

COBALT COAL CORP.

INSTRUMENT OF PROXY

**THIS PROXY IS SOLICITED BY THE MANAGEMENT AND
WILL BE USED AT THE ANNUAL AND SPECIAL MEETING OF
SHAREHOLDERS TO BE HELD ON WEDNESDAY, JUNE 29, 2011**

The undersigned shareholder of Cobalt Coal Corp. (the "**Corporation**") hereby nominates, constitutes and appoints Robert Gillies, of Calgary, Alberta, the Chief Financial Officer of the Corporation or failing him, Al J. Kroontje of Calgary, Alberta, a Director of the Corporation, or in the place and stead of the foregoing *[print name of proxy and strike out management designees]*

_____ the true and lawful attorney and proxy of the undersigned to attend, act and vote in respect of all common shares ("**Common Shares**") in the capital of the Corporation held by the undersigned at the annual and special meeting of the shareholders of the Corporation to be held on Wednesday, June 29, 2011, and at any adjournment thereof (the "**Meeting**"). The undersigned hereby instructs the said proxy to vote the Common Shares represented by this Instrument of Proxy in the following manner:

1. TO VOTE FOR OR AGAINST (or if no choice is specified, **FOR**)

The resolution fixing the number of directors for the ensuing year at three (3).

2. TO VOTE FOR OR WITHHOLD FROM VOTING (or if no choice is specified, **FOR**)

The resolution appointing the proposed directors as a group as set out in the Information Circular accompanying this Instrument of Proxy.

3. TO VOTE FOR OR WITHHOLD FROM VOTING (or if no choice is specified, **FOR**)

The appointment of BDO Canada LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and the authorization of the directors of the Corporation to fix their remuneration.

4. TO VOTE FOR OR AGAINST (or if no choice is specified, **FOR**)

The resolution in the form included in the Information Circular accompanying this Instrument of Proxy approving the stock option plan for the Corporation.

5. TO VOTE FOR OR AGAINST (or if no choice is specified, **FOR**)

The special resolution in the form included in the Information Circular accompanying this Instrument of Proxy approving the proposed consolidation of the common shares of the Corporation.

6. TO VOTE FOR OR AGAINST (or if no choice is specified, **FOR**)

The special resolution in the form included in the Information Circular accompanying this Instrument of Proxy approving the name change of the Corporation to "Cobalt Coal Ltd." or such other required name as the directors may determine.

7. TO VOTE FOR OR AGAINST (or if no choice is specified, **FOR**)

The resolution in the form included in the Information Circular accompanying this Instrument of Proxy approving the proposed private placement financing and new control person of the Corporation.

8. To vote in the discretion of the proxy nominee on any amendments to or variations of matters identified in the notice of meeting and on any other matters which may properly come before the Meeting.

DATED this _____ day of _____, 2011.

(Signature of Shareholder)

(Name of Shareholder - Please Print)

Number of Common Shares represented by this proxy: _____

(Note: This space must be completed by the financial intermediaries forwarding this proxy to beneficial shareholders pursuant to National Instrument 54-101)

All Common Shares represented at the Meeting by properly executed proxies will be voted and, where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the common shares represented by the proxy will be voted in accordance with such specifications. **IN THE ABSENCE OF ANY SUCH SPECIFICATIONS, THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, WILL VOTE IN FAVOUR OF ALL THE MATTERS SET OUT HEREIN.**

This proxy confers discretionary authority upon the persons named herein with respect to amendments or variations to matters identified above or with respect to such other matters as may properly come before the Meeting. At the time of mailing of this proxy the management of the Corporation knows of no such amendments or other matters.

If the shareholder is a corporation, the Instrument of Proxy must be under its corporate seal or under the hand of an officer duly authorized in that behalf.

Proxies, to be valid, must be deposited at the office of the registrar and transfer agent of the Corporation, Olympia Trust Company, Suite 2300, 125 – 9th Avenue S.E., Calgary, Alberta T2G 0P6, Attention: Kirsten Dillon, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or any adjournment of the Meeting.

A shareholder who has given a proxy has the power to revoke it. A proxy may be revoked by an instrument in writing signed by the shareholder or his or her attorney authorized in writing, or, if the shareholder is a corporation, under its corporate seal or signed by a duly authorized officer or attorney for the corporation, and either delivered to the registered office of the Corporation, Suite 1600, 333 – 7 Avenue S.W., Calgary, Alberta T2P 2Z1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of the Meeting; or, with the Chairman of the meeting on the day of the Meeting or an adjournment of the meeting. In addition, a proxy may be revoked by the shareholder executing another form of proxy bearing a later date and depositing same at the office of the registrar and transfer agent of the Corporation, Olympia Trust Company, Suite 2300, 125 – 9th Avenue S.E., Calgary, Alberta T2G 0P6, Attention: Kirsten Dillon, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the meeting or any adjournment of the Meeting.

A blank space has been provided to date the Instrument of Proxy. If the Instrument of Proxy is undated, it will be deemed to bear the date on which it is mailed by the person making the solicitation.

A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON (WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION) OTHER THAN ROBERT GILLIES AND AL J. KROONTJE, THE MANAGEMENT DESIGNEES, TO ATTEND AND ACT FOR HIM AT THE MEETING. SUCH RIGHT MAY BE EXERCISED BY INSERTING IN THE BLANK SPACE PROVIDED ABOVE, THE NAME OF THE PERSON TO BE DESIGNATED AND DELETING THEREFROM, THE NAMES OF THE MANAGEMENT DESIGNEES, OR BY COMPLETION OF ANOTHER PROPER INSTRUMENT OF PROXY.