COAL of AFRICA LIMITED

Investor presentation

6 August 2012

www.coalofafrica.com

Disclaimer

THESE PRESENTATION MATERIALS (THE "**PRESENTATION MATERIALS**") ARE FOR INFORMATION PURPOSES ONLY AND DO NOT CONSTITUTE AN OFFER OR INVITATION TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES, AND NEITHER THE PRESENTATION MATERIALS NOR ANYTHING CONTAINED THEREIN NOR THE FACT OF THEIR DISTRIBUTION SHALL FORM THE BASIS OF OR BE RELIED ON IN CONNECTION WITH OR ACT AS ANY INDUCEMENT TO ENTER INTO ANY CONTRACT OR COMMITMENT WHATSOEVER.

The Presentation Materials are being provided for the sole purpose of providing preliminary background financial and other information to enable recipients to review the business activities of Coal of Africa Limited ("**the Company**").The Presentation Materials ~~is~~ are thus by their nature limited in scope and are not intended to provide all available information regarding the Company.The Presentation Materials are not intended as an offer, invitation, solicitation, or recommendation with respect to the purchase or sale of any securities.The Presentation Materials should not be relied upon as a representation of any matter that a potential investor should consider in evaluating the Company. Nothing in these Presentation Materials will form the basis of any contract or commitment whatsoever.

None of the Company, its affiliates, subsidiaries, directors, agents, officers, advisers or employees make any representation or warranty, express or implied, as to or endorsement of, the accuracy or completeness of any information, statements, representations or forecasts contained in the Presentation Materials, nor do they accept any liability or responsibility for any statement made in, or omitted from, the Presentation Materials. The Company accepts no obligation to correct or update anything in the Presentation Materials.

No responsibility or liability is accepted in relation to the Presentation Materials and any and all responsibility and liability is expressly disclaimed by the Company and its affiliates, subsidiaries, directors, agents, officers, advisers and employees for any errors, misstatements, misrepresentations in or omissions from the Presentation Materials.

Any statements, estimates, forecasts or projections with respect to the future performance of the Company and/or its subsidiaries contained in the Presentation Materials are based on subjective assumptions made by the Company's management and about circumstances and events that have not yet taken place.Such statements, estimates, forecasts and projections involve significant elements of subjective judgement and analysis which, whilst reasonably formulated, cannot be guaranteed to occur.Accordingly, no representations are made by the Company or its affiliates, subsidiaries, directors, officers, agents, advisers or employees as to the accuracy of such information; such statements, estimates, forecasts and projections should not be relied upon as indicative of future value or as a guarantee of value or future results; and there can be no assurance that the projected results will be achieved.

The information contained in the Presentation Materials includes unpublished price sensitive information and accordingly recipients of the Presentation Materials undertake not to deal in any securities of the Company before such information is publicly announced. In agreeing to receive the Presentation Materials and/or attend the presentation, you have agreed to be treated as an "insider" in relation to the information contained in the Presentation Materials.

Unless specified otherwise, all expressions of opinion and belief contained within these Presentation Materials are opinions held by the management of the Company. Without prejudice to any of the foregoing, no representation or warranty is given by the Company or any other person as to the achievement or reasonableness of any projections, management estimates, prospects or returns or any of the underlying assumptions upon which they are based

Prospective investors should make their own independent evaluation of an investment in the Company.

Nothing in the Presentation Materials should be construed as financial product advice, whether personal or general, for the purposes of section 766B of the *Corporations Act 2001* (Cth).The Presentation Materials consists purely of factual information and do not involve or imply a recommendation or a statement of opinion in respect of whether to buy, sell or hold a financial product.The Presentation Materials does not take into account the objectives, financial situation or needs of any person, and independent personal advice should be obtained.

The Presentation Materials do not contain or represent an offer of Shares or an invitation to apply for Shares in the Company.If the Company wishes to offer Shares or to invite an application for the Shares, it will do so by means of a personal offer to a person who falls within one of the exceptions set out in section 708(8) (a) or (b) and section 708(11) of the *Corporations Act 2001* (Cth) or an offer in a jurisdiction outside of Australia where permitted by law. By receiving the Presentation Materials the recipient represents and warrants that the recipient does not need to be given a disclosure document under Chapter 6D of the *Corporations Act 2001* (Cth) to lawfully receive the Presentation Materials or an offer to acquire Securities.

Neither the Presentation Materials, nor any copy of them, may be taken or transmitted into the United States of America, Canada or Japan or into any jurisdiction where it would be unlawful to do so ("**Prohibited Territory**").Any failure to comply with this restriction may constitute a violation of relevant local securities laws.

The Presentation Materials are being issued on a strictly private and confidential basis and solely to and directed at, in the case of recipients in the United Kingdom: (i) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); and (ii) high net worth entities falling within article 49(2)(a) to (d) of the Order. The contents of these Presentation Materials have not been approved by a person authorised under the Financial Services and Markets Act 2000 ("**FSMA**").Any investment to which this document relates is available to (and any investment activity to which it relates will be engaged with) only those categories of persons described above.It is a condition of your receiving this document or attending this presentation that you represent, and you warrant and undertake to the Company that:

(i) you fall within one of the categories of persons described above;
(ii) you have read, agree to and will comply with the terms of this disclaimer;
(iii) you will conduct your own analyses or other verification of the data set out in the Presentation Materials and will bear the responsibility for all or any costs incurred in doing so;
(iv) you are not resident in, or a citizen of, a Prohibited Territory; and
(v) you will not forward, reproduce or otherwise disclose the contents of this document to any person in contravention of FSMA or any other applicable law or regulation or to any person in a Prohibited Territory.

Disclaimer

The Presentation Materials are being issued on a strictly private and confidential basis and solely to and directed at, in the case of recipients in South Africa, persons who are sophisticated investors who fall within the ambit of section 96(1)(a) of the South African Companies Act, No. 71 of 2008 (the "South African Companies Act"), which prescribes that an offer is not an offer to the public if the offer is made only to:

(i) persons whose ordinary business, or part of whose ordinary business, is to deal in securities, whether as principals or agents;

(ii) the Public Investment Corporation as defined in the Public Investment Corporation Act, 2004 (Act No. 23 of 2004);

(iii) a person or entity regulated by the Reserve Bank of South Africa;

(iv) an authorised financial services provider, as defined in the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002);

(v) a financial institution, as defined in the Financial Services Board Act, 1990 (Act No. 97 of 1990);

(vi) a wholly owned subsidiary of a person contemplated in sub-paragraph (iii), (iv) or (v), acting as agent in the capacity of an authorised portfolio manager for a pension fund registered in terms of the Pension Funds Act, 1956 (Act No. 24 of 1956) or as a manager for a collective investment scheme registered in terms of the Collective Investment Schemes Control Act, 2002 (Act No. 45 of 2002);or

(vii) any combination of persons contemplated in paragraphs (i) to (vi)

Should the offer fall within the ambit of section 96(1)(a) or 96(1)(b) of the South African Companies Act, the offer does not constitute an offer to the public.It is accordingly a condition of your receiving this document or attending this presentation that you represent, and warrant and undertake to the Company that:

(a) you fall within either section 96(1)(a) or 96(1)(b) of the South African Companies Act;

(b) you have read, agreed to and will comply with the terms of this disclaimer; and

(c) you will not forward, reproduce or otherwise disclose the contents of this document to any person in contravention of the provisions of the South African Companies Act or any other applicable law or regulation or to any persons in a Prohibited Territory.

By retaining the Presentation Materials, you acknowledge and represent to the Company that you have read, understood and accept the terms of this notice.If you do not accept these terms, you should immediately destroy or delete the Presentation Materials.

The Presentation Materials are confidential and should not be copied, distributed or passed on, directly or in directly, to any other class of persons.They and any further confidential information made available to you are being supplied to you solely for your information and may not be reproduced, forwarded to any other person or published, in whole or in part, for any other purpose.The Presentation Materials contain only a synopsis of more detailed information publicly available in relation to the matters described in this document and accordingly no reliance maybe placed for any purpose whatsoever on the sufficiency or completeness of such information and to do so could potentially expose you to a significant risk of losing all of the property invested by you.The information contained in the Presentation Materials is for background purposes only and is subject to updating, completion, revision, amendment and verification, which may result in material changes. No reliance should be placed on the information and no representation or warranty (express or implied) is made by the Company, any of its directors or employees or any other person, and, save in respect to fraud, no liability whatsoever is accepted by any such person, in relation thereto.

Important Notice

Recipients of this presentation should refer to (1) the Independent Technical Statement for Coal of Africa as at 18 September 2011, and (2) the Independent Technical Statement for the Greater Soutpansberg for Coal of Africa Limited, 31st May 2012, each prepared by Venmyn Rand (Pty) Ltd, which are available on Coal of Africa's website (www.coalofafrica.com), for full details of the coal resource and reserve estimates referred to in this presentation and the basis on which those estimates have been prepared.

Competent persons' statement

The information in these Presentation Materials that relates to mineral resources or ore reserves has been compiled by Ms C Telfer (B.Sc. Hons. (Geol.), (DMS) Dip Bus Man Pr. Sci. Nat., FGSSA, MAusIMM, M.Inst.D) and Mr G Njowa (M.Sc. (Min. Eng), MRM, B.Sc.Hons. (Min. Eng), Grad CIS, MSAIMM, Pr Eng, MIAS), of Venmyn Rand (Pty) Ltd, who both have relevant and appropriate experience and independence to appraise the coal assets. Both Ms C Telfer and Mr G Njowa are considered"Competent Persons", and each have more than five years relevant experience in the assessment and evaluation of the types of coal exploration and mining properties presented in this announcement.Both Ms C Telfer and Mr G Njowa consent to the inclusion of the resource information in these Presentation Materials in the form and context in which it appears.

Deutsche Bank AG ("**Deutsche Bank**"), which is authorized and regulated in the United Kingdom by the Financial Services Authority, is acting for the Company and no-one else in connection with the contents of this document and will not be responsible to anyone other than the Company for providing the protections afforded to the clients of Deutsche Bank or for affording advice in relation the contents of this document or any matters referred to herein. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Deutsche Bank may have under FSMA or the regulatory regime established thereunder. Deutsche Bank is not making any representation or warranty, express or implied, as to the contents of the Presentation Materials.

Investec Bank plc ("**Investec**"), which is authorized and regulated in the United Kingdom by the Financial Services Authority, is acting for the Company and no-one else in connection with the contents of this document and will not be responsible to anyone other than the Company for providing the protections afforded to the clients of Investec or for affording advice in relation the contents of this document or any matters referred to herein. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Investec may have under FSMA or the regulatory regime established thereunder. Investec is not making any representation or warranty, express or implied, as to the contents of the Presentation Materials.

Presentation team

John Wallington
CEO

- BSc Mining Engineering - University of the Witwatersrand, South Africa
- Executive programmes: London Business School, Harvard Business School
- Joined Anglo American plc coal division (1981), CEO of South African region (2005-2008), CEO globally
- Thirty years' experience in the coal exploration/mining industry

Wayne Koonin
Financial Director

- B.Comm (Accounting), B.Acc (Honours) - University of the Witwatersrand, South Africa; Chartered Accountant (South Africa)
- Extensive international experience over thirteen years in senior financial roles for exploration, development and mining companies in various commodities including coal
- Responsibility for entities listed on the JSE, ASX, TSX, LSE, AIM and NASDAQ

Introduction to Coal of Africa Limited

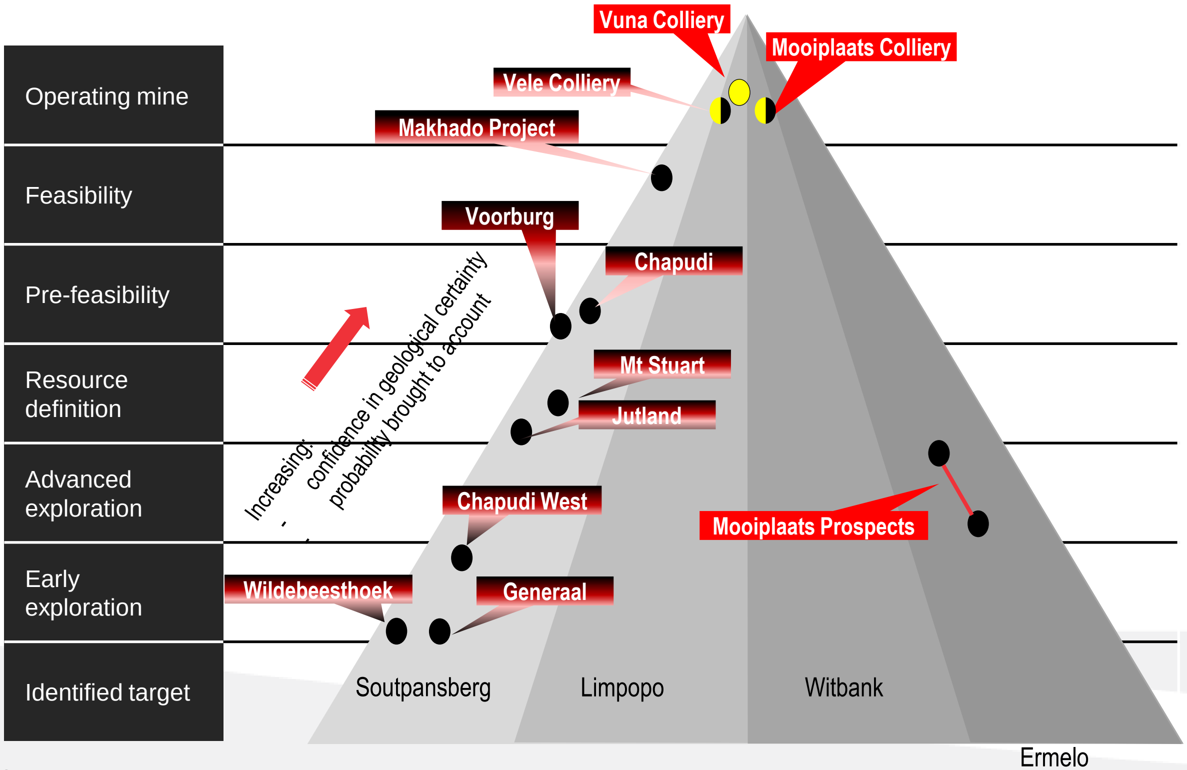
Management	▪ Strong and experienced management team with a good track record of delivery ▪ Significant progress in the last 2 years
Assets	▪ **Vele Colliery:** – Commenced production of thermal coal in January 2012 – Ramping up to 2.7 Mtpa ROM and 1.0 Mtpa (Saleable product: Both coking and thermal coal) ▪ **Makhado Project:** – Definitive Feasibility Study (“**DFS**”) at an advanced stage – Discussions ongoing with Exxaro to exercise the option to acquire a 30% strategic interest ▪ **Greater Soutpansberg Project (“GSP”):** – Acquisition from Rio Tinto/Kwezi Mining completed April 2012 (“**Rio Tinto Transaction**”) – Resource upgrade in June 2012 – Estimated GTIS increase by 429% to 8.0 bn tonnes from 1.5 bn tonnes
Infrastructure	▪ Assets located with good access to rail corridors and port capacity ▪ Currently 3 Mtpa port capacity at the Matola Terminal, Mozambique, with the option to subscribe for up to 100% of the Phase IV expansion (20 Mtpa) ▪ 207,000 tpa allocation at Richards Bay Coal Terminal (“**RBCT**”)
Equity placement to raise US45m	▪ Allotment and issue of fully paid ordinary shares: – **Firm Placement:** 80.6m ordinary shares (12.09%) under CoAL’s existing 15% authority under ASX Listing Rule 7.1 – **Conditional Placement:** Conditional on shareholder approval being obtained at a General Meeting to be convened
Use of proceeds	▪ Ramp-up of production, addition of flotation, ultra fines and middlings plant at Vele Colliery ▪ Pre-mining right and related expenditure for the Makhado coking coal project ▪ Technical studies for the GSP ▪ Next instalment of the acquisition consideration for the Rio Tinto Transaction
Joint book runners and lead managers	▪ Investec and Deutsche Bank
Closing date	▪ 3 August 2012

Investment highlights

1	▪ Multiple large scale coking coal projects with significant resource base (>2bn mineable tonnes in situ)
2	▪ Strategy to create a series of regionally optimised mines through the consolidation of the GSP coking coal portfolio
3	▪ GSP tenements provide optionality, flexibility and economies scale across contiguous and adjacent resources
4	▪ BEE relationship with Rothe (26% BEE shareholder in the GSP) and potentially Exxaro (if their option to acquire 30% of the Makhado Project is exercised)
5	▪ Domestic demand for both coking and thermal coal (ArcelorMittal South Africa and Eskom)
6	▪ Strategically located assets
7	▪ Right to participate in any future expansion of capacity at Matola Terminal by up to 20 Mtpa

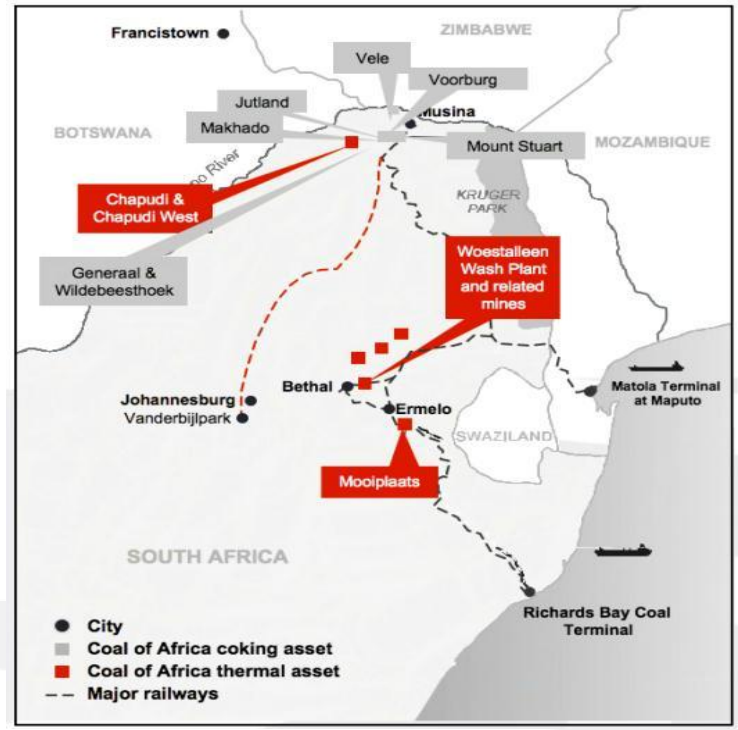
WELL DEFINED PATH FOR LONG TERM GROWTH

Strategy to create regionally optimised mines



● Prospecting rights
● Mining rights
■ Thermal coal
■ Coking coal

SOUTH AFRICAN COALFIELDS



- Assets in three major phases (exploration, development, mining)
- Primary focus:
  - Development of the coking coal asset portfolio in the Soutpansberg and Limpopo coalfields
  - Create a regionally optimised mine to enhance flexibility, optionality and economies of scale
  - Evaluating the upside potential of the coking coal asset portfolio through thermal coal co-product (trial batch produced at Vele Colliery)
  - Growth potential through the development of the GSP

Substantial resources and reserves across provinces

Abridged summary of JORC compliant resource & reserve statement – 31 May 2012		JORC-compliant resources (measured, indicated and inferred)[1,2]			JORC compliant reserves (proven & probable)[2]	Strike length drilled to date (km)	Strike length to be drilled (km)
Project name	**Coalfield**	**Gross tonnes in situ** (Mt)	**Total tonnes in situ** (Mt)	**Mineable tonnes in situ** (Mt)	**Reserves** (Mt)		
Makhado Project	Soutpansberg	795.6	691.7	344.4	-	16.5	0.0
GSP	Soutpansberg	7,161.0	5,751.7	1,660.0	-	51.4	66.1
Vele Colliery	Limpopo	803.8	680.2	369.6	332.7	-	-
Mooiplaats Colliery	Ermelo	92.3	85.6	50.8	31.6	-	-
Woestalleen Colliery	Witbank	6.8	6.4	6.2	6.2	-	-
Total		**8,859.5**	**7,215.6**	**2,431.0**	**370.5**	**67.9**	**66.1**

[1] Resources are stated inclusive of reserves
[2] Independent Technical Statement for the GSP (31 May 2012)
[3] Competent Person's Report (24 October 2011)

Vele Colliery

Key statistics

Resources [1]	369.629 Mt (MTIS)
Reserves	332.709 Mt (MTIS)
Target production (ROM)	FY13: 1.4 Mtpa FY14: 2.7 Mtpa (Phase 2) FY18/19: 5.4 Mtpa (incl. u/ground)
CoAL attributable	100%
Quality of primary product	Semi soft soking coal, Coke Strength Reaction Index >35

[1] Resources inclusive of reserves

Highlights

Oct 2011	Integrated Water Use License ("**IWUL**") suspension lifted
Nov 2011	MOU signed with the Save Mapungubwe Coalition
Dec 2011	Extraction of coal commences
Feb 2012	Hot commissioning of the plant completed
Apr 2012	First shipment of thermal coal through Matola Terminal
Jul 2012	Coking coal sample produced to enable ArcelorMittal to undertake detailed product testing

Spiral plant

Thickener and product stockpile

Makhado Project

Key statistics*

Resource	344.4 Mt (MTIS) (opencast area)
Life of Mine	Approximately 16 years (based on five farms)
Target production (ROM)	**Phase 1**: 10-14 Mtpa **Phase 2**: 20-28 Mtpa **Other**: Consolidate with Generaal: Underground section
Expected saleable production	**Phase 1**: 2.2-2.5 Mtpa hard coking coal plus 0.5-1.0 Mtpa export grade thermal coal for 16 years **Phase 2**: Up to approx 5.0 Mtpa coking coal and 2.0 Mtpa thermal coal
CoAL attributable	100% [1]
Quality of primary product	Hard coking coal based on Coke Strength Reaction (CSR index >60), Coke Reactivity Index and Reflectance

* Subject to review of DFS
[1] Subject to Exxaro option

Highlights

Q1 2011
- NOMR application submitted, formally accepted

Q3 2011
- DFS bulk sample testing commenced and completed

Q4 2011
- Letter of intent signed with ArcelorMittal regarding off-take agreement and related commercial terms

H1 2012
- DFS reviewed by CoAL Board subject to further review and update
- Discussions in progress with Exxaro to exercise its option to acquire a 30% strategic interest
- Bulk sample testing by ArcelorMittal completed; independent testing confirms results

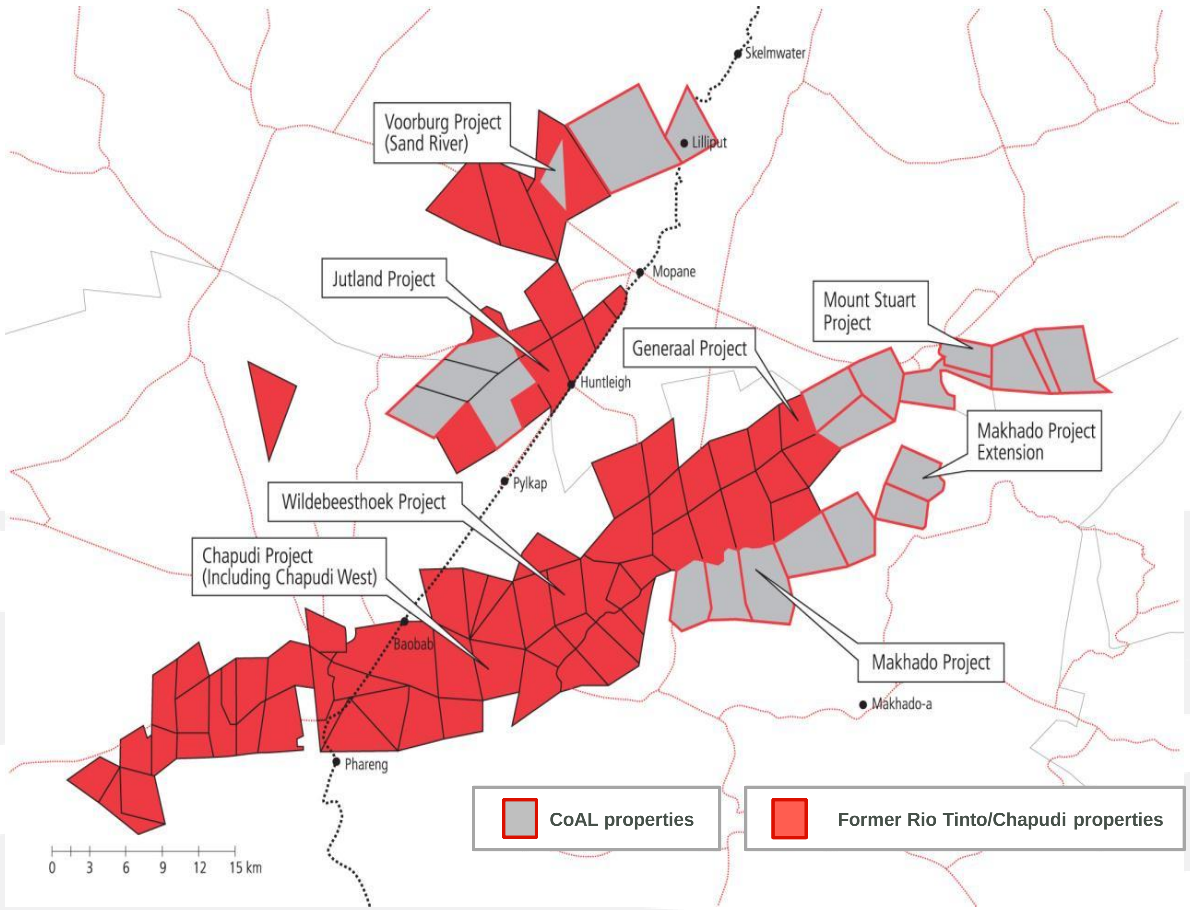
Bulk sample pit on Tanga

Waste pad with material from bulk sample after processing

Greater Soutpansberg Project

Highlights

- Strategic position in the Soutpansberg coalfield covering a significant portion of the available strike length
- Consolidation of tenements and ore bodies to improve mine planning optionality, flexibility and economies of scale
- Significant resource base of coking and thermal coal products
- Access to domestic and export markets with installed rail capacity and access to Matola Terminal, with an option to increase port throughput capacity through the proposed Phase IV expansion
- Repositions CoAL with primary focus on the Limpopo region (Limpopo and Soutpansberg coalfields)
- The GSP has been classified into 3 regions:
  - **Chapudi Region**
    - Chapudi
    - Chapudi West
    - Wildebeesthoek
  - **Makhado Region**
    - Generaal
    - Makhado Extension
    - Mt Stuart
  - **Mopane Region**
    - Jutland
    - Voorburg



Thermal coal assets

Mooiplaats Colliery

Key statistics

Resources[1]	50.760 Mt (MTIS)
Reserves	31.590 Mt (MTIS)
ROM production[2]	0.9 Mt (9 months YTD FY2012)
CoAL attributable	100%
Quality	Export, Eskom
Plant capacity	220,000 tpm

[1] Resources inclusive of reserves as at 30 June 2011
[2] Full year FY2012 figures in process of being finalised

Highlights

- Nearby Umlabu siding used on an interim basis
- Currently assessing long-term solution to build private siding at the at mine
- Logistical advantage in supplying coal to Eskom (Camden Power Station) - 10km by road
- IWUL application for Mooiplaats North submitted for processing
- Planning and feasibility study of the Mooiplaats South Extension at an advanced stage
- Double-granting over a portion of one of the farms in the process of being resolved
- Strategic discussions with parties in the area to optimise spare plant capacity

Woestalleen Colliery

Key statistics

Resources[1]	6.155 Mt (MTIS)
Reserves	6.155 Mt (MTIS)
ROM production[2]	2.6 Mt (9 months YTD FY2012)
CoAL attributable	100%
Quality	Export, Eskom
Plant capacity	350,000 tpm

[1] Resources inclusive of reserves as at 30 June 2011
[2] Full year FY2012 figures in process of being finalised

Highlights

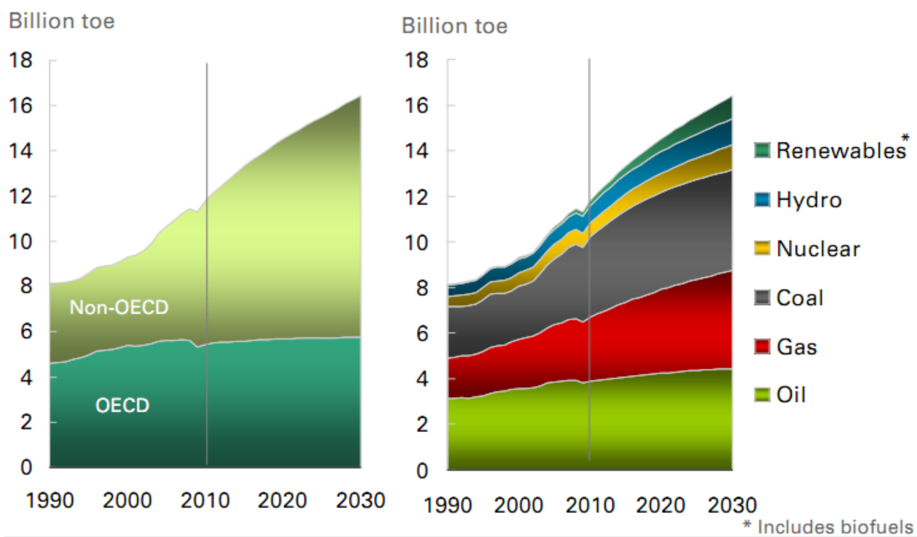
- RBCT compliant siding with 4.34 Mtpa loading capacity
- FOR contracts to supplement rail capacity to Matola Terminal
- Balance of export product shipped thorugh Matola Terminal
- IWUL received in Q3 FY2012, allowing for mining of the North Block
- Life of mine ends April 2013

Long term outlook for coal and market drivers

Thermal coal

- Established markets in Europe and Asia for South African thermal coal
- Strong domestic market (Eskom) for low grade thermal coal
- Potential to supply low grade thermal coal to India
- Non OECD countries, led by China and India, are expected to drive thermal coal demand
- Coal remains the most competitive energy source for India and China where no gas network exists
- Cost of marginal production is expected to support price
- World energy demand is predicted to grow by more than 48% by 2030 ~ CAGR of 2.65%

Energy consumption growth

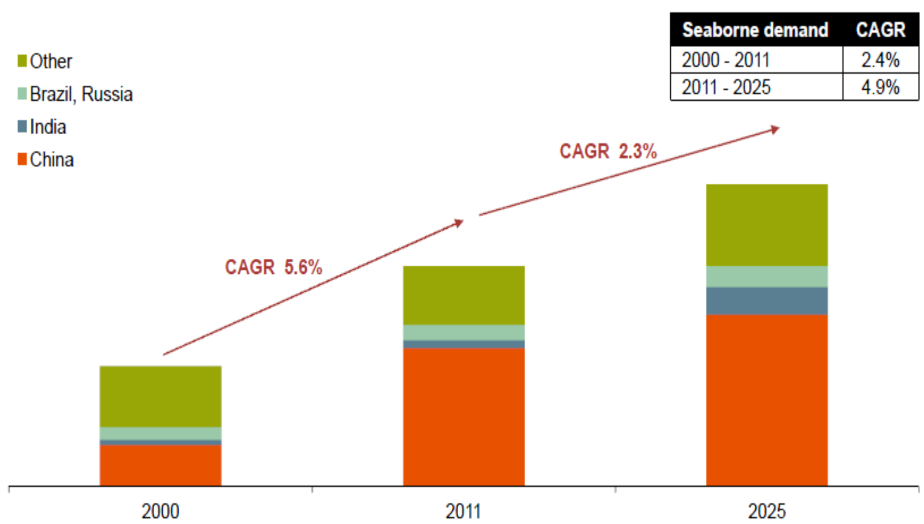


Source: 2030 Energy Outlook, BP

Coking coal

- Global coking coal is largely dependent on supply from Australia and North America
- South Africa and Mozambique are among the new major sources of supply
- BRICS are anticipated to be the main drivers for the coking coal market
- Per capita steel consumption in India and China remains low compared to OECD countries
- South East Asian and Brazilian economic development could further drive demand for coking coal

Projected coking coal demand (Mtpa)

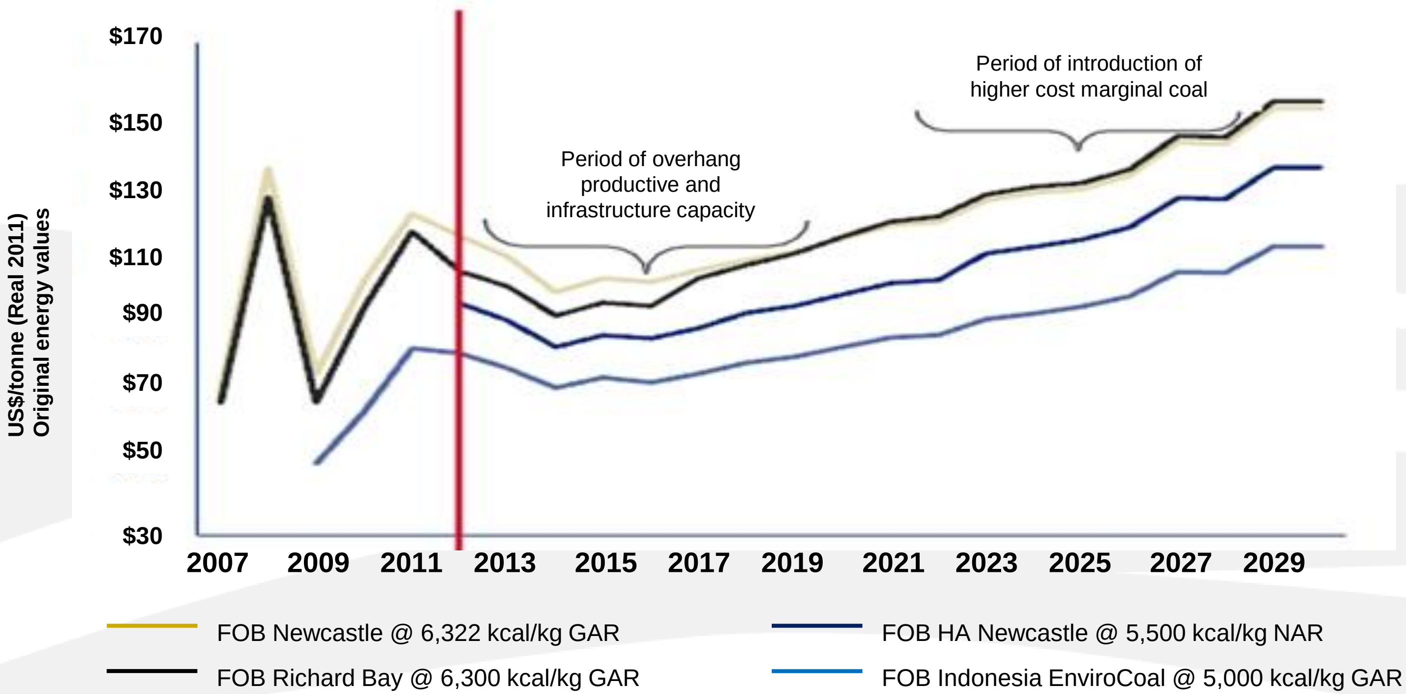


Source: BHP Billiton

Long term outlook

Stabilisation of long term pricing

- Thermal coal to stabilise through continued Asian demand and rationalisation of supply
- China and India will drive the rebound with rapidly growing economies which are heavily reliant on coal
- Longer term fundamentals suggest the demand trend will continue
- China and India, in particular, have little alternative to expand coal use in the power sector
- Meeting the substantial demand growth will require expansion of existing supply basins and development of new reserves in more remote regions, exerting price pressure across the entire global supply chain
- Mining companies new mining projects at current pricing levels and capital intensity would most likely not be developed



Source: Wood Mackenzie, Anglo American

New management team - Track record of delivery to date

June 2010
- John Wallington (ex Anglo American (Coal division) global CEO) appointed as CEO
- Construction of Vele Colliery completion on track to commence production 1 Sep 2010

August 2010
- Vele Colliery:
  - Interdict served by non-government organisations based on alleged "illegal activities" at the mine
  - Management ceases operations
  - Consultation with Government

November 2010
- Concluded Rio Tinto Transaction for US$75m

January 2011
- NOMR application lodged for Makhado Project
- Notification of acceptance by the Government received in March 2011

April 2011
- IWUL for Vele Colliery granted
- Wayne Koonin appointed as Financial Director

May 2011
- Vele Colliery
  - Administrative fine of R9.3m paid for alleged non-compliance of various environmental issues
  - Submission of rectification application in terms of NEMA

July 2011
- Vele Colliery:
  - Environmental authorisation granted
  - Non-government coalition ("**NGC**") appeal IWUL resulting in suspension of mining right

October 2011
- Vele Colliery
  - Suspension of IWUL lifted
  - All licences valid to fully operate the mine
  - Commenced full operation and completion of construction activities

November 2011
- Equity placement for US$106m
- Sign with NGC in relation to Vele Colliery and Mapungubwe Park

December 2011
- Extraction of coal at Vele Colliery commenced
- Confirmation of Makhado Project hard coking coal test work for 10% ash product

February 2012
- Concluded BEE transaction with Rothe for a 26% interest in the GSP
- Commissioned plant at Vele Colliery

March 2012
- Makhado DFS reviewed by CoAL Board

May 2012
- Rio Tinto Transaction concluded
- s11 transfer of GSP prospecting rights to CoAL

June 2012
- Progress with the Exxaro option with remaining technical work and valuation to be concluded by 30 Sep 2012
- Released reserve and resource update for the GSP

July 2012
- Favourable outcome for CoAL based on the acceptance of the Heritage Impact Acceptance report at the UNESCO conference regarding mining - Mining at Vele Colliery has no direct impact on the Mpungubwe heritage site

Recent developments

Vele Colliery: Commencement of production

- Mine plan revised to optimize strip ratio and facilitate ramp up to full production (2.7Mtpa)
- Front end design and technical work for additions to the plant nearing completion
- Planning for development of underground section to commence
- Co-operation with SANParks, DEA and Mapungubwe Coalition through an MOU

Makhado Project: Advancing steadily

- DFS nearing completion: Additional work in conjunction with Exxaro being undertaken to optimize mine plan
- Draft DFS reviewed by Board of CoAL
- Detailed design work for mine design, plant, infrastructure and rail continuing
- Purchase of key farms for rail infrastructure and loop secured and in the process of closing
- Installation of construction power (5MVa): Remaining submission for NOMR by 30 September 2012
- Democratically elected 35 member community consultation forum formed by 7 local communities

GSP: Enhanced position

- Rio Tinto Transaction consolidated holdings in the Soutpansberg coalfields
- Drilling activities continue in line with ‘gap analysis’ to complete NOMR applications
- Legal review in process to restructure and consolidate tenements into a regionally optimised mine

Mpumalanga coal assets

- Mooiplaats colliery at steady state production: Evaluating opportunities to maximise value going forward
- Limited remaining life for Vuna Colliery: Evaluating options for additional ROM and utilisation of wash plant capacity

Short term targets to unlock value

Aug 2012	▪ Complete technical reports for Makhado Project NOMR application ▪ Further review of Makhado Project DFS by CoAL Board ▪ Commence construction of power supply into the Makhado Project ▪ Finalise Investec US$50 million loan facility
Sep 2012	▪ Deadline for Exxaro to exercise option for equity investment into Makhado Project ▪ Progress submission for Makhado Project IWUL ▪ Commence construction of flotation, ultra fines and middlings plant at Vele Colliery ▪ Complete coking coal tests with ArcelorMittal
Oct 2012	▪ Finalisation of evaluation of financing alternatives for the Makhado Project ▪ Complete restructuring of existing Deutsche Bank working capital facilities (thermal coal) ▪ Complete full suite of technical tests for Vele Colliery and commence marketing of product
Nov 2012	▪ Progress restructure of Mooiplaats and Woestalleen Collieries ▪ Scheme of Arrangement for CoAL reorganisation and ASX delisting ▪ Establish semi soft coking coal markets for Vele Colliery to commence supply in 2013
Dec 2012	▪ Complete delisting from ASX and establish primary listing on the main board of the LSE ▪ Makhado Project NOMR in final stages of being granted ▪ Commence planning to mobilise construction activities for the Makhado Project in 2013

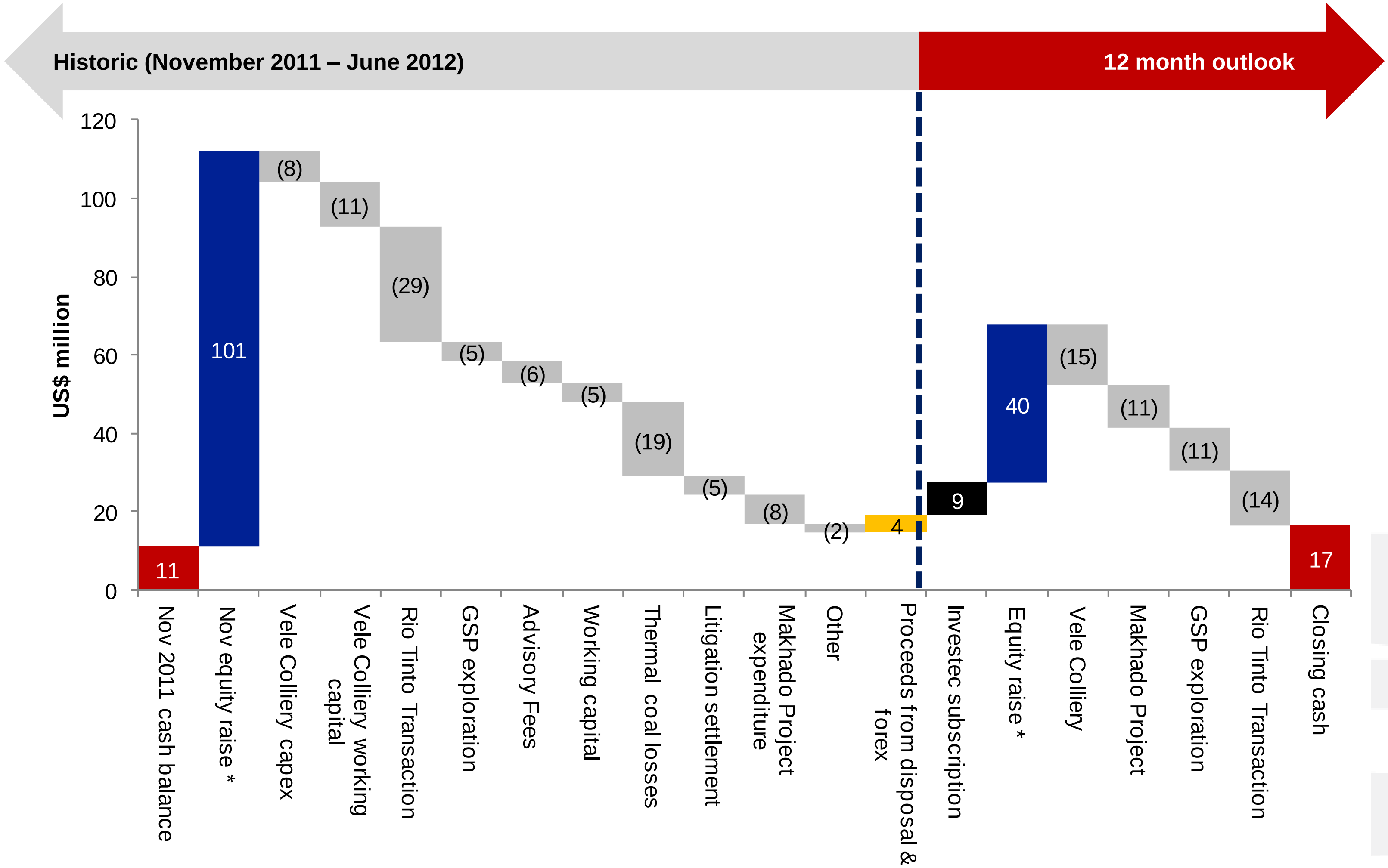
Current funding sources and estimated future funding sources

CURRENT FUNDING SOURCES	
Current cash balance	▪ US$18.8m (includes cash lockup under Deutsche Bank facility of US$14.2m as at 30 June 2012)
Debt facilities	▪ US$50m – Deutsche Bank trade finance facility to 30 September 2013 [1]
Equity financing	▪ US$8.7m – Equity subscription and undertaking to subscribe[2] for an additional 81m shares
Disposal of assets	▪ US$12m (ZAR100m) – Sale of Holfontein negotiations in progress

FUTURE SOURCES OF CAPITAL	
Debt facilities	▪ US$50m – Investec credit approved two year loan financing facility to replace JP Morgan Chase US$40m facility
Equity placement	▪ Total equity fund raising to raise US$45m: – Firm Placement using the remaining 12.09% of the 15% authority under ASX Listing Rule 7.1 – Balance raised by Conditional Placement, subject to shareholder approval
Makhado proceeds	▪ Exxaro has an option to purchase up to a 30% interest in the Makhado Project
Funding instruments	▪ Long term financing instruments are being evaluated, potentially including high yield commercial bonds

[1] Facility reduces by 1/12 tranches starting in October 2012 unless renegotiated
[2] Conditional on shareholder approval of the renewal of the directors authority to allot shares on a non-pre-emptive basis

Reconciliation of cash proceeds and use of funds [1]



Note: The exercise of the option on the Makhado Project by Exxaro has not been taken into account.

[1] Assuming that the Deutsche Bank facility is renegotiated in September 2012 and the Investec facility is finalised by October 2012 and both are available to be utilised. Further funding, in addition to the proceeds of any exercise of the Exxaro option, would be required to fund the development costs of the Makhado Project

*Net of brokerage, fees and costs associated with funding arrangements entered into in July and August 2012

Capital requirements[1]

Asset	Capital required	Description
Vele Colliery	US$15m	▪ Working capital for extended ramp up of open cast pit to 2.7Mtpa based on revised mine plan ▪ Capital expenditure for flotation, ultra fines and middlings plant and related design fees
Makhado Project	US$11m	▪ Pre-mining right capital expenditure including: land purchases, regulatory, permitting and construction power ▪ Consultancy fees on detailed front-end engineering design ▪ Additional technical drilling and analysis for final thermal coal and fines test work
GSP	US$11m	▪ Additional drilling, technical studies and related work to accelerate Generaal and Voorburg/Jutland DFS ▪ Project management, environmental impact assessment and stakeholder engagement
Chapudi	US$14m	▪ Next installment of acquisition consideration for Rio Tinto Transaction (circa US$14m)
TOTAL	**US$51m** *	

[1] Assuming that the Deutsche Bank facility is renegotiated in September 2012 and the Investec Facility is finalised by October 2012 and both are available to be utilised
* Includes opening cash balance of $11.6m prior to raise

Proposed timetable

Placement timetable – indicative key dates [1]

19 July – 2 August 2012	Road show
1 August 2012 (7am)	Announcement of quarterly results and 5B
7 August 2012 (7am)	Announcement of placement
27 July 2012	Submission of General Meeting circular to ASX for approval
9 August 2012	Admission and settlement of Firm Placing Shares on AIM (T+3)
10 August 2012	Admission and settlement of Firm Placing Shares on the JSE (T+4)
10 August 2012	ASX approval of General Meeting and posting of circular
11 September 2012	General Meeting (remainder of timetable assumes meeting held in South Africa or London)
12 September 2012	Admission and settlement of Conditional Placing Shareson AIM (T+3)
13 September 2012	Admission and settlement of Conditional Placing Shareson the JSE (T+4)

[1] Dates subject to change

Annexure

Salient market data and shareholder information

Salient market data

Number of shares in issue (million) [1]	685.5
Market price per share at 2 August 2012 (GBP)	0.24
Market capitalisation (GBP million)	164.5
Net cash (GBP million) [1]	(29)
Minorities (GBP million)	0.4
Enterprise value (GBP million)	135.9

[1] Includes 19m shares subscribed for by Investec for £5m on 18 July 2012

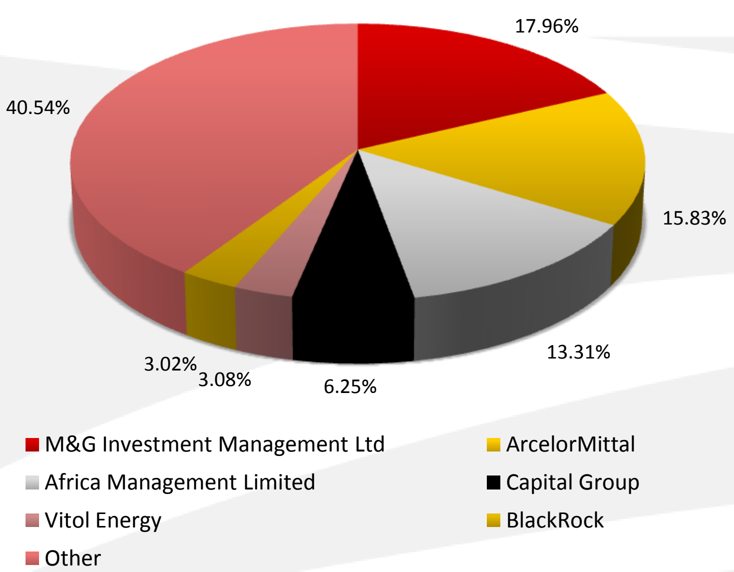
Source: Bloomberg

Trading performance

52 week price range (GBP)	0.23 – 0.75
Date of upper price range	28 February 2012
Average daily volume traded (shares):	1,777,104
Average daily volume exchange split:	
▪ AIM	*60%*
▪ JSE	*28%*
▪ ASX	*12%*

Source: Bloomberg

Major shareholders 30 June 2012



Ownership by geography 30 June 2012