



ANNOUNCEMENT

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VELE'S FIRST COAL DESTINED FOR EXPORT MARKET

Coal of Africa Limited ('CoAL' or the 'Company') is pleased to announce that the first shipment from the Company's Vele Colliery in Limpopo Province was loaded into 30 rail wagons at the existing Musina siding on Tuesday, 24 April 2012. This first 'test' shipment train of approximately 1,500 tonnes of thermal coal is destined for the Matola Terminal in Maputo, Mozambique, from where it will be shipped and sold to Asian markets.

The coal was produced as part of the plant product test work that is currently being conducted on both metallurgical and thermal coal at Vele. A key objective of this test train run is to determine axle load capacity of the Transnet Freight Services (TFR) line between Groenbult and Hoedspruit. The test run is expected to confirm TFR's capacity to commence regular, weekly trains from this existing siding and on the existing line.

The shipment coincided with the official delivery of the plant from the project engineering consultants ELB Engineering Services to Vele mine management.

Production at the Vele colliery resumed in December 2011 with the extraction of run of mine (ROM) material. Wet commissioning of the plant was completed in December 2011 and hot commissioning in February 2012. Further test work is currently being undertaken to confirm 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 thermal product other than coking coal.

Speaking at the mine yesterday, Coal of Africa CEO, John Wallington, noted that this was a landmark occasion for the group. He reiterated the company's commitment to developing a 'new model' for sustainable development in the coal sector, and to ongoing consultation and interaction with all stakeholders.

In its first phase of production, Vele is expected to produce approximately 2.7Mtpa ROM production yielding approximately 1Mtpa of saleable coking coal.

Authorised by
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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 Makhado Project (coking coal) and the Mooiplaats and Woestalleen Collieries (both thermal coal).

The Mooiplaats Colliery commenced production in 2008. 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 ROM feed tonnes per month.

CoAL's Vele Colliery commenced production in Q3FY2012. During the initial phase, the operation is targeting 2.7Mtpa ROM production to produce 1Mtpa of saleable coking coal. The Makhado Project, CoAL's flagship project in the Soutpansberg coalfield, is well into the feasibility stage, with a DFS completed. Application for a new order mining right for the Makhado Project was submitted in January 2011.

In November 2010, CoAL agreed to acquire the Chapudi coal project and several other coal exploration properties in the Soutpansberg coal basin in South Africa from the previous owners, including Rio Tinto. Upon completion, the acquisition of these projects will significantly extend the scale and scope of certain of CoAL's existing projects in the region and will more than double the resource of the existing Makhado Project.