



ANNOUNCEMENT

3 December 2013

ISSUE OF EMPLOYEE SHARE OPTIONS

Coal of Africa Limited ('CoAL' or the 'Company') confirms it has today issued a total of 8,057,928 unlisted share options pursuant and subject to the terms and conditions of the Coal of Africa Limited Employee Share Option Plan approved at the annual general meeting held on 22 November 2013. The unlisted options were issued for nil consideration.

3,932,928 unlisted options were issued to 38 employees of the Company, exercisable at ZAR1.75 (16.9 pence) on or before 30 June 2017. These options vest in two instalments, with two thirds vesting immediately and one third vesting on 1 July 2014. These options were recommended by the Company's Remuneration Committee and approved by the Board.

4,125,000 unlisted options were issued to Mr Michael Meeser, the Chief Financial Officer and Executive Director of the Company, as approved by the shareholders at the recent annual general meeting. 1,375,000 of these options will become exercisable on each of 1 June 2014, 1 June 2015 and 1 June 2016 at an exercise price of ZAR2.0 (19.3 pence). These options expire on 1 June 2018.

An Appendix 3B to confirm the issue of the Options will follow.

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Investec Bank Limited is the nominated JSE Sponsor

About CoAL:

CoAL is an AIM/ASX/JSE listed coal exploration, development and mining company operating in South Africa. CoAL's key projects include the Vele Colliery (coking and thermal coal), the Greater Soutpansberg Project /MbeuYashu, including CoAL's Makhado Project (coking and thermal coal).