COAL *of* AFRICA LIMITED

ANNOUNCEMENT **14 FEBRUARY 2012**

ISSUE OF EMPLOYEE SHARE OPTIONS

Coal of Africa Limited ('CoAL' or the 'Company') confirms it has today issued 2,670,000 unlisted options to 28 employees of the Company, exercisable at ZAR7.60 on or before 14 February 2017 ("Options"). The options vest equally over 3 years, with one third vesting on 1 July 2012, one third vesting on 1 July 2013 and the final third vesting on 1 July 2014.

The Options were recommended by the Company's Remuneration Committee in September 2011 but were not issued at that time due to the Company being in a close period under its published Securities Trading Policy.

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

AUTHORISED BY:

Shannon Coates
Company Secretary

For more information contact:

John Wallington	Chief Executive Officer	Coal of Africa	+27 11 575 7423
Wayne Koonin	Financial Director	Coal of Africa	+27 11 575 6797
Shannon Coates	Company Secretary	Coal of Africa	+61 893 226 776
Chris Sim/ Jeremy Ellis/Neil Elliot	Nominated Adviser	Evolution Securities	+44 20 7071 4300
Jos Simson/Emily Fenton	Financial PR	Tavistock	+44 207 920 3150

www.coalofafrica.com

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 Makhado Project (coking coal) and the Mooiplaats and Woestalleen Collieries (both thermal coal).

The Mooiplaats Colliery commenced production in 2008 and is currently ramping up to produce 2 Mtpa. The Woestalleen Colliery, acquired through the acquisition of NuCoal Mining (Pty) Limited in January 2010, currently processes approximately 2.5Mtpa of saleable coal for domestic and export markets. The Woestalleen Complex also incorporates three beneficiation plants with a total processing capacity of 350,000 run of mine feed tonnes per month.

CoAL's Vele Colliery is expected to start production in the first half of 2012. During the initial phase, the operation is targeting 2.7 Mtpa ROM production to produce 1.0Mtpa saleable coking coal. The Makhado Project, CoAL's flagship project in the Soutpansberg coalfield, is well into the feasibility stage, with a Definitive Feasibility Study nearing completion. An application for a New Order Mining Right for the Makhado Project was submitted in January 2011.

In November 2010, CoAL agreed to acquire the Chapudi coal project and several other coal exploration properties in the Soutpansberg coal basin in South Africa from the previous owners, including Rio Tinto. Upon completion, the acquisition of these projects will significantly extend the scale and scope of certain of CoAL's existing projects in the region and will more than double the resource of the existing Makhado Project.

www.coalofafrica.com
AU: Level 1 Old Swan Brewery 173 Mounts Bay Road Perth WA 6000 Australia Telephone: +61 8 9322 6776 Facsimile: +61 8 9322 6778 Email: perth@coalofafrica.com ACN 008 905 388
ZA: 2nd Floor, Gabba Building, The Campus, 57 Sloane Street, Bryanston, Johannesburg, South Africa 2021 Tel: +27 11 575 4363 Fax: +27 11 576 4363 Email: adminza@coalofafrica.co.za