

ASX Announcement

Moorlands Infill Drilling Program

- Field exploration activities have recommenced at Cuesta’s Moorlands Project
- A 50 hole program is planned and is primarily focused in the northern area of the project
- Program is designed to define the northern resource area to a JORC Indicated/Measured Resource
- The program will include drilling for environmental monitoring studies as part of the Environmental Management Plan Moorlands
- Current resource of 146.1 Mt with an additional exploration target to be tested as part of the exploration program
- Moorlands Project is a large open cut thermal coal resource located 14 km from the Blair Athol Coal Mine which ceased mining operations in late 2012.

1 August 2013: Cuesta Coal Limited (ASX: CQC) (“Cuesta”) is pleased to provide an update of its 2013 exploration activities at the Company’s flagship 100% owned Moorlands Deposit located in the Western Bowen Basin, Queensland.

The intention of the exploration program is to define the resource in the northern area of the deposit, which was part of the Orion Coal Project acquisition. The exploration activities will also enable the exploration target between the south pit and the north pit (Figure 1) to be converted to a resource.

The drill spacing has been set to target a JORC Indicated / Measured Resource with sufficient coal quality data to obtain a more complete understanding of the coal resource across the whole of the Moorlands Project.

The exploration program will obtain sufficient data on the Moorlands Project resource to enable feasibility studies to be conducted during 2014.

The program will also include drilling for environmental monitoring. Environmental Licencing Professionals Pty Ltd has been engaged to prepare the Environmental Management Plan for the Moorlands Project in the lead up to conducting feasibility study work during 2014.

The Moorlands Project, located 14km from the now closed Blair Athol Coal Mine (Figure 2), has a current JORC Resource of 146.1Mt, including a JORC Resource of 53.5Mt in the Measured and Indicated category.

Moorlands Thermal Coal Resources				
Project	Measured	Indicated	Inferred	Total
Moorlands	14.6Mt	36.4Mt	95.1Mt	146.1Mt

Matt Crawford, Managing Director of Cuesta Coal commented “it is pleasing to have recommenced the field exploration program on the back of finalising the \$12m placement last week to our major shareholder. Cuesta looks forward to updating its shareholders regularly during the drilling activities over the next 3 – 4 months.”

ENDS



About Cuesta Coal

Cuesta Coal Limited (“Cuesta”) is an ASX listed coal exploration company with a pipe line of coal projects ranging from development to greenfield exploration. The Company is supported by a strong cornerstone investor and is targeting coal production from its Moorlands Project in a 3 timeframe.

Cuesta has 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.

The company is intending to focus on the Moorlands project in its development objectives for the next 3 years.

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Competent Persons’ Consent

The information in this report/statement relating to the resource of EPCs 1738, 775 & 776 is based on information reviewed by Blair Richardson, who is a member of the Australasian Institute of Mining and Metallurgy. He is a full time employee Cuesta Coal Limited.

Blair Richardson 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. Blair Richardson 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 for EPCs 1738, 775 & 776 were compiled or supervised by Blair Richardson, who is a Member of the Australasian Institute of Mining and Metallurgy and is General Manager of Exploration and Development for Cuesta Coal Limited. Mr Richardson 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 Richardson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

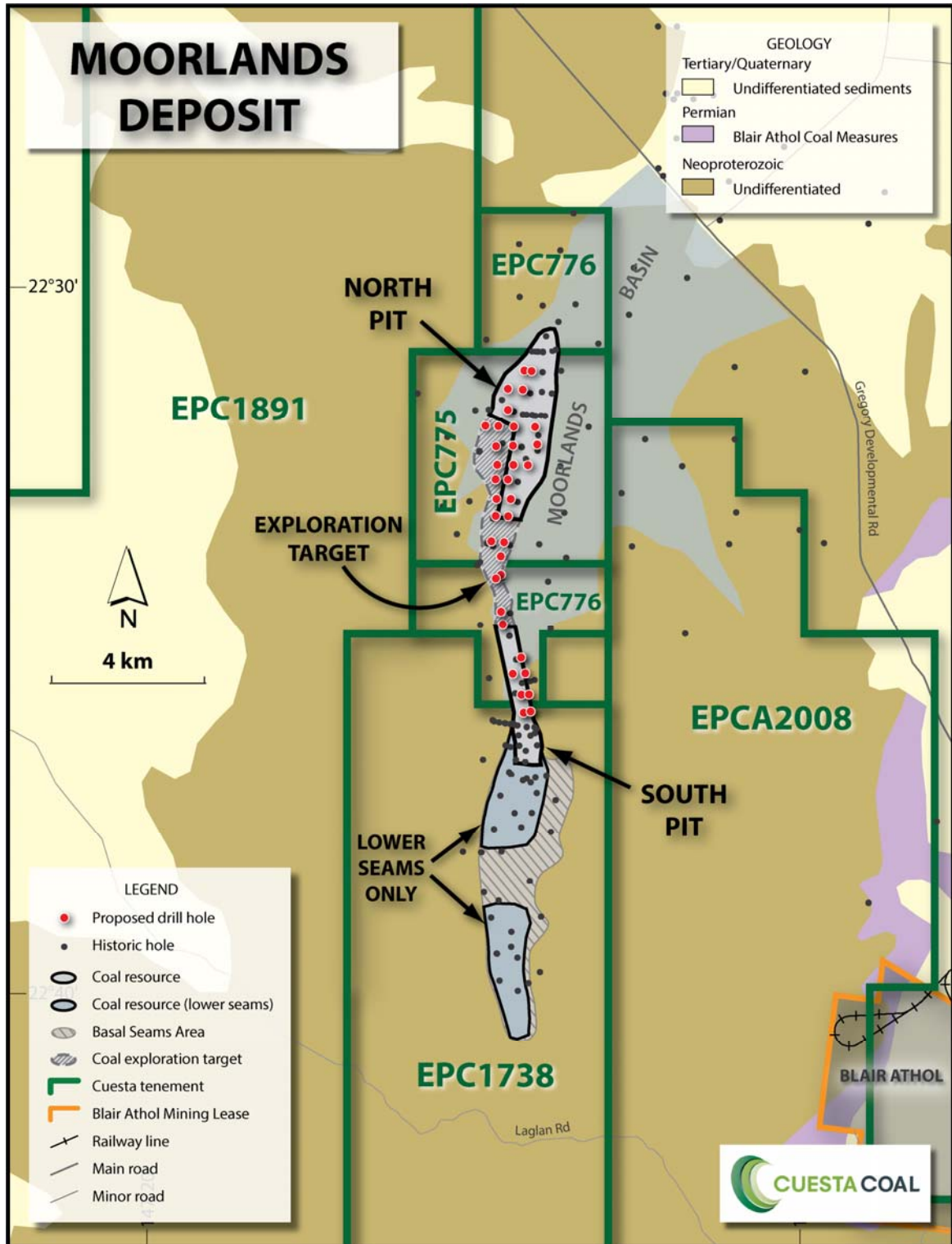


Figure 1: Map showing Cuesta's proposed drill hole locations at Moorlands in 2013

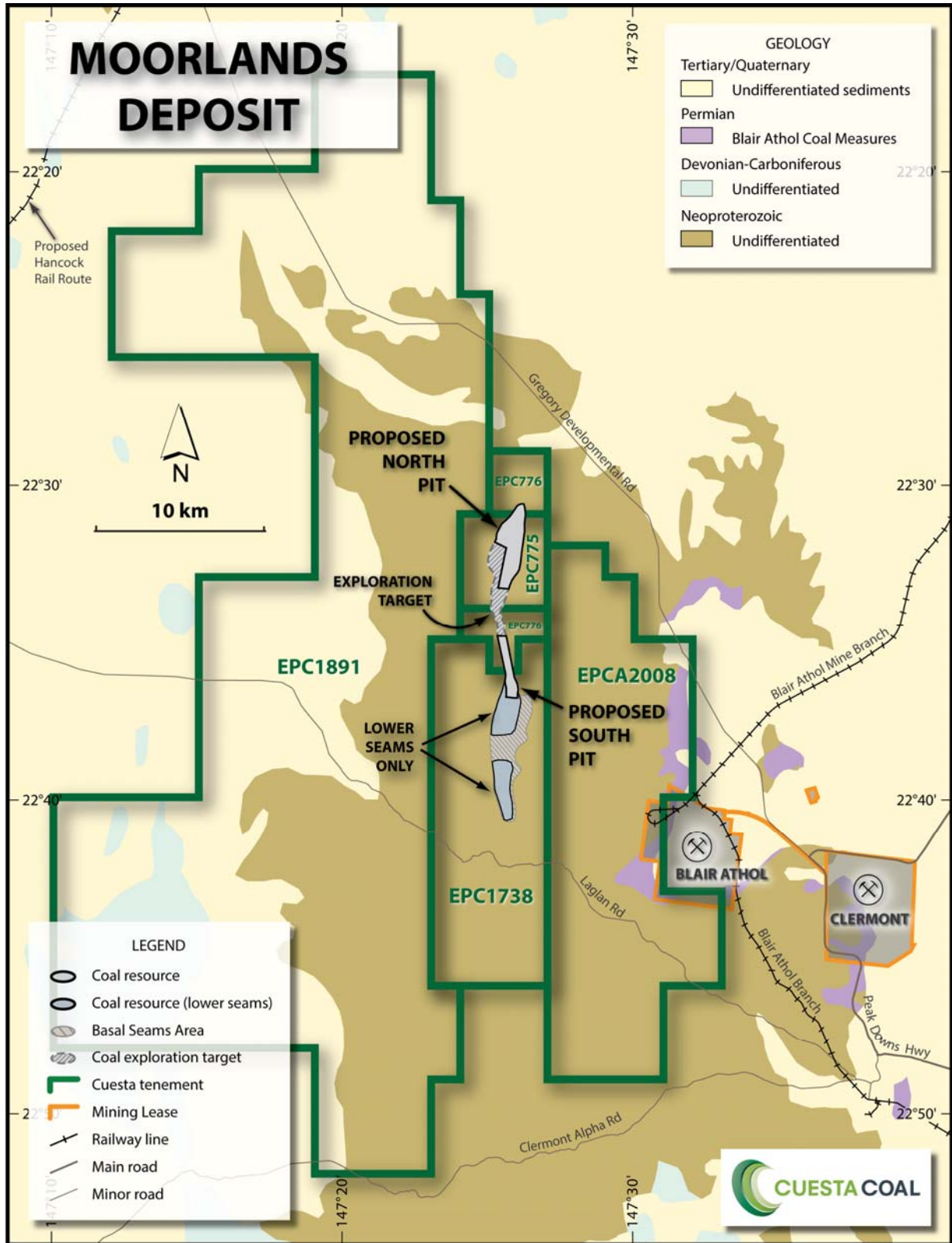


Figure 2: Map of the Moorlands Project in relation to the producing Clermont Coal mine and recently closed Blair Athol Coal Mine.