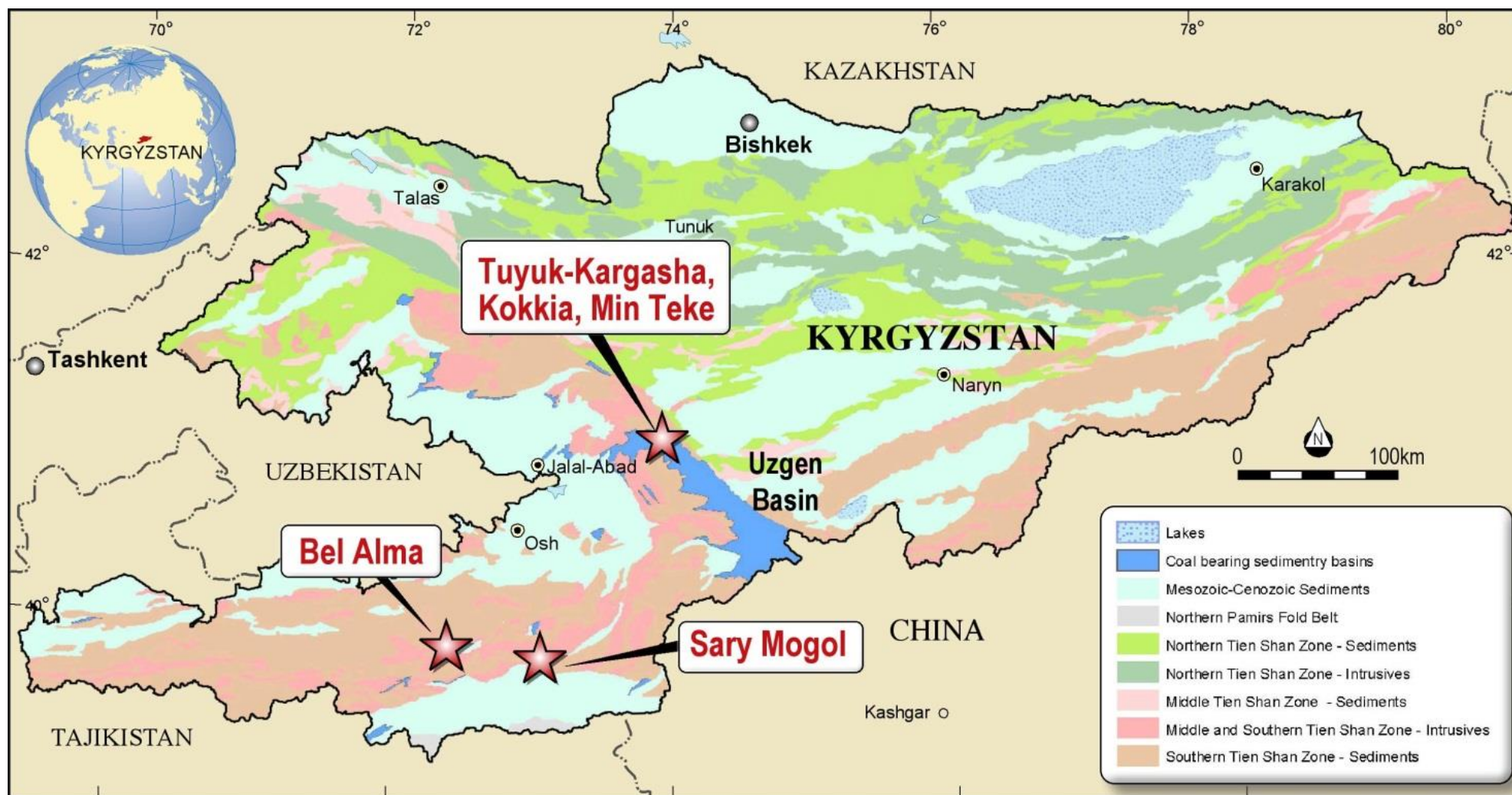
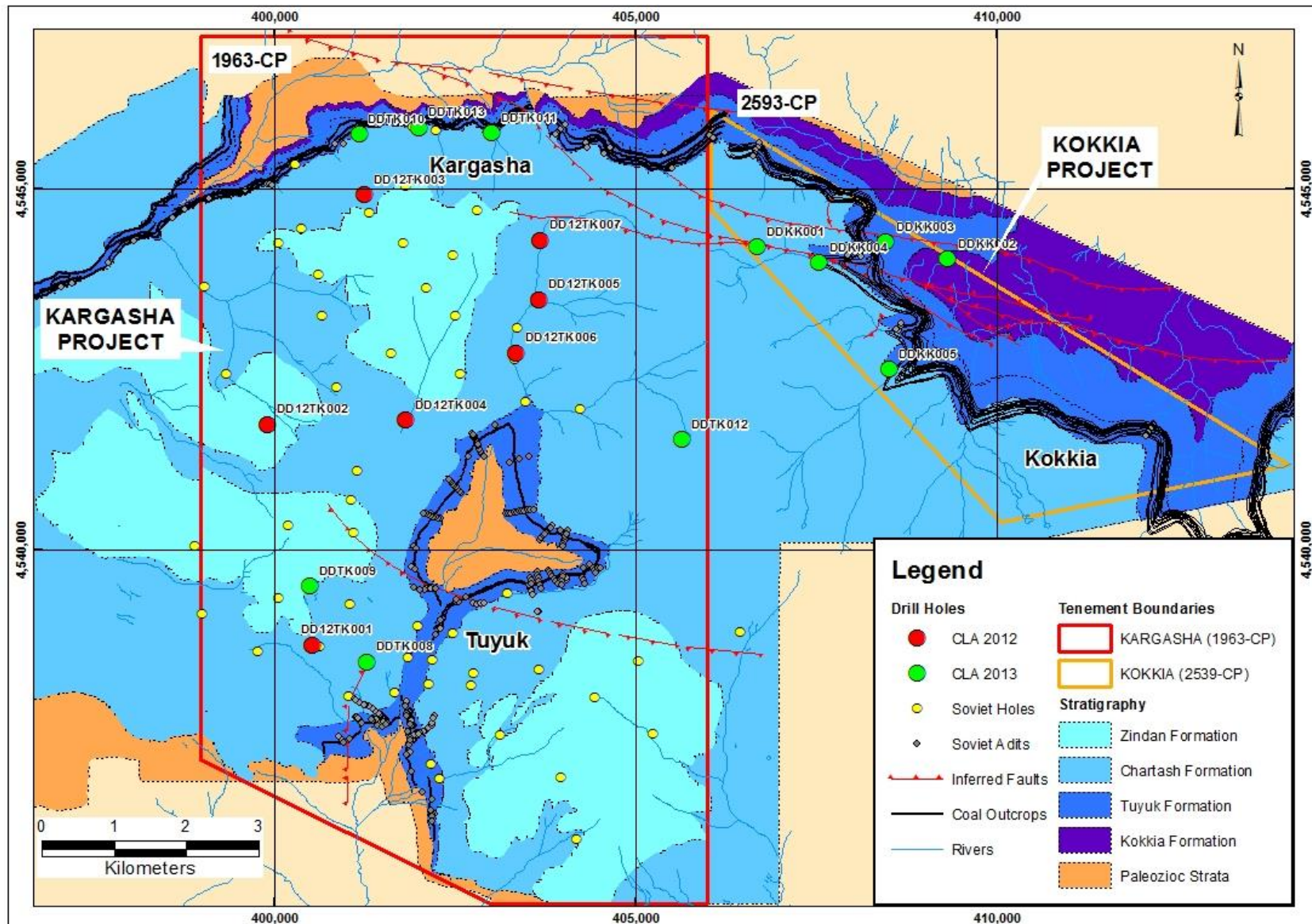


Figure 2. Geology Map of Kargasha and Kokkia showing Celsius 2012 & 2013 drilling and historical Soviet-era drilling.



ABOUT CELSIUS COAL

Celsius Coal Ltd is an Australian-based exploration company focused on exploring and developing coking and thermal coal deposits in Kyrgyzstan.

Celsius acquired a 90% interest in the Sary Mogol and Bel Alma coal licences located in Alai Range region of southern Kyrgyzstan in March 2012 and has also acquired an 80% interest in the Tuyuk-Kargasha, Kokkia and Min Teke licences in the Uzgen Basin. In addition to its existing assets, the Company continues to actively pursue new projects in the resources sector, not only in Australia and Kyrgyzstan, but elsewhere in the world, with the hope of subsequently developing mining operations on those projects.

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 is based on information compiled by Mr Alistair Muir, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Muir is the Technical and Operations Director of Celsius Coal Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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 Resources and Ore Reserves. Mr Muir consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears.