


Presentation on results for the six months ended 31 December 2011

John Wallington, CEO, and Wayne Koonin, FD

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An eventful six months…

Corporate

- MOA signed with SANParks and DEA on 1 September 2011
- MOU signed with Save Mapungubwe Coalition
- Full Mineral Experts Report and Registration Document published
- Placement of 130 million shares, raising US$106 million
- New US$40 million working capital facility secured
- Conclusion of Rio Tinto/Kwezi Chapudi transaction
- Conclusion of agreement for disposal of NiMag group
- Progress on concluding the disposal of the Holfontein thermal coal project
- Steady progress on plan to migrate primary listing to LSE by end of 2012

An eventful six months…

Operational

- **Vele**
  - environmental authorisation for Vele granted
  - suspension of IWUL lifted
  - extraction started in December 2011
  - wet and hot commissioning of plant completed
  - washed coal sent for product testing
- **Mooiplaats**
  - transfer to owner management of mining operations
  - commissioning of fifth underground section
- **Woestalleen**
  - Steady performance at Vuna Colliery

An eventful six months…

Projects

- **Makhado**
  - excellent progress with Definitive Feasibility Study (DFS) – on track for completion by mid-year
  - testing bulk sample by AMSA completed
  - independent product report by specialist consultancy completed
  - additional preparatory work under way in advance of approval
- **Chapudi**
  - transaction with Rio Tinto/Kwezi to acquire assets finalised and scheduled application for new order mining right to close before April 2012
  - agreement signed with CoAL BEE partners (Rothe)
  - application for Section 11 to close before April 2012
- **Soutpansberg Coal Bed Methane Project**
  - planning for exploration programme to define JORC resource under way

CoAL overview: a recap of projects and operations

EXPLORATION	DEVELOPMENT	MINING
Chapudi Chapudi West Generaal Jutland Makhado Extension Mt Stuart Voorburg Wildebeesthoek	Makhado	Mooiplaats Woestalleen Vele

- Assets in three major phases (exploration, development, mining)
- Primary focus: development of coking coal asset portfolio
- Vele advanced into mining phase
- Upside potential based on project pipeline
- Substantial growth through the acquisition of the Chapudi and related properties

Vele and the Mapungubwe National Park

- CoAL pursuing collaboration with stakeholders in implementing the Environmental Management Plan (EMP), and the responsible development and operation of the mine to preserve and protect this cultural heritage site
- Additional, voluntary heritage impact assessment completed and presented to Unesco in January 2012

Memorandum of Agreement (MOA)

- MOA signed on 1 September 2011 between CoAL, DEA and SANParks which seeks to:
  - ensure the conservation and integrity of the site
  - maintain and strengthen co-operation between the three parties
  - Environmental Management Committee incorporating all stakeholders

Memorandum of Agreement (MOU)

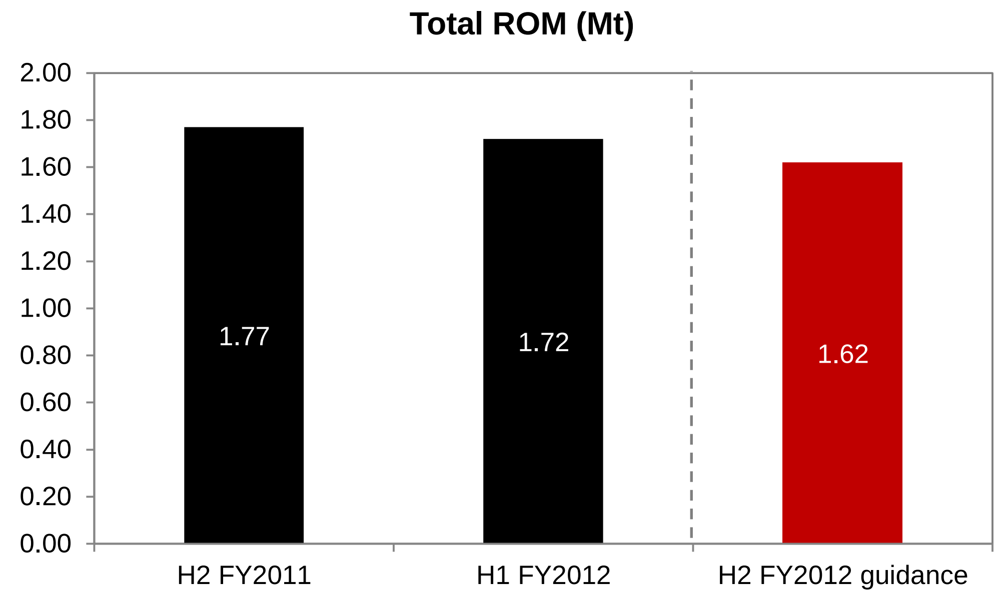
- MOU signed on 24 November 2011 between CoAL and the Save Mapungubwe Coalition
- Commitment to work together and strengthen the cooperation in the interest of sustainable development, and the preservation and protection of the Mapungubwe cultural landscape

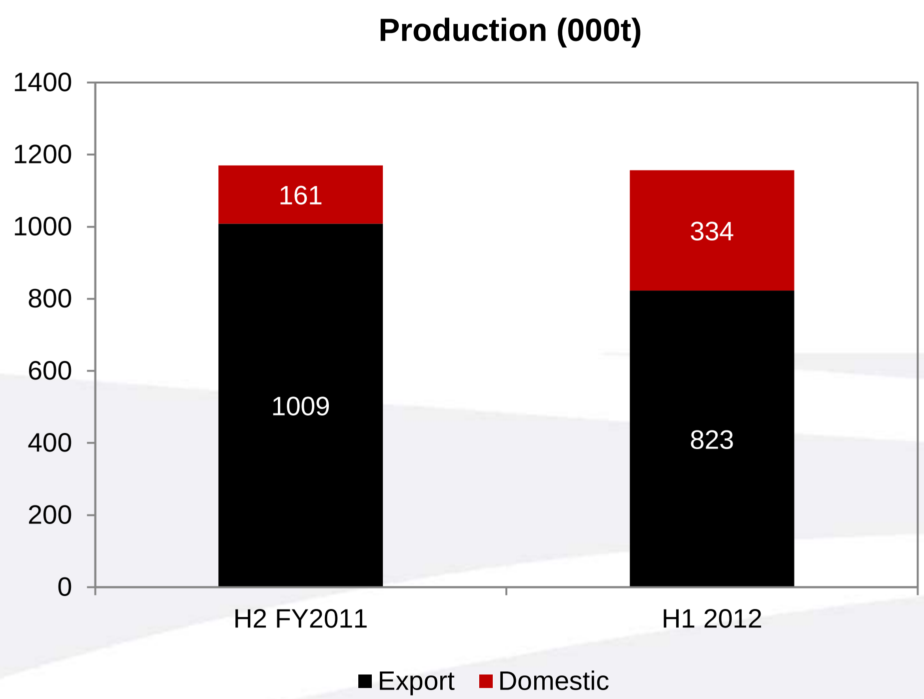
Representative from the Save Mapungubwe Coalition (left), CoAL CEO John Wallington (right) signing the MOU

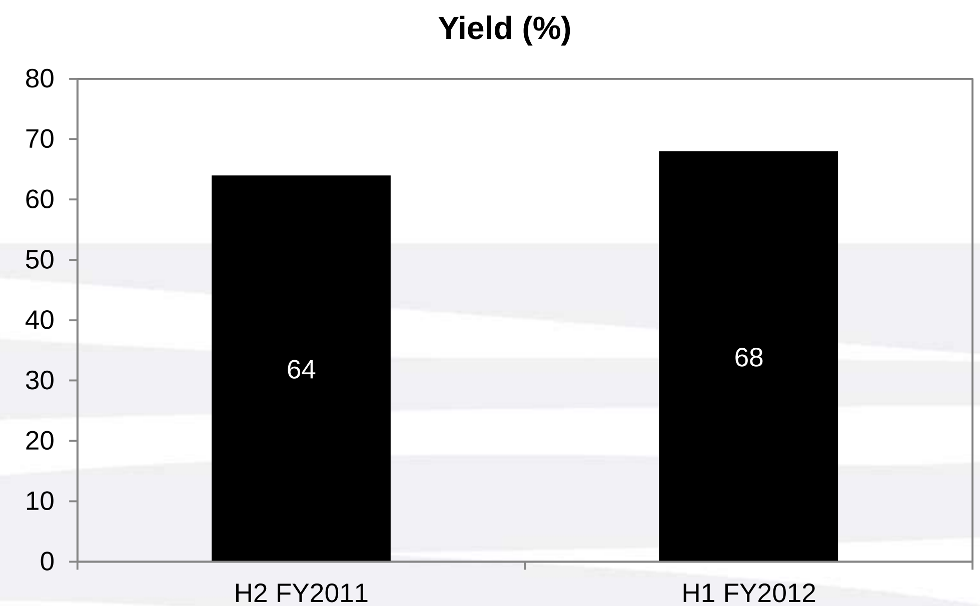
OPERATIONAL PERFORMANCE

Thermal coal operations:
Woestalleen Complex, Witbank Coalfield

- Outstanding safety record
  - no lost time injuries on mine



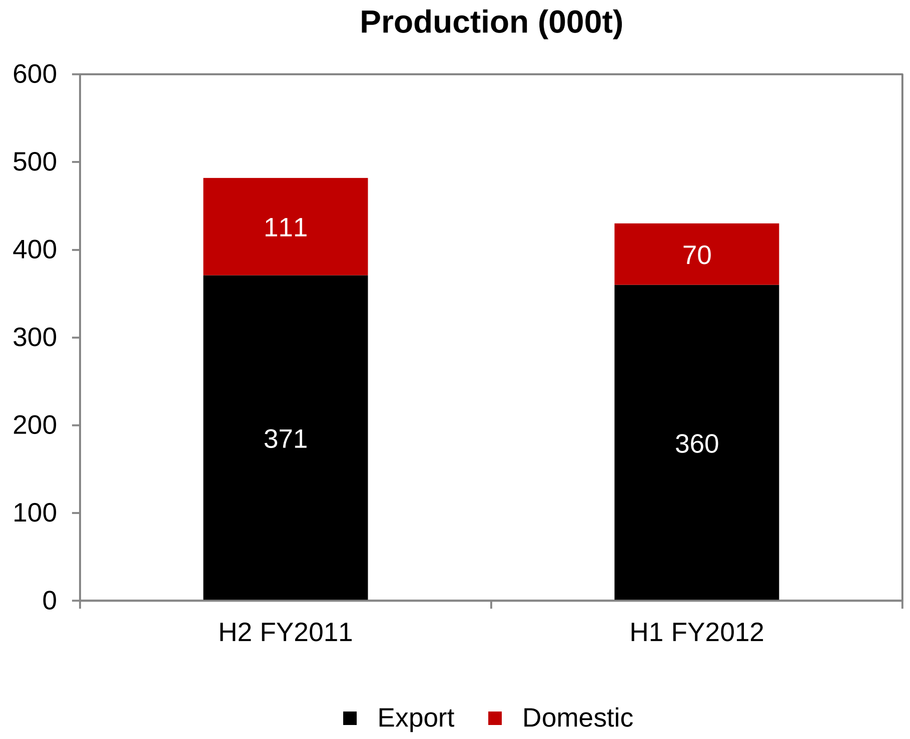


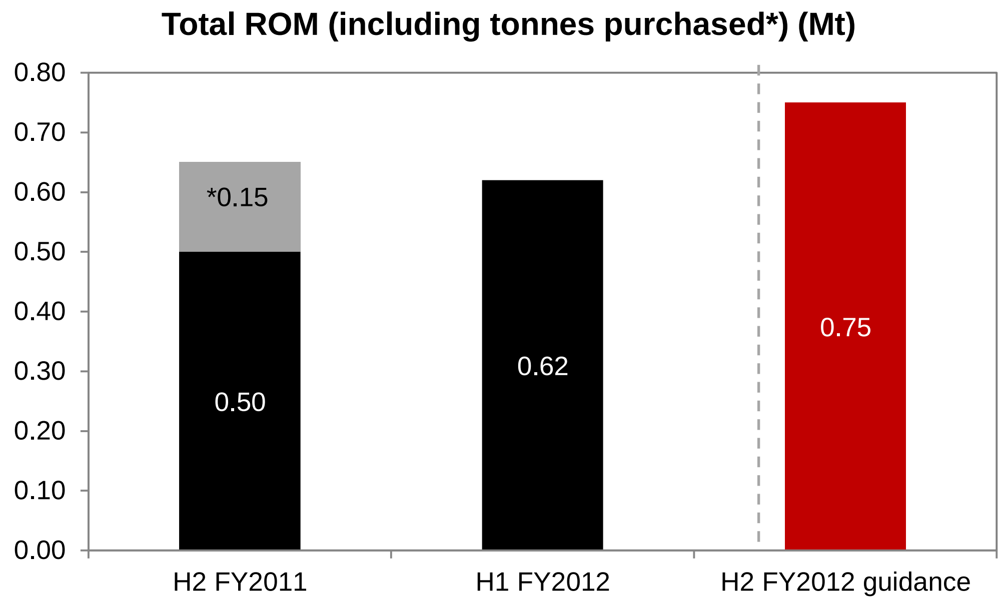


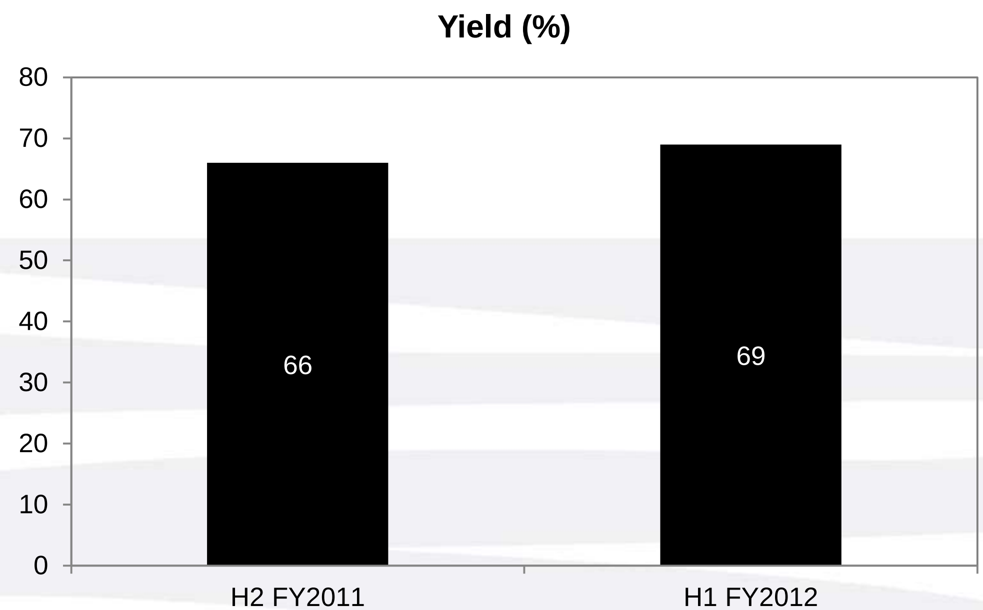
Thermal coal operations: Mooiplaats Colliery, Ermelo Coalfield

- Good safety performance
  - four lost time injuries in six months
- Successful transition to owner manager
- Commissioning of fifth underground section in September
- Hampered by challenging mining conditions and infrastructure availability
  - geological drilling capacity being introduced to assist pre-plan mining layouts and production section deployment
  - support contract with Joy Mining to assume responsibility for the maintenance of underground machinery
- Strategic review in progress

Thermal coal operations:
Mooiplaats Colliery, Ermelo Coalfield







Vele

- Lifting of suspension of IWUL on 18 October
- Production started in December 2011
  - 118,000m^3 of overburden and 3,000t ROM mined
- Commissioning process including process adjustment and some equipment repairs
- Hot commissioning under way
- Product samples for testing being prepared

Progress at Vele

Oversize material

Discard and product

ROM from end

ROM feed to temp crush

Progress at Vele

Progress at Vele

Makhado

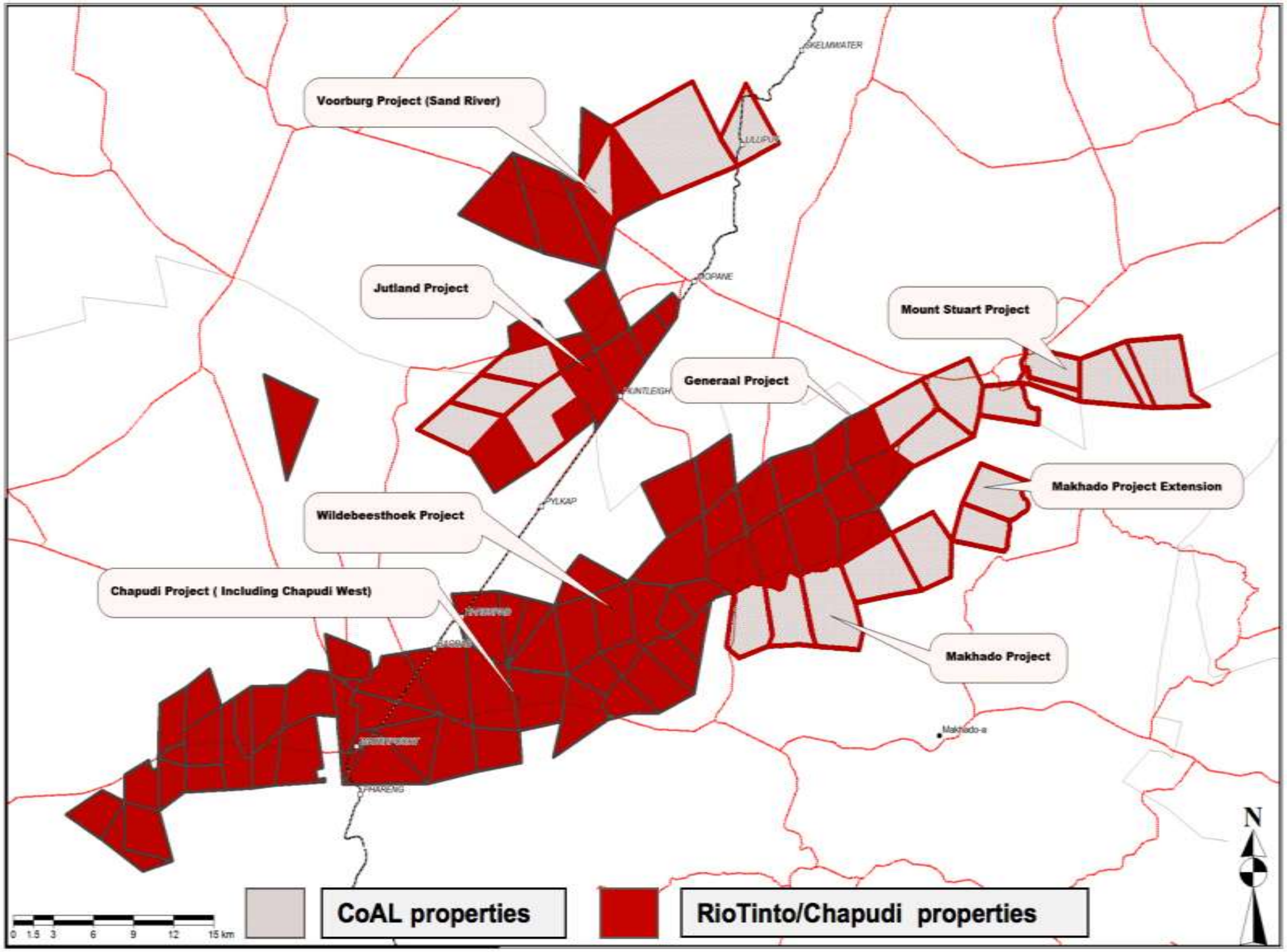
- Definitive Feasibility Study (DFS) completed
- DFS submitted to Exxaro in terms of option to acquire 30% interest
- Baseline social and environmental studies progressing, as is consultation with interested and affected parties
- IWUL technical and engineering report to be submitted to DWA by year end

- Further testing of bulk sample by AMSA completed
- Independent tests confirm hard coking coal product

Chapudi

- Date for fulfilment of suspensive conditions extended to 30 April 2012 to allow for regulatory approvals
- Exploration teams being mobilised
- Exploration programme being finalised
- BEE announced in February 2012
  - Rothe Investments
    - Terracotta Processing
    - Vibrant Veterans Mineral Resources
    - King Makhado Holdings

Proposed Chapudi acquisition: consolidation of coking coal assets



Source: CoAL

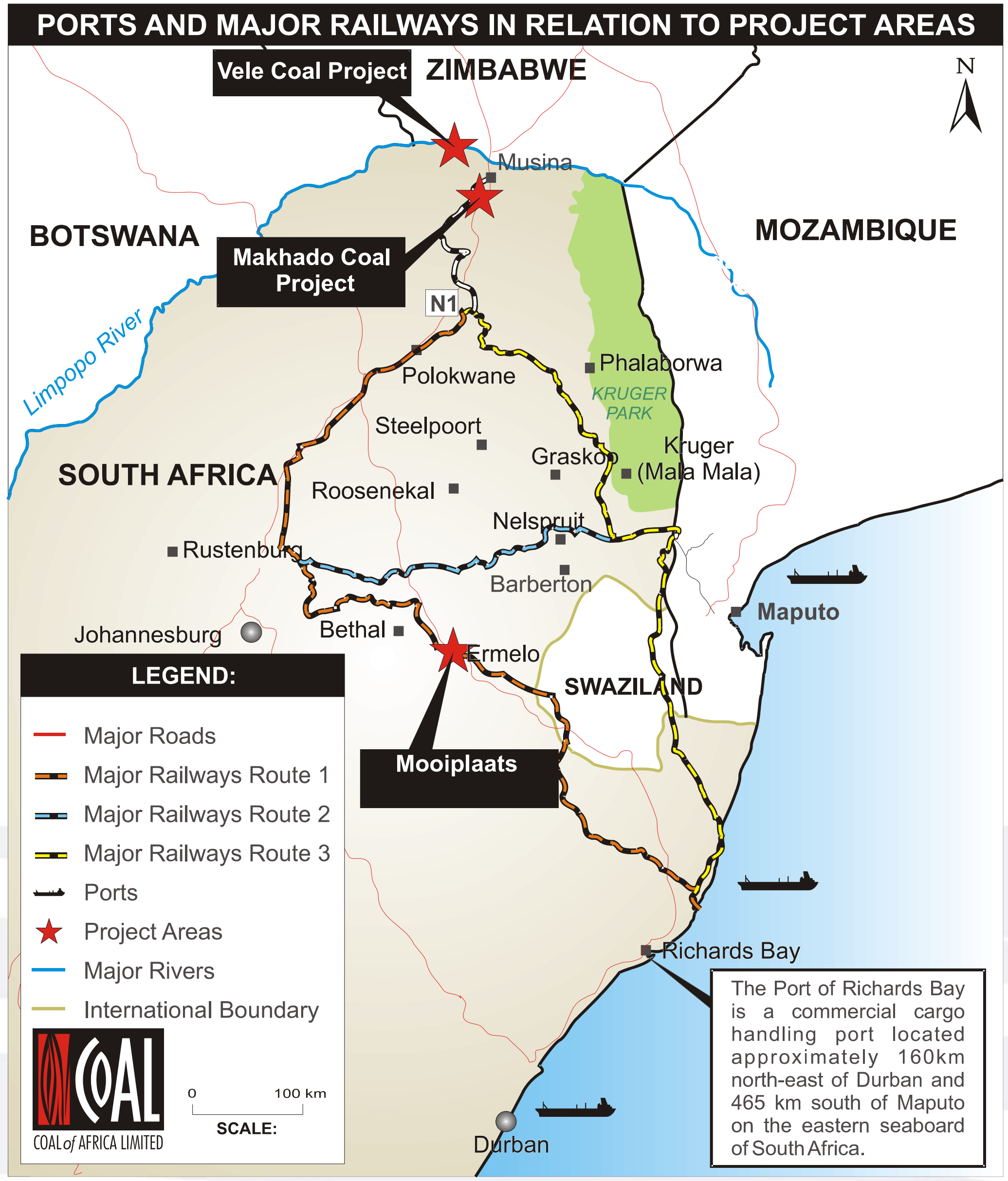
[1] Based on estimate by Rio Tinto as per announcement by CoAL on 29 November 2010

Soutpansberg Coal Bed Methane Project

- Held through Tshpise Energy – 50% JV with BEE partner Vibrant Veterans
- Desktop studies undertaken by Australian-based Geogas collated
- Exploration right covers 1,578km^2
- Next phase of exploration under way
- Planning for exploration programme to define JORC resource under way

Progress on logistics

- Port
  - Vitol acquires 35% interest in Matola Port from Grindrod
- Rail
  - increase in performance maintained
  - Transnet continues to maintain rail performance



FINANCIAL RESULTS

H1 FY 2012 highlights: financial performance

- Revenue increasing 63% to $143.8m from $88.3m H1 FY2011
- Gross profit from operation of $19.4m compared to $2.2m in the prior year comparative period
- Gross profit margin increase to 13.5% from 2.5% in H1 FY2011
- Operating loss reduced by 86% to $4.3m for the six month period
- Loss after tax of $74.7m (H1 FY2011: $66.5m) including non-cash items of $68.8m (H1 FY2011:$30.6m)
- Significant non-cash charges
  - unrealised FX loss of $39.9m compared to $8.6m in H1 FY2011due to changes in Rand/US$ rates
  - amortisation of $20.1m (H1 FY2011: $19.6m) on mining and intangible assets
  - depreciation of $8.5m compared to $9.0m in H1 FY2011

US$'000	H1 FY2012	H1 FY2011
Revenue	143.835	88.256
Cost of sales	(124.386)	(86.019)
Gross profit	**19.449**	**2.237**
Employee benefits	(6.257)	(6.788)
Other expenses	(17.556)	(27.225)
Operating loss	**(4.364)**	**(31.776)**
Realised Fx loss	(4.861)	(8.587)
EBITDA (loss)	**(9.225)**	**(40.363)**
Non-cash flow items:		
Unrealised Fx loss	(37.704)	(651)
Depre & amort	(28.541)	(28.624)
Impairment	(1.927)	-
Net Loss	**(77.397)**	**(69.638)**
Net interest	(1.127)	735
Loss before tax	**(78.524)**	**(68.903)**
Taxation	3.830	2.364
Loss after tax	**(74.694)**	**(66.539)**

Cash flow, funding and capex

- Cash and undrawn facilities of $100.1m at the end of December 2011
  - $40m JP Morgan Chase facility to be finalised in H2 FY2012
  - Cash realised on sale of non-core assets expected to commence in H2 FY2012
  - Vele expected to generate cash from product sales starting in Q4 FY2012
- Section 11 approval for Chapudi transaction expected in H2 FY2012 resulting in the payment of $43m
- Estimated remaining capital expenditure for Vele Colliery of $11m to be paid in H2 FY2012
  - Phase 1 exploration costs of $4.6m for the Chapudi Project in H2 FY2012
  - H2 FY2012 thermal colliery and other capex requirements of $9.8m
- NuCoal litigation settlement of GBP3m paid in March 2012

In conclusion….

- Market fundamentals for coking coal remain bullish with the balance between supply and demand expected to remain tight.
- CoAL is committed to the rapid development of its Limpopo based coking coal assets
- CoAL's transformation into a mining company well under way with key deliverables to:
  - bring Vele into production six months after resumption of construction
  - bring Makhado into production 18-24 months after all regulatory licences are granted and construction commences
  - convert letter of intent from Arcelor Mittal into a formal agreement based on the key LOI terms of FOR delivery for quality adjusted FOB price
- Long term objective
  - exploration drilling to confirm historical resources: exploration programme to define and prioritise project schedule to deliver 10Mtpa of coking coal in the next 10 years

COAL of AFRICA LIMITED

AUSTRALIA		SOUTH AFRICA	
Telephone	+61 8 9322 6776	Telephone	+27 11 575 4363
Facsimile	+61 8 9322 6778	Facsimile	+27 11 576 4363
Level 1 Old Swan Brewery 173 Mounts Bay Road Perth WA 6000 Australia		2nd Floor, Gabba Building The Campus 57 Sloane Street Bryanston 2021 South Africa	
perth@coalofafrica.com		adminza@coalofafrica.co.za	