COAL of AFRICA LIMITED

Investor Presentation – April 2011

LONDON

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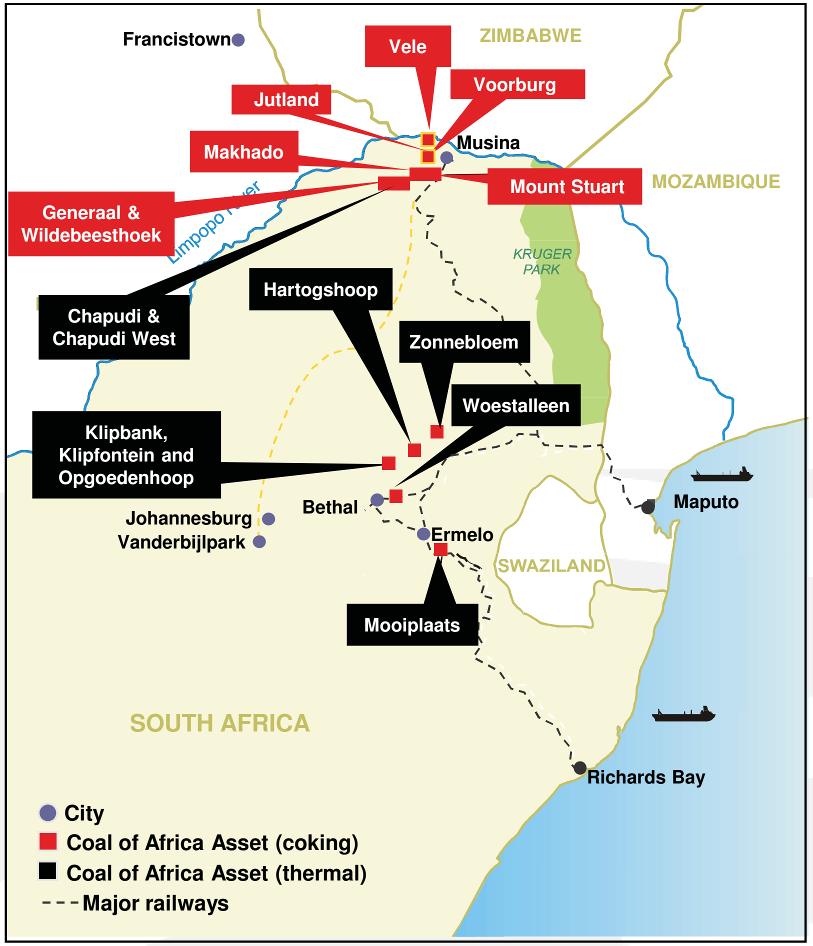
Overview – Project Locations

CoAL is a South African company producing approximately 4Mtpa (saleable) of thermal coal from mines in Ermelo / Witbank and is focused on developing its metallurgical (coking) coal projects situated in the Limpopo and Soutpansberg coalfields.



Coking coal assets:

- Makhado
- Vele
- Mount Stuart
- Chapudi Assets[1]

Thermal coal assets are:

- Mooiplaats
- Woestalleen Wash Plant and related mines
- Chapudi and Chapudi West[2]

Port Capacity :

- Matola: 3Mtpa & additional 10Mtpa (min) planned
- RBCT : via off-take agreements

1. Certain farms subject to completion of Sale and Purchase Agreement for Jutland and Voorburg
2. Subject to completion of Sale and Purchase Agreement announced 29 November 2010

Key Coking Coal Business Targets

CoAL is committed to rapid development of its Limpopo based coking coal assets.

- **Vele**
  - Operation currently suspended under National Environmental Management Act (NEMA)
  - Following lifting of the compliance notice, resume construction phase and production of first coal in 3 months
  - Integrated Water Use License granted April 2011
- **Makhado**
  - Application submitted January 2011
  - Bring Makhado into production within 12 – 18 months of granting of New Order Mining Right
- **Off-take Agreement**
  - Convert ArcelorMittal South Africa (AMSA) Letter of Intent (LOI) into a formal agreement reflecting key terms including FOR delivery for FOB price
- **Production**
  - Combined output of 10Mtpa saleable coking coal

Vele Colliery

Key Figures	
Ownership:	100%
Resource:	691Mt MTIS[1]
	814Mt GTIS[2]
Production:	Phase 1: 1.0Mtpa (Saleable) Phase 2: 5.0Mtpa (Saleable)

Highlights

- **March 2010:** New Order Mining Right executed
- **April 2011**: Integrated Water Use License granted

Overview

- Vele comprises opencast and underground sections suitable for modular staged development
- MCC Contracts outsource mining contractor appointed to conduct opencast mining operations
- Site has ready access to power (2 MVA) in phase 1 and water (2.4million m³ pa)
- Mactransco siding - located 46 km from site; construction of siding and road link completed
- AMSA LOI to take 2.5 Mtpa (up to 5.0Mtpa) from Makhado/Vele

Vele wash plant assembly at site

Vele is a blend coking coal asset, ideally placed to supply ArcelorMittal's Vanderbijlpark steel works

1 – Mineable tonnes insitu; 2 – Gross tonnes in situ

Vele Colliery Legislative Requirements

- **Licenses & Authorizations Obtained**
  - New Order Mining Right (NOMR)
  - Approved EMP in terms of Minerals & Petroleum Resources Development Act (MPRDA)
  - Integrated Water use License (IWUL)
  - Department of Agriculture, Forestry & Fisheries (DAFF)
  - Limpopo Department of Economic Development, Environment & Tourism (LEDET)
- **Outstanding Approvals**
  - Environmental Approval in Terms of the National Environmental Management Act (NEMA)

Makhado Project

Key Figures		
▪	Ownership:	100%[1]
▪	Resource:	289Mt MTIS (Opencast area)
		918Mt GTIS
▪	Production:	Phase 1 : 2.0Mtpa (subject to DFS)
		Phase 2 : 5.0Mtpa saleable

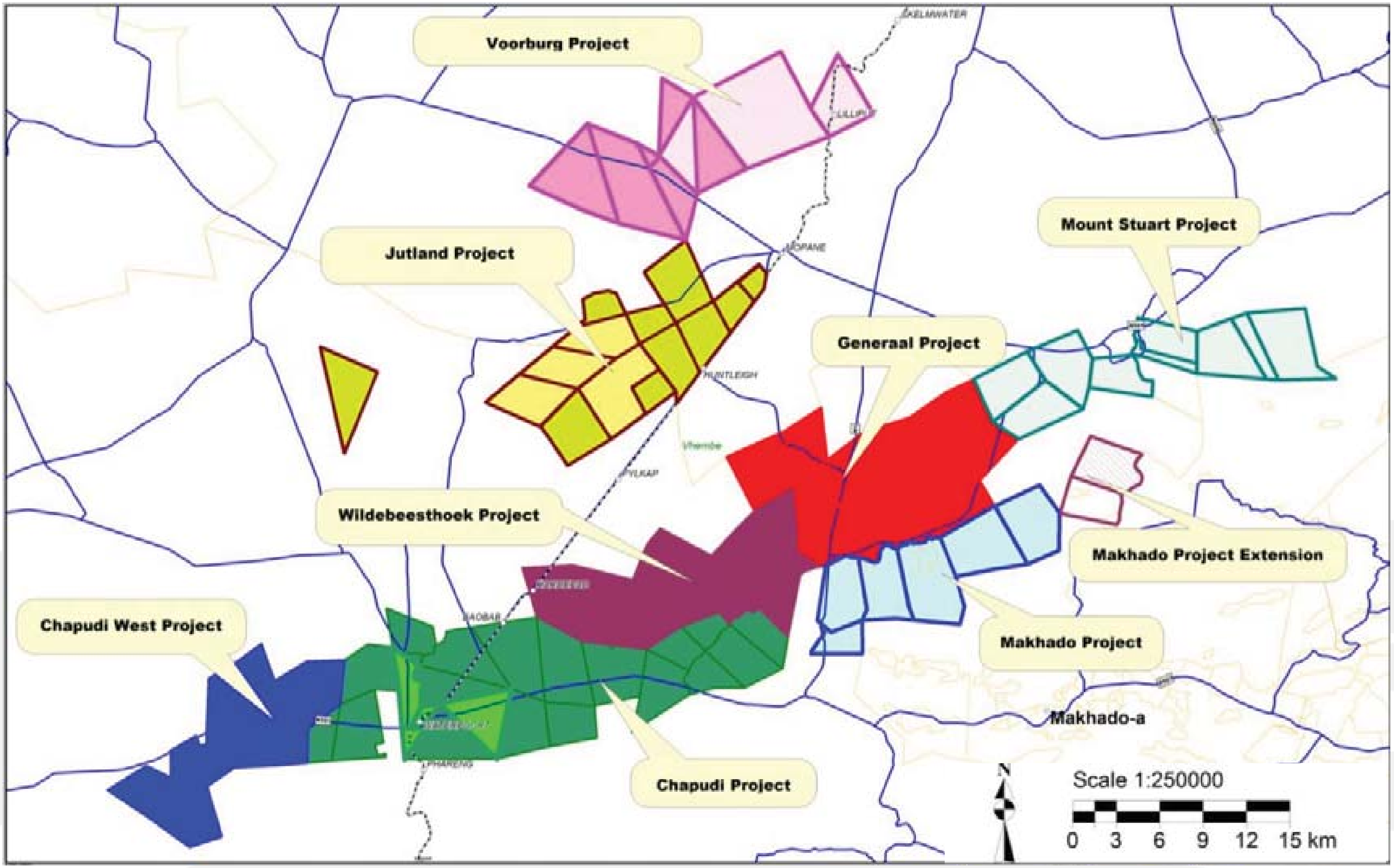
Highlights

- Definitive feasibility study currently being finalised
- Bulk sample – approval to extract received in March 2010; extraction to yield 19,100 tonnes of ROM coking coal for analysis by AMSA completed; test-work to be completed by mid-year
- Offtake agreement to be finalised
- Financing options under review
- Upside potential through Makhado Project Extension (Telema and Gray)
- Completion of DFS – Exxaro option to acquire 30%

Bulk Sample pit (top) and stockpile (bottom) at Tanga – Makhado

1: Subject to Exxaro option to acquire 30%

Soutpansberg Projects: Post Rio Farm Swap & Chapudi Transaction



Note: Solid shaded areas denote the acquired assets.

Soutpansberg Projects: Resources and Exploration Potential

Property	Recently Acquired?	Area (ha)	Prospective Strike length (km)	Coking Coal	Thermal Coal	Preferred Option	Development Potential
Chapudi	Yes	20,467	31.4	✓	Domestic	Thermal	Potential for Export grade thermal coal on selected horizons
Chapudi West	Yes	8,678	7.6	✓	Domestic	Thermal	Potential for Export grade thermal coal on selected horizons
Wildebeesthoek	Yes	10,675	14.4	✓	Export	Coking Coal	Potential for High Grade Coking Coal
Generaal	Yes	13,721	15.1	✓	Export	Coking Coal	Coking Coal similar to Makhado
Voorburg	Partially	6,811	9.7	✓	Export	Coking Coal	Coking Coal similar to Makhado
Jutland	Partially	8,162	11.5	✓	Export	Coking Coal	Coking Coal similar to Makhado
Mount Stuart	No	9,130	15.2	✓	Export	Coking Coal	Potential for High Grade Coking Coal

	Measured Resource	Indicated Resource	Inferred Resource	GTIS
Makhado[1]	284	27	-	947[2]

1.Excludes the Makhado Project Extension which has the farms Telema and Gray and are not part of the current NOPR
2.Based on the report compiled by The Mineral Corporation on 14 June 2010. Measured and Indicated gross in situ resources were estimated only for the proposed opencast area to a maximum depth of 140metres.
The total gross in situ resource (GTIS) estimate of 947Mt relates to the entire project area with no depth cut-offs applied.

Mooiplaats Colliery

Key figures

Ownership:	100%
Resource:	53.3Mt MTIS
Production:	0.9Mtpa Saleable (FY11)

Highlights

- **May 2009**:The first stage of the coal handling and preparation plant was commissioned with a monthly capacity of 110,000t ROM
- **September 2009**:CoAL loaded its first train to Maputo with mid-volatile 'lean' coal
- **November 2009**:Second module commissioned increasing monthly capacity to 220,000tpm
- **February 2010**:Shipping commenced

Aerial view of Mooiplaats Colliery

Overview

- IWULA for Mooiplaats North being processed
- Mooiplaats South extension application process at advanced stages
- Logistics advantage in supplying coal to Eskom
- Camden Power Station is 1.7km from the Mooiplaats

Woestalleen Wash Plant

Key Figures

Ownership:	100%
Capacity :	4.2Mtpa ROM feed
Production:	2.6Mtpa saleable; 2.2Mtpa high grade

Highlights

- Zonnebloem and Hartogshoop mines are currently supplying ROM feed into Woestalleen
- Wash plants
  - Woestalleen -Two wash plants with throughput of 200,000 ROM tonnes per month
  - Fraser plant (BOOM) - capacity of 150,000 ROM tonnes per month
- Products includes export, domestic (Eskom) and sized coal

Logistics :

- On–site siding with a capacity to load 4.34Mtpa
- Strategic alliances with coal traders in the Richards Bay Coal Terminal (RBCT), Richard's Bay Dry Bulk Terminal (Navitrade) and Durban (Bulk Connections) through which export product is shipped
- Balance of export product is shipped via the Maputo (Matola)

Aerial view of Woestalleen

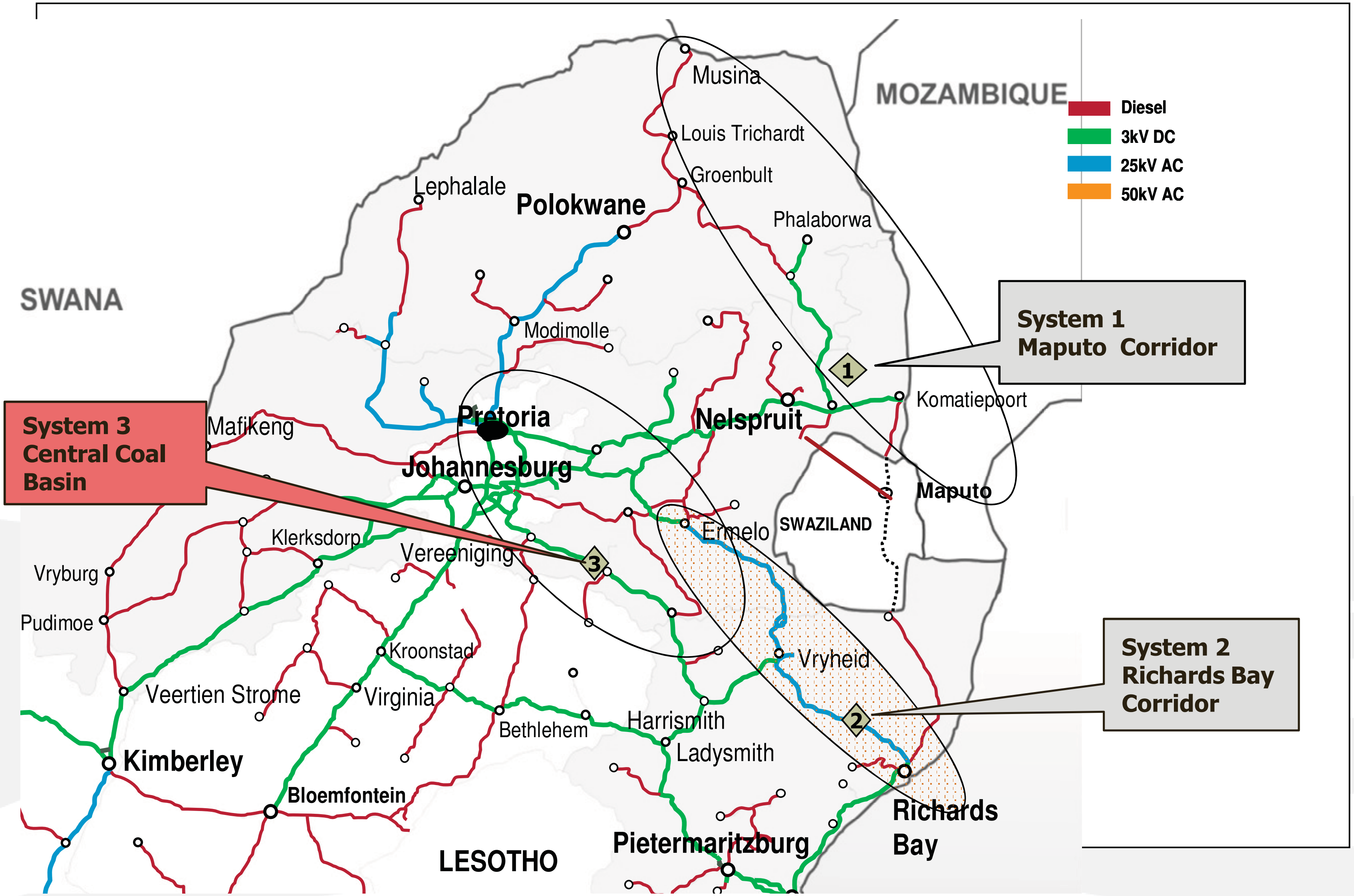
Aerial view of Zonnebloem pit

Comparison of Product specifications

Brand	Vele	Makhado	Hunter Valley SSCC	Gloucester SCC	Blackwater Weak Coking	Gregory HCC	Kestrel HCC	Mozambique Export Coking Coal	Goonyella HCC	Peak Downs HCC
Producer	CoAL	CoAL	Newcastle	Gloucester Coal	BMA	BMA	Rio Tinto	Generic	BMA	BMA
Total Moisture % (ar)			9	9	10	8.5	8	>10	10	9.5
Inherent Moisture % (ad)	1.7	0.9	2.5	2	2	2	2	1	1	1
Ash % (ad)	12.5	10	9	10.5	8	7	6.5	9 - 11	8.5	9.7
Volatile matter % (ad)	36.1	30.3	33	34	27	33.5	34	22	23.8	20.5
Sulphur % (ad)	0.98	0.98	0.55	0.96	0.5	0.65	0.65	0.9 - 1.1	0.52	0.8
Phosphorus % (ad)	0.003	0.009	0.040	0.040	0.080	0.035	0.030	0.07 -0.10	0.020	0.035
Free Swelling Index	8.5	9.5	4	8	6	9	8.5	9	8	8.5
Max Fluidity (ddpm)	6,515	11,600	100-400	10,000	400	7,500	10,000	400 – 1,000	1,100	350
Vitrinite Content %	83.4	84.9	na	66	55	71	75	>80	>80	68
Vitrinite reflectance (RoV max)	0.77	1.03	0.8	0.83	1.03	0.92	0.94	1.3 - 1.4	1.17	1.42
CSR Index	35.1		21	38	35	60	56	65 - 70	68	74
M10	10.7		na	11	9	8	9	na	7	7
I20	71.5		na	66	74	74	na	na	77	78

Note: Makhado and Vele Gray King Indices G_{11} and G_9 (respectively). Makhado and Vele Roga Indices 91 and 84 (respectively).

Main Export Coal Corridors - South Africa



Source : Transnet Presentation – McCLOSKEY Conference India : 8 October 2009 : Fuzile Magwa , Regional Operating Executive

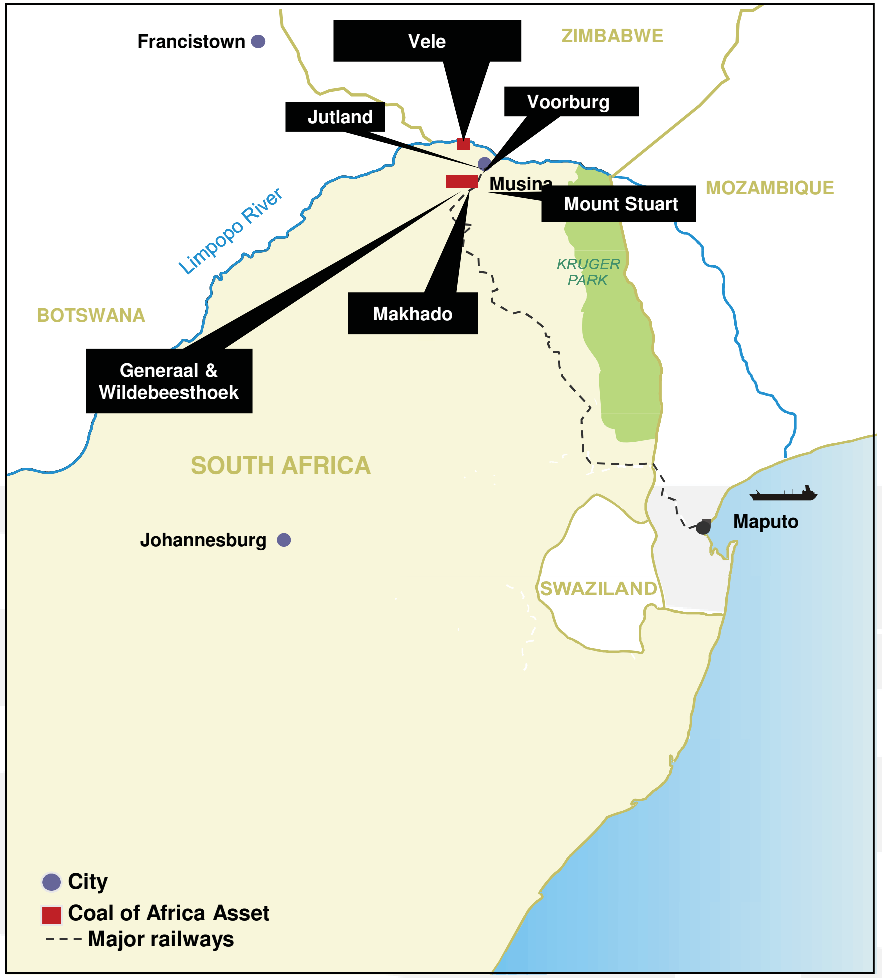
Rail – Coking Assets

Siding

- **Makhado** :
  - Nearby siding under detailed design
- **Vele**:
  - Long-term rail link from Vele to Musina (nearest mainline)
  - Technical feasibility study completed for Mactransco siding as an interim loading facility.
  - Trucking contracts in negotiation to enable movement from mine to siding

Rail

- Rail agreements allow transport through Maputo corridors with a current capacity of 2.5Mtpa
  - Negotiating long term outcome with Transnet Freight Rail
- Private sector participation options for purchase of rolling stock under discussion with Transnet



Port

Port

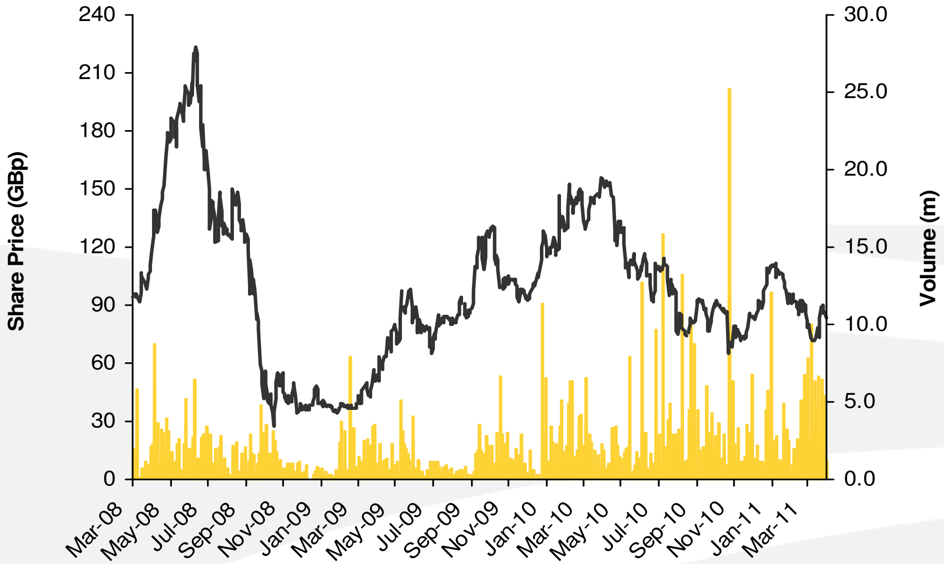
- Allocation of 1Mtpa secured August 2008 through the Matola dry bulk terminal in Maputo with option to extend for 5+5+5 year agreement
- Secured right to any increased capacity in consideration for providing funding
- Terminal capacity recently expanded from 2Mtpa to 6Mtpa
    - CoAL co-funded expansion with Grindrod
    - CoAL's allocation now 3Mtpa
- Long-term expansion to add >10Mtpa, which CoAL has secured an option over 100%

Matola dry bulk terminal

Share price information - AIM

Share Price / Volume Charts (AIM Listing)

52 Week High	GBP 156
52 Week Low	GBP 65
30 Day VWAP	GBP 81



Key Statistics

Stock Exchange Listings:	ASX, AIM, JSE
Total Ordinary Shares on Issue:	530.51m
Total Options on Issue:	28.90m
BEE options announced 11/12/09[1]:	50m
Price as at 11/04/11 :	GBP 83 (AIM)
Undiluted Market Cap as at 11/04/11:	GBP 440.33m

Average Daily Value Traded

ASX - 30day Avg	AUD 1,304,988
AIM - 30day Avg	GBP 3,078,705
JSE - 30day Avg	ZAR 2,496,013

Source: Bloomberg (12/04/11), Company Announcements

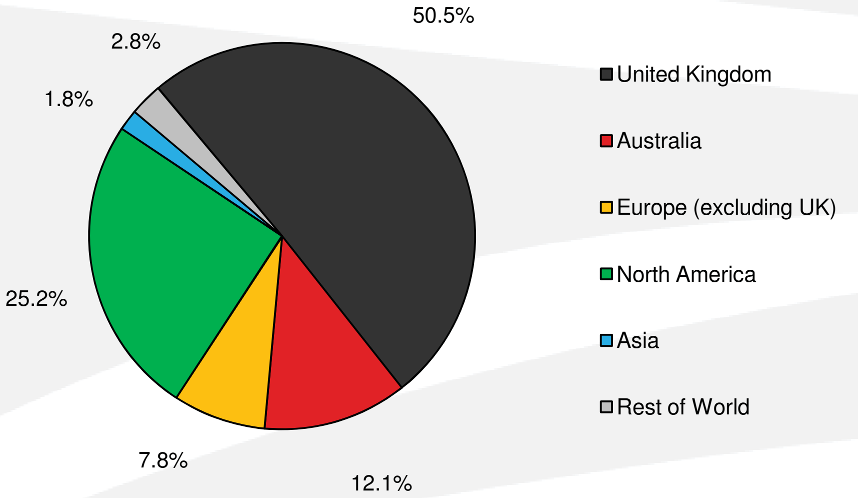
[1] Agreement with Firefly Investments Pty Ltd for 50m options exercisable at GBp60 from Nov-10 to Nov-14. Subject to certain regulatory approvals, including FIRB.

Share Register

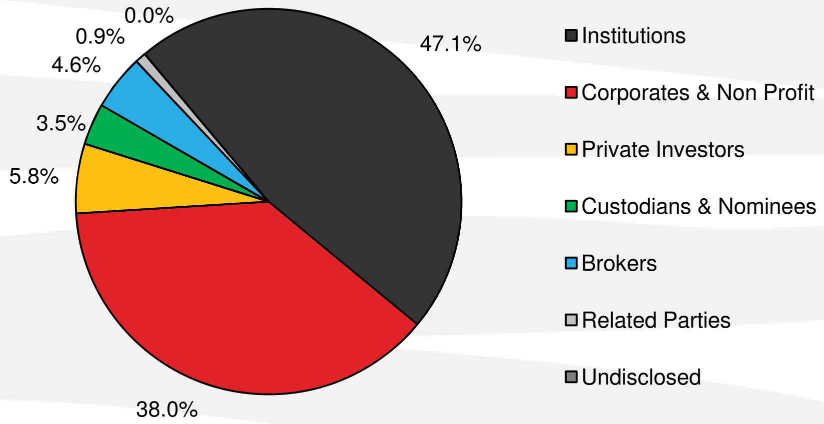
Substantial Shareholders (Undiluted, Ordinary Shares)

Name	Shares	Percentage
ArcelorMittal S.A.	84,801,192	15.98%
M & G Investment Management Ltd	76,294,003	14.38%
Africa Management Limited	74,063,512	13.96%
Capital Research Global	37,135,000	7.00%
GCM Resources	18,395,016	3.47%
BlackRock Inc	18,266,850	3.44%

Breakdown of Institutions by Location – Number of Shares



Breakdown by Investor Type – Number of Shares



Source: Company Announcements, Thompson Reuters Analysis Report (as at 31 March 2011)

Board Members (1 of 2)

Richard Linnell **Chairman**	▪ Active in the resources and metals fields for over forty years ▪ Originator of the Bakubang Initiative, a forum designed to revive the South African Mining Industry which led to the establishment of the New Africa Mining Fund, of which he is Chairman of Trustees ▪ Holds a number of Directorships in the junior mining sector
Simon Farrell **Deputy Chairman**	▪ Has held a number of senior management and board positions in the resources sector over the last twenty years ▪ Currently a Director of Bellzone Mining plc and LSE listed Kenmare Resources plc ▪ Bachelor of Commerce from the University of Western Australia and an MBA from the Wharton Business School
John Wallington **Chief Executive Officer**	▪ Former CEO of Anglo American coal division, and has 30 years experience in coal exploration and mining ▪ Has held Board positions with Firestone Energy Ltd and Keaton Energy Holdings Ltd ▪ B.Sc. in Mining Engineering from University of Witwatersrand, South Africa, and has participated in executive programs with Long Business School and Harvard Business School
Wayne Koonin **Financial Director**	▪ Over 12 years international experience in the commodities sector including coal. ▪ Has worked in senior financial roles for Canadian ,South Africa, British and Swiss based exploration, development and operating mining companies. ▪ Qualified Chartered Accountant (South Africa) and holds a Bachelor of Commerce (Accounting) and a Bachelor of Accounting (Honours) degree from Witswaterand University in South Africa
Alfred Nevhutanda **Executive Director**	▪ Holds two doctorates, an MBA and a Diploma in Business Studies ▪ A specialist in corporate governance, strategic planning and leadership ▪ Professor Nevhutanda is best known for his public commentary on good governance and business ethics

Board Members (2 of 2)

David Murray **Senior Independent Non-Executive Director**	▪ Former Managing Director of Ingwe Coal Corp, Chief Executive of BHP Billiton Mitsubishi Alliance and President of BHP Billiton energy coal sector group ▪ Bachelor of Science (civil engineering) from University of KwaZulu-Natal and post graduate diploma in mining engineering from University of Pretoria
Steve Bywater **Non-Executive Director**	▪ Former COO of Rio Tinto Coal Australia, and led 7 mining operations, producing 60Mtpa of saleable coal per year ▪ Chief Executive of Global Coal Management Resources PLC ▪ B.Sc. in Engineering, Geology and Geotechnics from Portsmouth University and an M.Sc. in Rock Mechanics and Excavation Engineering from Newcastle-upon-Tyne
Peter Cordin **Non-Executive Director**	▪ Managing Director of ASX listed Dragon Mining Limited and Non-Executive Director of Vital Metals Ltd ▪ Bachelor of Engineering from the University of Western Australia and is well experienced in the evaluation, development and operation of resource projects within Australia and overseas
Khomotso Brian Mosehla **Non-Executive Director**	▪ Previously worked at KPMG and African Merchant Bank Ltd, gaining experience in MBO, LBO and capital restructuring ▪ Established Mvelaphanda Corporate Finance for the development of mining and non-mining interests ▪ BCompt (Hons), CTA and CA (SA) ▪ Currently Chief Executive of Mosomo Investment Holdings (Pty) Ltd, and a Director of three other companies
Mikki Sivuyile Xayiya **Non-Executive Director**	▪ Co- founder of Mvelapanda Holdings and is Executive Chairman with effect June 2009 ▪ BA (Unisa), Cert of Defence Management (Wits) and Emerging Market Leadership Programme (University of Pennsylvania) ▪ Currently a board member in numerous other companies
Rudolph Torlage **Non-Executive Director**	▪ Over 20 years experience with ArcelorMittal South Africa ▪ Currently executive Director finance and board member of various unlisted ArcelorMittal Group companies ▪ BCompt (Hons), CTA and CA (SA)

The Future Potential of CoAL's Operations

Source	Description
Thermal assets	• Ramp up to 5Mtpa
Coking assets	• Ramp up to 10Mtpa
Logistics	• Target 13Mtpa export allocation at Matola port
IPP Development	• Significant upside potential to participate in IPP development on the back of low cost thermal coal production generated from coking coal operations

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