ANNOUNCEMENT **24 December 2012**

Despatch of Notice of Extraordinary General Meeting

Coal of Africa Limited ("the Company"), the coal exploration, development and mining company operating in South Africa and traded on the ASX, AIM and JSE, announces that the Notice of the Extraordinary General Meeting to be held on 25 January 2013 ("EGM") has today been posted to shareholders.

As previously announced, the EGM is being held to consider and, if thought fit, approve the issue of new shares in the Company to Haohua Energy International (Hong Kong) Co. Limited ("HEI"), a wholly-owned subsidiary of Beijing Haohua Energy Resource Co. Ltd, for the purposes of HEI's proposed US$100 million investment in the Company. This follows the signature of the definitive Subscription Agreement with HEI. Details of the proposed investment and the relevant resolutions are set out in the Notice of EGM and related material.

The Notice of EGM also contains an independent expert's report prepared by KPMG Australia in relation to the further US$80 million conditional placement, as part of the US$100 million investment by HEI in the Company. KPMG's report is based on, among other things, a report from Venmyn Deloitte in South Africa on the value of the Company's principal mineral assets, which is attached to the KPMG report.

A copy of the Notice of EGM, incorporating the KPMG and Venmyn Deloitte reports, is available on the Company's website under the following link – http://www.coalofafrica.com/investors-and-media/corporate-publications/2012

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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, including CoAL's Makhado Project (coking coal) and the Mooiplaats and Woestalleen Collieries (both thermal coal).