



ANNOUNCEMENT

6 November 2014

Coal of Africa Corporate Update

Coal of Africa ("CoAL") is pleased to provide an update on the progress made regarding the announced equity raise approved by shareholders on 25 September 2014, as well as the Sale and Purchase agreement ("SPA") signed for the sale of Mooiplaats Colliery.

Equity raise

On 26 August 2014 CoAL announced a conditional two stage private placement which is expected to result in CoAL issuing up to 695 million additional shares at 0.055 GBP per share, raising up to US\$64.9 million (GBP38.2 million).

CoAL is pleased to announce it has been informed that all regulatory approvals required by Haohua Energy International (Hong Kong) Resource Co. Limited ("HEI") have been granted. This concludes all conditions precedent regarding the first tranche of US\$23.4 million (GBP13.80 million). Notice of satisfaction of the first subscription conditions has been sent to all participating investors in accordance with the subscription agreements.

CoAL will apply for the admission of the 251,000,000 ordinary shares, to be issued under the first stage of the private placement ("Stage 1 Placement Shares") to trading on AIM, on the ASX and on the JSE. It is expected that the Stage 1 Placement Shares will be issued and admitted to trading on or around 10 November 2014. The Stage 1 Placement Shares will be fully paid ordinary shares in the capital of CoAL and rank equally in all respects with the existing fully paid ordinary shares on issue.

The second stage of the equity raise of US\$ 41.5 million (GBP24.42 million) is conditional to TMM Holdings (Proprietary) Limited ("TMM") having obtained sufficient funds to purchase its second stage placement shares. Further details on this condition are available in the announcement dated 26 August 2014.

Mooiplaats disposal

Blackspear Capital ("Blackspear"), a wholly owned subsidiary of Blackspear Holdings Proprietary Limited, the purchaser of the Mooiplaats Colliery has agreed terms with a financial and operational partner to fund Blackspear's acquisition of Mooiplaats. Approval is subject to the completion of the technical due diligence and final board approval which is expected by the end of November 2014.

Following the receipt of the final regulatory approvals consistent with a transaction of this nature, CoAL expects financial close of the transaction by the end February 2015. Blackspear is confident that the financial guarantees for the full purchase price will be received prior to the end of December 2014, in line with the terms of the SPA.

AU: Coal of Africa Limited, Suite 8, 7 The Esplanade, Mount Pleasant, Perth WA 6153, Australia, Tel: +61 8 9316 9100, Fax: +61 8 9316 5475

ZA: South Block, Summercon Office Park, Cnr Rockery Lane and Sunset Avenue, Lonehill, 2191, Tel: +27 10 003 8000 Fax: +27 11 388 8333 Email: adminza@coalofafrica.com

Bernard R. Pryor – Chairman, David H. Brown – Chief Executive Officer, Michael G. Meeser – Chief Financial Officer
Non-executive directors: Peter G. Cordin, Khomotso B. Mosehla, David J. K. Murray, Rudolph H. Torlage

David Brown, Chief Executive Officer, commented:

“CoAL has confidence in the successful completion of the equity raise as well as the successful sale of Mooiplaats. These transactions will place the company in a position to conclude on all outstanding legacy issues and commence project development. CoAL believes in the safe and sustainable development of our resources in the Limpopo province and is confident that developing the project pipeline will create wealth for all stakeholders involved.”

For more information contact:

David Brown	Chief Executive Officer	Coal of Africa	+27 10 003 8000
Michael Meeser	Chief Financial Officer	Coal of Africa	+27 10 003 8000
Celeste Harris	Investor Relations	Coal of Africa	+27 10 003 8000
Tony Bevan	Company Secretary	Endeavour Corporate Services	+61 08 9316 9100

Company advisors:

Jos Simson/Emily Fenton	Financial PR (United Kingdom)	Tavistock	+44 20 7920 3150
Chris Sim/George Price/Jeremy Ellis	Nominated Adviser	Investec Bank plc	+44 20 7597 5970
Charmane Russell/Jane Kamau	Financial PR (South Africa)	Russell & Associates	+27 11 880 3924 or +27 82 372 5816

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).
