
ASX Announcement

Drilling Completed at the Moorlands Deposit, West Bowen Project

- 24 holes completed totalling 3212m, all holes geophysically logged
- 6 cored holes completed in Open Cut Target Area and samples dispatched for analysis
- Revised 3D geological modelling underway targeted for completion in 4 weeks
- Mine scoping studies and further exploration activities expected in 2013 following resource estimate
- Remains a priority target for the Company with plans to fast track the project into production
- The Moorlands Deposit has a current JORC Inferred Coal Resource of 39.5 Mt
- The Deposit is location 14 km West of the Blair Athol Coal Mine owned by Rio Tinto Coal

12 November 2012: Cuesta Coal Limited (ASX: CQC) (“Cuesta”) is pleased to announce it has completed its exploration activities at the Moorlands Deposit (EPC 1738) located at the Company’s 100% owned West Bowen Project in the Western Bowen Basin, Queensland.

Completed Work in 2012

Since the commencement of the 2012 exploration activities, a total of 18 open PCD holes and 6 partially cored 100mm holes have been completed and geophysically logged (Table 1 and 2).

Coring activities (Figure 1, 2, 3) have been focussed in the open cut target area to obtain detailed coal analysis for six (6) individual coal seams, namely B4, B6, B7, B8, B9 and B10. As per a recent announcement dated 18 October 2012, coring has confirmed geophysical logs, that the B8 and B9 seams are of primary importance, being 8m – 12m and 3m – 4m thick respectively (Figure 3).

Cuesta also completed down hole optical scanning of the coal seams on 10 holes to substantiate structural patterns and to photograph the seams and stratigraphy for input into the revised 3D geological model. Together with the coal quality analyses and other data once completed, Cuesta will immediately progress to undertake a scoping study for potential open pit mining.

Remaining Planned Work for 2012

The proposed open cut target area will consist of the B4, B6, B7, B8, B9, B10 and the Monteagle Seam and the revised resource estimate will be conducted upon the receipt of coal quality data.

Once the revised resource estimate has been finalised, mine scoping studies will commence to determine the project economics prior to further exploration activities including step out and infill drilling in 2013.



A longer term underground opportunity is present to the immediate south of the open cut target area; however the Company intends to focus on the open cut area to fast track production activities.

The Company is also finalising a study on additional credible target areas in close vicinity of the Moorlands Deposit that have previously been untested. Should additional coal measures be identified, they could enhance the overall project scale and future economics.

Cuesta Coal's Managing Director, Matt Crawford said:

"Cuesta is very encouraged by the progress made at the Moorlands Deposit for the 2012 drill season. This is the third exploration program that our technical team has successfully completed this year.

"The thick seams and close proximity to the surface of the Moorlands Deposit open cut target area reinforces the view of the Board and Management that the project should be the key focus for the Company. It is envisaged that the project can be fast tracked into production as a small scale, low cost thermal coal operation delivering early cash flows to the Company.

"The program was completed without incident to personnel or the environment and Cuesta remains committed to a high standard on health and safety and environment.

"We look forward to updating our shareholders on the revised resource estimate and additionally the Yellow Jacket Project drilling activities."

About the West Bowen Project

The West Bowen Coal Project stretches over an area of 1,000km² and is located 25km West of Clermont, Queensland. It consist of EPC 1738 and 1891 and EPCA 2008, which sit in close proximity to the Rio Tinto Blair Athol Open Cut Coal Mine which has operated since 1984 and produced up to 12Mt of thermal coal per annum.

Cuesta's Inferred Mineral Resource of 39.5Mt in accordance with the JORC code (2004) guidelines is located within EPC 1738, known as the Moorlands Deposit. This resource is contained within a discrete Permian sub-basin situated approximately 14km northwest from the Blair Athol Mine.

Cuesta is conducting detailed geological desktop assessments to identify additional coal bearing targets to the Moorlands Deposit, primarily in EPC 1891 with an aim to conduct scout drilling in 2013.

Open Cut Target Area							
Hole ID	Year Drilled	Easting	Northing	TD(m)	RL(m)	Depth to Base of Coal (m)	Cumulative Coal Thickness (m)
ML020	2012	544566	7499794	180	351.0	116.6	8.33
ML021	2012	544513	7500114	180	356.0	117.9	10.62
ML022	2012	544392	7500037	120	355.0	83.2	18.4
ML023	2012	544077	7500056	114	359.0	98.4	23.15
ML024	2012	544083	7499807	114	350.0	89.6	17
ML026	2012	543862	7499753	222	370.0	-	0
ML027	2012	544007	7499422	120	362.0	72.5	16.48
ML028	2012	544240	7499383	108	363.0	63.0	18.6
ML029	2012	544265	7499660	108	360.0	79.0	18.15
ML034C	2012	544289	7500276	108	343	97	21.41
ML035C	2012	544042	7500316	114	338	105	21.77
ML036C	2012	544505	7500114	132	342	122	10.6
ML037C	2012	544089	7499789	102	354	90	16.1
ML038C	2012	544247	7499362	72	356	63	17.36
ML039C	2012	543997	7499411	84	359	72	16.53
ML0002	2011	544051	7500315	164	339.0	105.0	22.36
ML0014	2011	544290	7500276	110	343.3	96.2	20.87

Table 1: Coal Intersection in the Open Cut Target Area

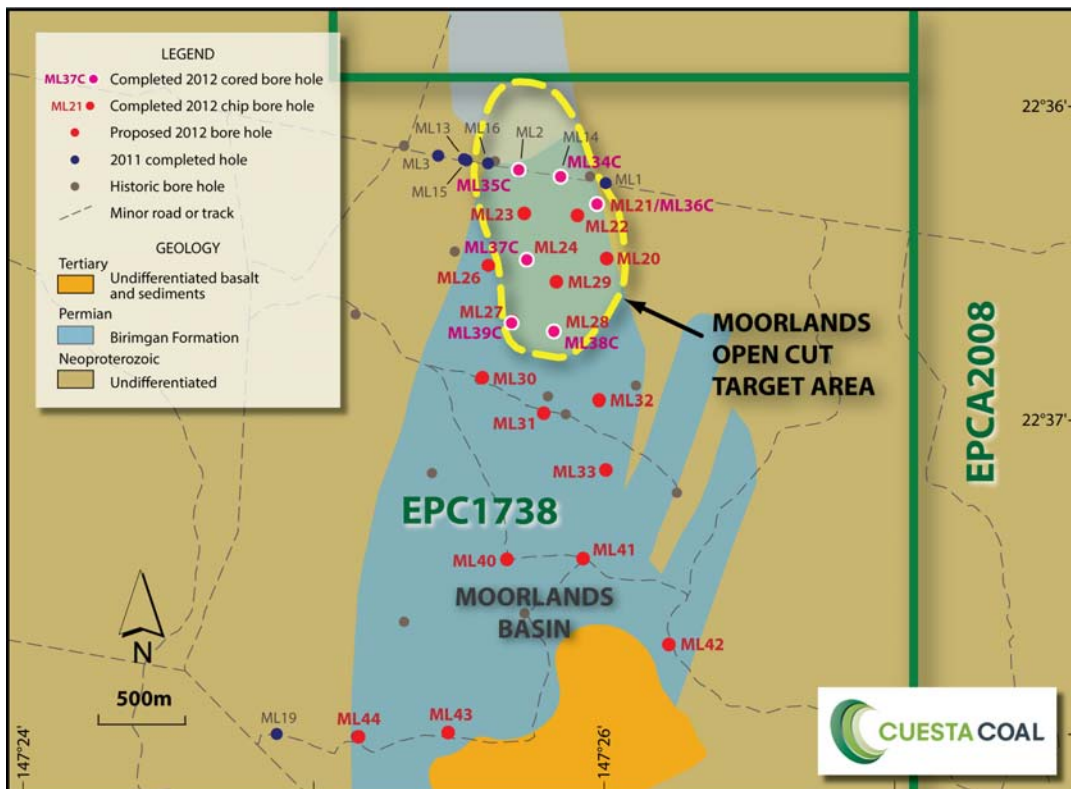


Figure 1: Map of Moorlands Deposit Drill hole locations and outline of Moorlands Open Cut Target Area

Underground Target Area 2012 Drilling

Hole ID	Year Drilled	Easting	Northing	TD(m)	RL(m)	Depth to Base of Coal (m)	Cumulative Coal Thickness (m)
ML030	2012	543825	7499090	180	358.0	144.0	2.7
ML031	2012	544183	7498880	150	353.0	108.5	4.35
ML032	2012	544530	7498947	150	367.0	83.6	3.4
ML033	2012	544551	7498550	186	376.0	170.0	3
ML040	2012	543966	7498018	150	364	125	1.9
ML041	2012	544415	7498022	162	372	147	2
ML043	2012	544920	7497517	173	373	131.5	3.3
ML042	2012	543618	7497006	150	390	0	0
ML044	2012	543088	7496982	133	370	0	0

Table 2: Coal Intersection in the Underground Target Area

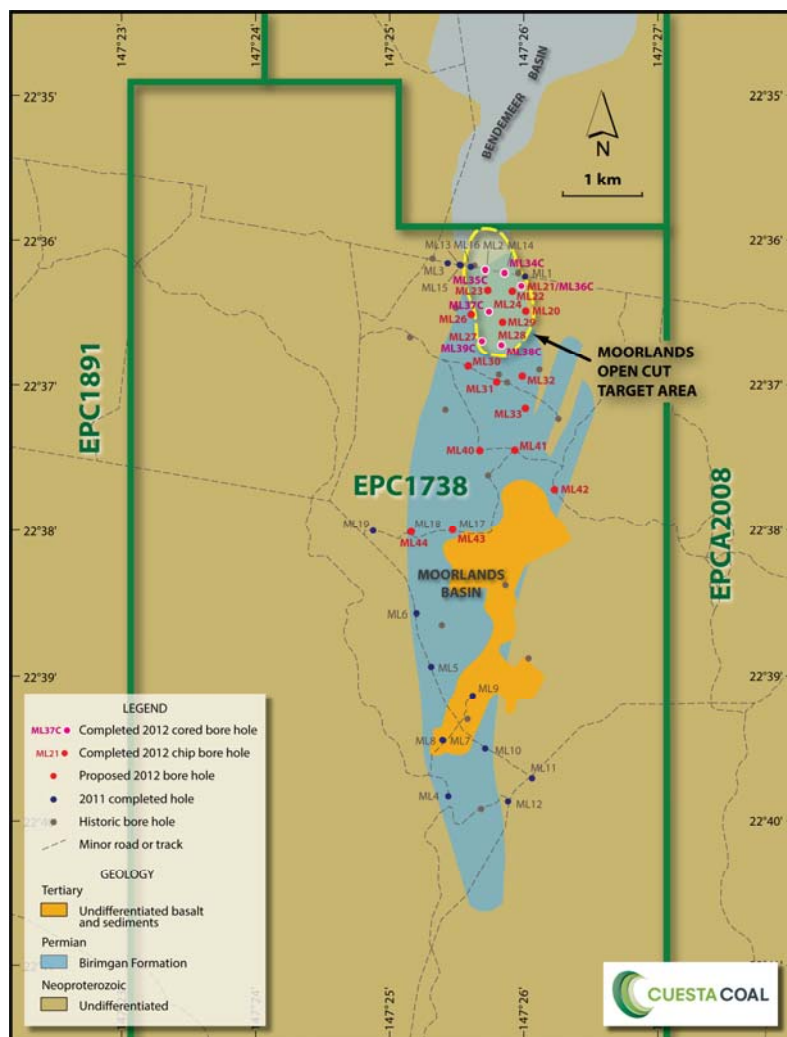


Figure 2: Map of Moorlands Deposit Drill hole locations and outline of Moorlands Open Cut Target Area

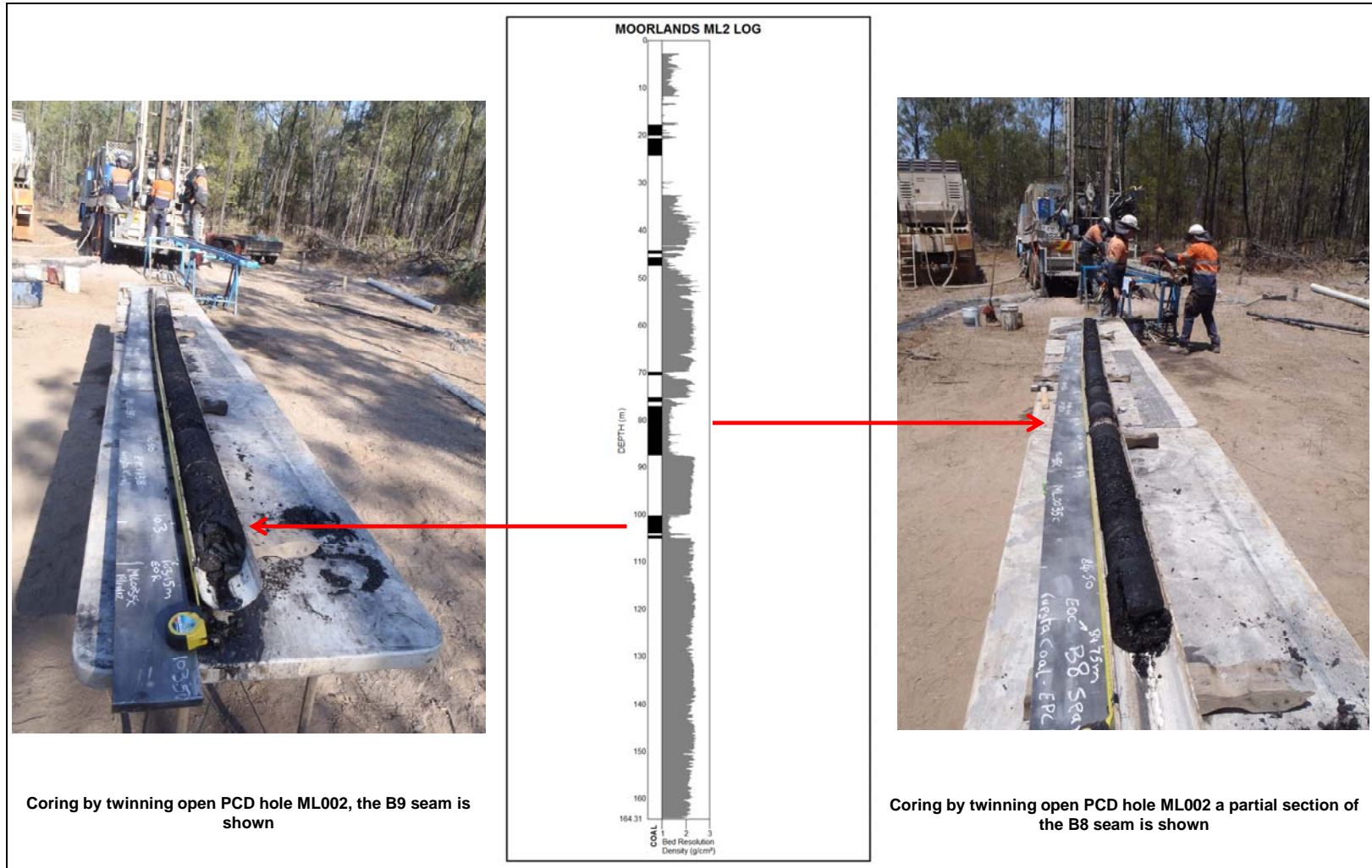


Figure 3: Coring Activities at the Moorlands Open Cut Target Area at ML 002



ENDS

About Cuesta Coal

Cuesta Coal Limited ("Cuesta") listed on the Australian Stock Exchange on 4th May 2012 raising \$20 million to fund an aggressive 2 year exploration, mine scoping and feasibility study program on four key projects areas in the Queensland Coal Basins.

Cuesta has assembled a diverse portfolio of thermal and coking coal exploration prospects within the Bowen, Surat and Galilee basins, the company's core projects are well situated geographically with over 11,000km² of exploration ground in total.

Cuesta's balanced portfolio consists of a pipeline of projects ranging from advanced exploration requiring resource definition drilling, to conceptual lateral opportunities requiring scout drilling. The projects are located in close proximity to current and future planned infrastructure.

For further information:

Matthew Crawford
Managing Director
Cuesta Coal Limited
+612 9284 5900

Keith McKnight
Chief Operating Officer
Cuesta Coal Limited
+612 9284 5900

Released through Six Degrees Investor Relations:

Sam Sloane +612 9230 0661 or +61 412 845 920 or
Ben Jarvis +612 9230 0661 or +61 413 150 448

Competent Person Statement

The information in this report/statement relates to the resource of EPC 1738 and is based on information reviewed by Lyndon Pass, who is a member of the Australasian Institute of Mining and Metallurgy. He is a full time employee of Encompass Mining Pty Ltd.

Lyndon Pass has sufficient experience 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 the Reporting of Mineral Resources and Ore Reserves. Lyndon Pass consents to the inclusion in this report of matters based on this information in the form and context in which it appears.

Sections of information contained in this report that relate to Exploration Results were compiled or supervised by Timothy Spencer, who is a Member of the Australasian Institute of Mining and Metallurgy and is Exploration Manager to Cuesta Coal Limited. Mr Spencer has sufficient experience which is relevant to the style of mineral deposits 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 Mineral Resources and Ore Reserves". Mr Spencer consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

All statements contained in the announcement as to exploration targets are conceptual in nature. There has been insufficient exploration undertaken to date to define a coal resource and identification of a resource will be totally dependent on the outcome of further exploration. Any statement as to exploration targets has been made consistent with the requirements of the 'Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves' published by the Joint Ore Reserves Committee (JORC).