



PRESS ANNOUNCEMENT

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VELE PLANT DELIVERED TO MANAGEMENT IN HANDOVER CEREMONY

Johannesburg, South Africa. 24 April 2012. Coal of Africa's first producing coking coal colliery in South Africa, the Vele colliery in Limpopo Province, today took delivery of the plant from the project engineering consultants ELB Engineering Services (ELB) at an official handover ceremony at the Vele mine.

Production at the Vele colliery resumed in December 2011 with the extraction of ROM material. The wet commissioning phase of the plant was completed in December 2011, following which a couple of adjustments were required owing to the protracted period that the plant was idle. Since then, hot commissioning was completed in February 2012 and additional test work at the site is aimed at confirming the design of processing infrastructure to enable the recovery of additional coking coal from the slimes portion of the coal, as well as the production of a secondary product other than coking coal.

Dr Stephen Meijers, Director of EPE Modular Plant, a subsidiary of the ELB Group commented, "EPE is extremely pleased with the outcome of the overall project which came in on budget. In line with our brief, our engineers were extremely careful in the planning of this project, by constructing an environmentally-friendly coal washing plant that does not discharge any effluent into the surrounding environment. Also, in the planning and construction phases of the plant, extreme care was taken to ensure the protection of endangered trees and other vegetation. The height of the plant and lighting were carefully managed to reduce the overall visual impact. In addition, care was taken in selecting processing and material handling equipment to ensure a low noise plant. EPE is proud to be associated with Vele Colliery in providing this world class coal handling and processing plant."

Speaking at today's ceremony, Chief Operations Officer of Coal of Africa Limited, Mr. Riaan van der Merwe said, "Today is an important milestone in the life of Vele, and more significantly, for Coal of Africa. After the permitting delays associated with this project, this colliery is now in the position of having the necessary authorisations to process the coal

emanating from our mining operations, and, along with our shareholders, we look forward to our first coal sales in Q4 of this financial year.”

CoAL has also made much progress in the establishment and reinforcement of key stakeholder agreements, a strong indication of the company’s reinvigorated approach and commitment to sustainable development. The Memorandum of Understanding (‘MOU’) signed with the Save Mapungubwe Coalition in November 2011, demonstrates a shared commitment to co-operative sustainable development. Van der Merwe adds, “Subsequent to the MOU being signed the parties have been sharing information, and reviewing the technical studies to expedite the conclusion of the Memorandum of Agreement (‘MOA’).”

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About CoAL:

Coal of Africa is an emerging developer and producer of thermal and coking coal. Based in South Africa, the company owns and manages three operating collieries and is developing a fourth, which is currently at the project stage. With good access to rail and port infrastructure, Coal of Africa can effectively service both domestic and international markets, providing a much-needed contribution to economic growth and development for the country and the provinces in which we operate.

Coal of Africa is committed to the responsible development and management of its collieries and projects, and recognises the value of support and compliance with environmental, social and all other legislation. Stakeholder engagement is a critical area of focus as the group seeks constantly to minimise the impact of mining operations and to leave an enduring, positive social and economic legacy, particularly for those communities surrounding our operations.