



ANNOUNCEMENT

26 JUNE 2012

ISSUE OF SHARES AND SECONDARY TRADING NOTICE
Coal of Africa ("CoAL" or the "Company")

Following approval at the Company's General Meeting held on 22 June 2012, CoAL confirms it has today issued 3,839,255 ordinary shares ("Shares") for no consideration, representing 0.58% of the issued share capital of the Company on an undiluted basis. Shares issued to Directors and persons discharging managerial responsibility comprise:

Director/Manager	Shares Awarded	Resultant Shareholding	Percentage of Issued Share Capital
John Wallington	250,000	250,000	0.04%
Wayne Koonin	175,000	230,000	0.03%
Richard Linnell	916,575	1,704,125	0.26%
Simon Farrell	1,833,150	4,704,941	0.71%
Peter Cordin	458,300	1,512,968	0.23%
Stephen Rowse	91,660	91,660	0.01%

Application has been made for the 3,839,255 Shares to be admitted to trading on the AIM market of the London Stock Exchange ("Admission"). Admission is expected to become effective on or around 2 July 2012. The Shares will rank pari passu with the Company's existing Shares.

Following Admission, the number of Shares on issue will be 666,323,828.

Secondary Trading Notice Pursuant to Paragraph 708A(5)(e) of the Corporations Act 2001 ("Act")

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A of the Act. By giving this notice, a sale of the Shares noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

- (a) the Company issued the Shares without disclosure to investors under Part 6D.2 of the Act;
- (b) as at 26 June 2012, the Company has complied with the provisions of Chapter 2M of the Act (other than section 319 in relation to a financial year ended in the calendar year 2004) as they apply to the Company, and section 674 of the Act; and
- (c) as at 26 June 2012 there is no information:
 - a. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - b. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - i. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - ii. the rights and liabilities attaching to the relevant Shares.



AUTHORISED BY:

A handwritten signature in black ink, appearing to read 'Shannon Coates'.

Shannon Coates
Company Secretary

For more information contact:

John Wallington	Chief Executive Officer	Coal of Africa	+27 11 575 4363
Wayne Koonin	Financial Director	Coal of Africa	+27 11 575 4363
Shannon Coates	Company Secretary	Coal of Africa	+61 89 322 6776
Sakhile Ndlovu	Investor Relations	Coal of Africa	+27 11 575 6858
Charmane Russell/Jane Kamau	Financial PR (South Africa)	Russell & Associates	+27 11 880 3924
			+27 82 372 5816
Jos Simson/Emily Fenton	Financial PR (United Kingdom)	Tavistock	+44 20 7920 3150
Chris Sim/Jeremy Ellis/Neil Elliot	Nominated Adviser	Investec	+44 20 7597 5970
Reuben Govender	JSE Sponsor	J.P. Morgan Equities Limited	+27 11 507 0430

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 Greater Soutpansberg Project, including CoAL's 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 (ROM) feed tonnes per month.

CoAL's Vele Colliery commenced production in Q1 2012. During the initial phase, the operation is targeting 2.7 Mtpa ROM production to produce 1.0Mtpa of 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 having been reviewed by the CoAL Board in March 2012. An application for a New Order Mining Right for the Makhado Project was submitted in January 2011.

In May 2012, CoAL acquired the Chapudi coal project and several other coal exploration properties in the Soutpansberg coal basin in South Africa, subsequently renamed the Greater Soutpansberg Project, from the previous owners, including Rio Tinto. The Greater Soutpansberg Project is a consolidation of nine potential coking and thermal coal assets grouped into three proximate regions, namely Mopane, Makhado and Chapudi. The acquisition of these assets strengthens Coal of Africa's position as one of the most substantial holders of prospecting and mining rights for coking coal in South Africa's Soutpansberg coalfield.