Wednesday 14 December 2011

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COAL OF AFRICA LIMITED
(incorporated and registered in Western Australia with ACN 008 905 388)
("CoAL" or the "Company")

RESULTS OF GENERAL MEETING AND COMPLETION OF PLACING

On 3 November 2011, CoAL announced that 130,000,000 new ordinary shares ("**Ordinary Shares**") in the Company (the "**Placing Shares**") had been successfully placed at a placing price of GBP0.51 (equivalent of ZAR6.50/A$0.874) per share (the "**Placement**"). The Placement comprises two tranches:

- Tranche 1 of the Placement comprised 79,676,037 Shares which were issued on 8 November 2011 and commenced trading on the AIM market of the London Stock Exchange plc ("**AIM**") on 8 November 2011, the Main Board of JSE Limited ("**JSE**") on 9 November 2011, and the Australian Securities Exchange ("**ASX**") on 9 November 2011; and
- Tranche 2 of the Placement constitutes the remaining 50,323,963 Shares ("**Conditional Placing Shares**"), the issue of which was subject to approval of the Company's shareholders.

The Company is pleased to announce that at its General Meeting held earlier today the shareholder resolutions relating to the Placement were duly passed. The results of the General Meeting are set out in detail below.

Accordingly, the Company will proceed with the issue and allotment of the Conditional Placing Shares. The Company has applied for the Conditional Placing Shares to be admitted to trading on AIM on 15 December 2011 and on the JSE on 19 December 2011. Application will also be made to the ASX for the quotation of the Conditional Placing Shares.

The total gross proceeds under the Placement will amount to approximately US$106 million (equivalent of £66.3 million/A$102 million/ZAR845 million). Receipt by the Company of the remaining Placement proceeds of the issue of the Conditional Placing Shares will satisfy the key outstanding condition precedent in respect of the new US$40 million working capital facility entered into between the Company and JPMorgan Chase Bank, N.A. ("**New Bank Facility**"). The Company expects to be able to draw down on the New Bank Facility shortly, following satisfaction of the remaining conditions precedent.

Results of General Meeting

In accordance with Listing Rule 3.13.2 and Section 251AA(2) of the Corporations Act, the Company announces the following outcome of the resolutions put to the General Meeting of shareholders held earlier today:

Resolution 1: Ratification of Issue of Shares – Placement Tranche 1

The resolution was carried unanimously on a show of hands, and the total number of proxy votes in respect of validly appointed proxies was as follows:

	Number	**% of Vote**	**% of Issued Capital**
For:	292,373,572	99.66	47.78
Against:	175,607	0.06	0.03
Abstain:	612,345	0.21	0.10
Discretionary:	204,750	0.07	0.03
TOTAL:	293,366,274	100.00	47.94

Resolution 2: Proposed Issue of Shares – Placement Tranche 2

The resolution was carried unanimously on a show of hands, and the total number of proxy votes in respect of validly appointed proxies was as follows:

	Number	**% of Vote**	**% of Issued Capital**
For:	292,384,433	99.67	47.78
Against:	177,757	0.06	0.03
Abstain:	601,484	0.21	0.10
Discretionary:	202,600	0.07	0.03
TOTAL:	293,366,274	100.00	47.94

Contacts

CoAL
Tel: +27 (0) 11 575 4363

John Wallington
Wayne Koonin

J.P. Morgan Cazenove
Tel: +44 (0) 20 7325 1000

Verne Grinstead
Chris Nicholls
Neil Passmore

Mirabaud
Tel +44 207 878 3362

Peter Krens
Rory Scott

Evolution
Tel: +44 (0) 20 7071 4300

Chris Sim
Mark Wellesley-Wood
Jeremy Ellis

Macquarie First South Capital (Pty) Limited
Tel: +27 (0) 11 583 2000

Melanie de Nysschen
Annerie Britz
Yvette Labuschagne

Tavistock (United Kingdom)
Tel: +44 (0) 20 7920 3150

Jos Simson
Emily Fenton

Russell & Associates (South Africa)
Tel: +27 (0) 11 880 3924
Tel: +27 (0) 82 372 5816

Charmane Russell
James Duncan

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