COAL of AFRICA LIMITED

Weathering the higher global macro-risk environment

David Brown, Chairman
GMP Mining Jamboree
Arabella Hotel & Spa
South Africa
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GMP Mining Jamboree

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Important Notice

Recipients of this presentation should refer to (1) the Independent Technical Statement for Coal of Africa as at 18 September 2011, and (2) the Independent Technical Statement for the Greater Soutpansberg for Coal of Africa Limited, 31st May 2012, each prepared by Venmyn Rand (Pty) Ltd, which are available on Coal of Africa's website (www.coalofafrica.com), for full details of the coal resource and reserve estimates referred to in this presentation and the basis on which those estimates have been prepared.

Competent persons’ statement

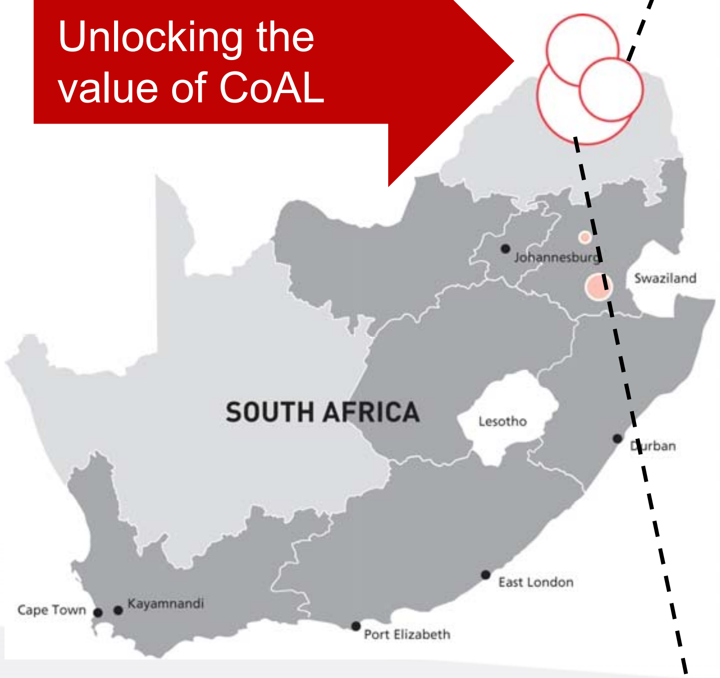
The information in these Presentation Materials that relates to mineral resources or ore reserves has been compiled by Ms C Telfer (B.Sc. Hons. (Geol.), (DMS) Dip Bus Man Pr. Sci. Nat., FGSSA, MAusIMM, M.Inst.D) and Mr G Njowa (M.Sc. (Min. Eng), MRM, B.Sc.Hons. (Min. Eng), Grad CIS, MSAIMM, Pr Eng, MIAS), of Venmyn Rand (Pty) Ltd, who both have relevant and appropriate experience and independence to appraise the coal assets. Both Ms C Telfer and Mr G Njowa are considered“Competent Persons”, and each have more than five years relevant experience in the assessment and evaluation of the types of coal exploration and mining properties presented in this announcement.Both Ms C Telfer and Mr G Njowa consent to the inclusion of the resource information in these Presentation Materials in the form and context in which it appears.

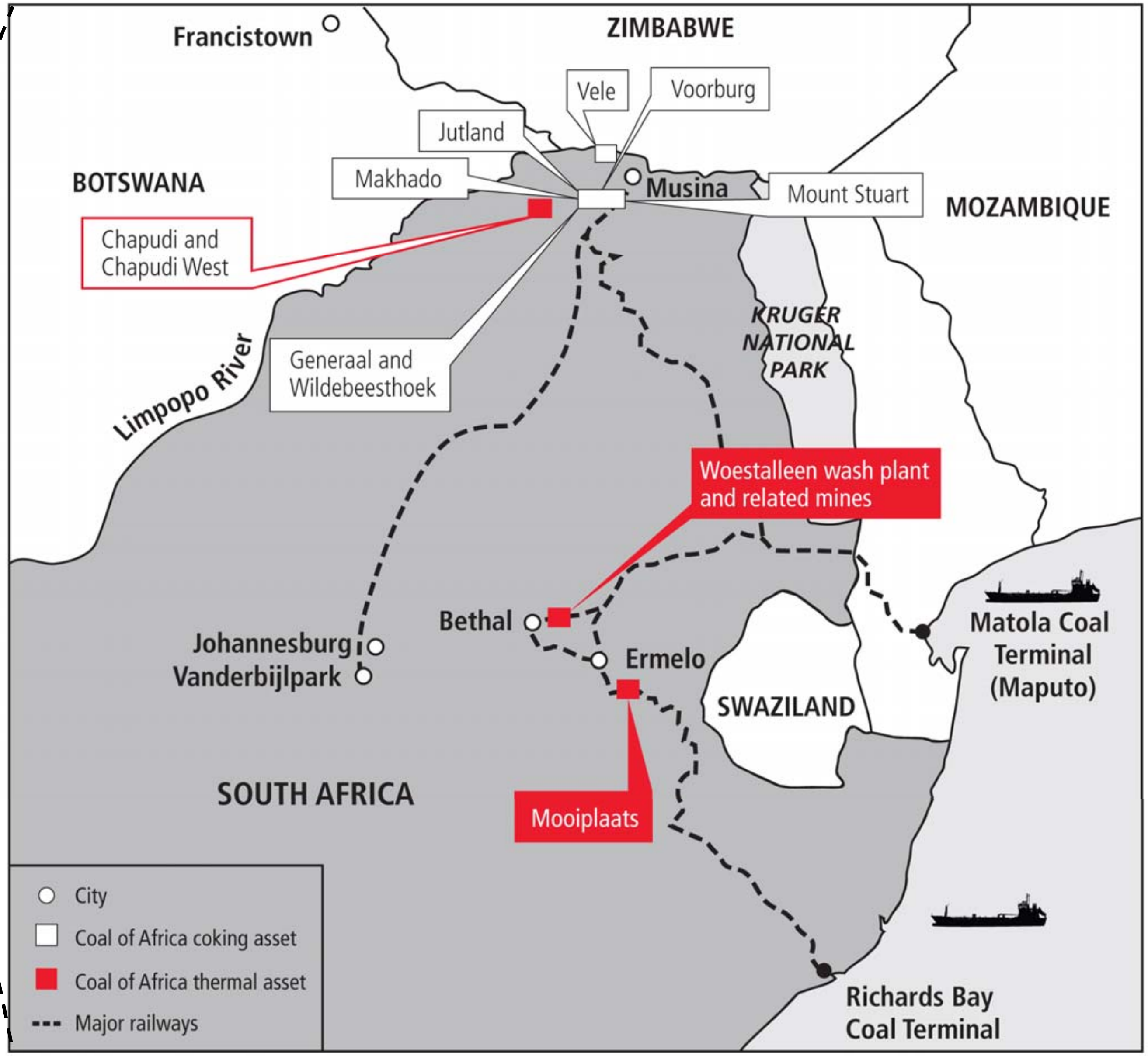
Future metallurgical coal producer

- **Vision to responsibly produce 10 million tonnes of coal per annum**
  - pipeline of good quality coking and thermal coal projects
  - identify strategic partners to develop projects
  - secure the requisite regulatory licenses and authorisations
- **Key risks**
  - commodity cycle
  - South African socio-political environment
  - funding and regulatory timelines


Project location map

Unlocking the value of CoAL





Projects and operations

EXPLORATION	DEVELOPMENT	MINING
Chapudi Chapudi West Generaal Jutland Makhado Extension Mt Stuart Voorburg Wildebeesthoek	Makhado Vele (In ramp up)	Mooiplaats Woestalleen[1] Vele

COAL OF AFRICA: VALUE DRIVERS

- Assets in three major phases (exploration, development, mining)
- Upside potential based on project pipeline
- Development of Limpopo (predominantly coking coal assets) will enable CoAL to benefit from positive long-term industry fundamentals

[1] *Includes the Zonnebloem (Vuna) Colliery, the remaining open-cast pit in operation*

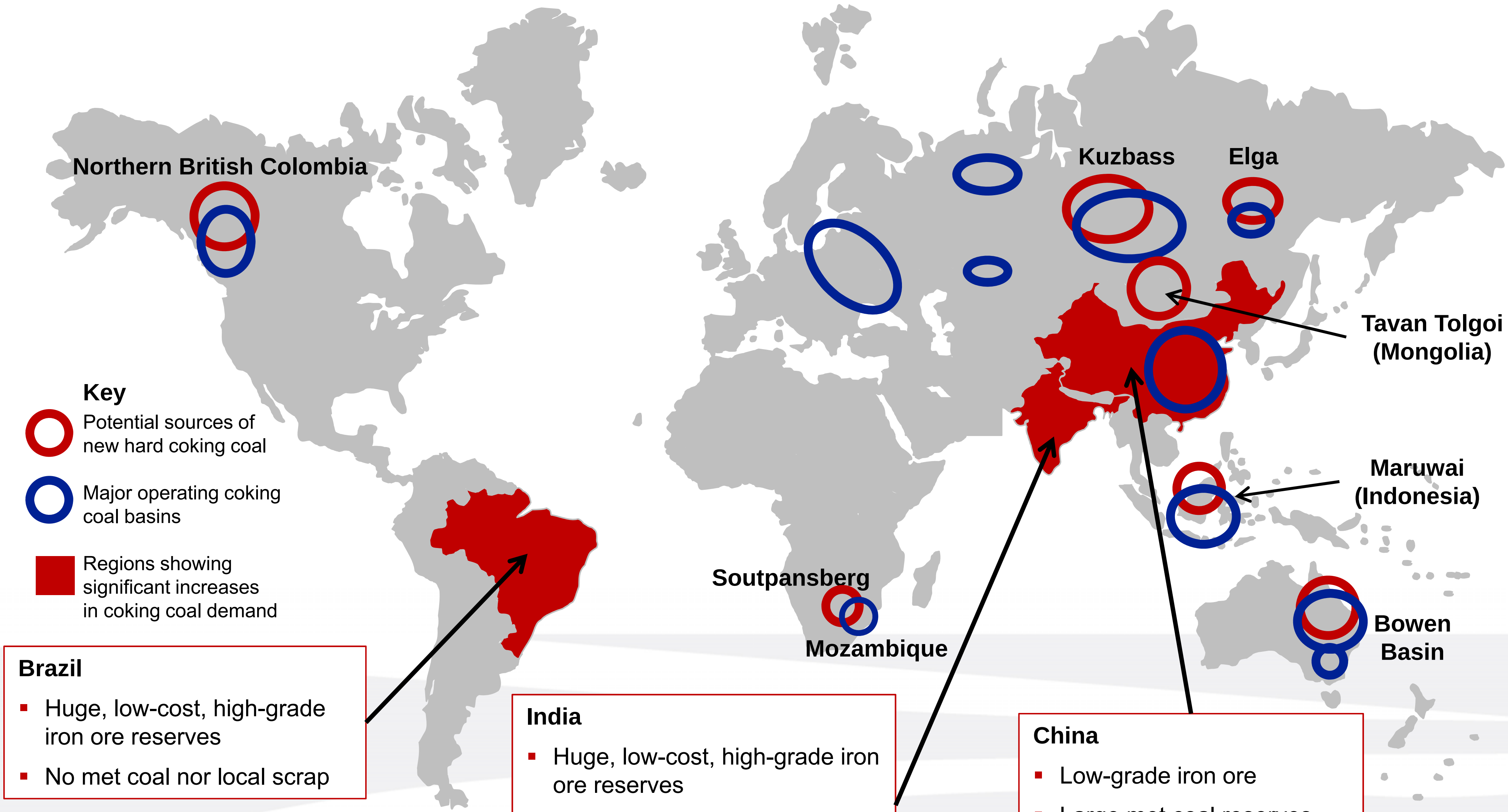
Substantial resources and reserves across provinces

Abridged summary of JORC compliant resource and reserve statement – 31 May 2012	JORC-compliant resources (measured, indicated and inferred)[1,2]			JORC compliant reserves (proven and probable)[2]	Strike length drilled to date (km)	Strike length to be drilled (km)
Project name (Coalfield)	**Gross tonnes in situ** (Mt)	**Total tonnes in situ** (Mt)	**Mineable tonnes in situ** (Mt)	**Reserves** (Mt)		
Makhado Project (Soutpansberg)	795.6	691.5	344.4	-	16.5	0.0
GSP (Soutpansberg)	7,161.0	5,751.5	1,660.0	-	51.4	66.1
Vele Colliery (Limpopo)	795.7	672.9	362.5	325.6	-	-
Mooiplaats Colliery (Ermelo)	86.8	80.8	45.1	30.1	-	-
Woestalleen Colliery(Witbank)	1.6	1.5	1.4	1.4	-	-
Total	**8,840.7**	**7,198.2**	**2,413.4**	**357.1**	**67.9**	**66.1**

- Represent ~90% of South Africa's accessible hard coking coal resources and ~10% of total remaining domestic coal resources
- Similar in size and range of coking coals to Russia's Elga and Kuzbass Coalfields
- Southern portions of coal field: prime hard coking coals
- Significantly simpler infrastructure routes compared to new fields outside Australia namely Russia, Mongolia, British Columbia and Moatise

1 Resources are stated inclusive of reserves
2 Independent Technical Statement for the GSP (30 September 2012)
3 Competent Person's Report (12 December 2012)

Location of underdeveloped hard deposits and greatest growth regions for coking coal



Brazil

- Huge, low-cost, high-grade iron ore reserves
- No met coal nor local scrap

India

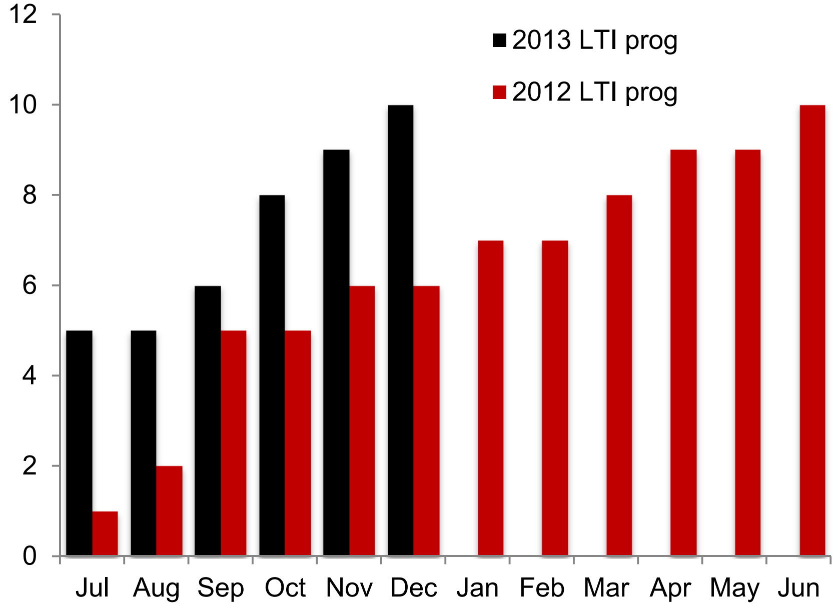
- Huge, low-cost, high-grade iron ore reserves
- Poor met coal nor local scrap
  - CAGR for met coal +10% since 2000

China

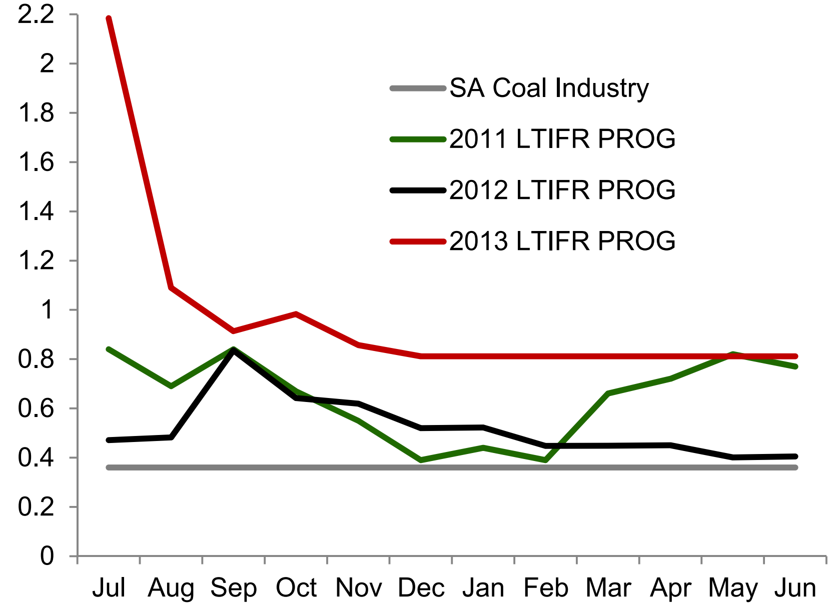
- Low-grade iron ore
- Large met coal reserves
- No local scrap
- Advantage: BF/BOF steel

Safety performance

Lost time injuries



Lost time injury frequency rate versus industry



- Improved safety performance with zero fatalities: 10 LTI's recorded to date compared to F2012:10 and in FY12 the group achieved:
  - 3,000 FFPS* at Vuna
  - 3,000 FFPS* at Woestalleen
  - 2,000 FFPS* at Mooiplaats
- Intensified drive to improve safety performance

** Fatality free production shifts*

Outlook for hard coking coal to 2015

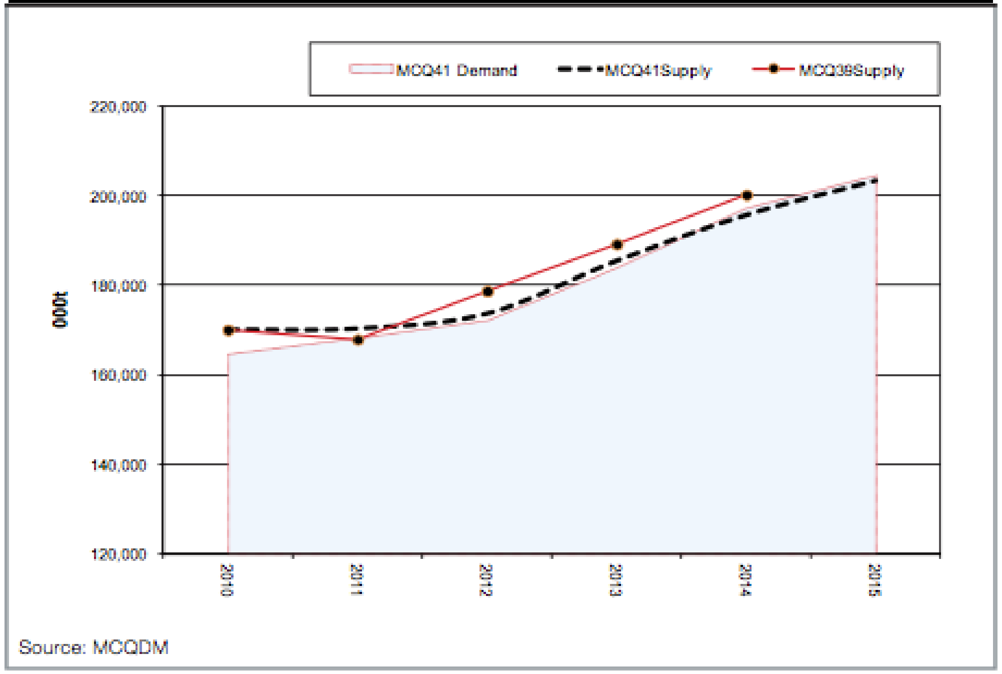
Supply-side

- Global supply largely dependent on Australia (Queensland)
  - ~80% seaborne export growth by 2017
- Supply gap anticipated in China
- Emerging sources of supply: Mongolia and Mozambique

Demand-side

- Emerging markets expected to drive demand
  - despite lower per-capita steel consumption in India and China than OECD countries
  - South East Asia and Brazil economic development: further potential demand drivers

Hard coking coal supply-demand balance to 2015



Supply-demand balance: hard coking coal ('000t)

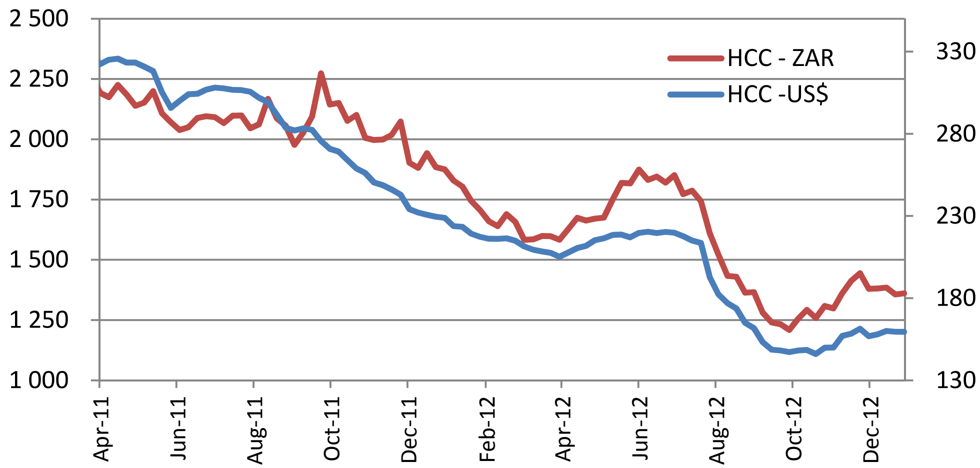
	2010	2011 (Est.)	F2012	F2013	F2014	F2015
Seaborne demand	164,648	168,174	172,130	183,876	197,239	204,547
Seaborne supply	170,062	170,314	173,653	185,450	195,710	203,418
Unmet demand	-5,415	-2,140	-1,523	-1,574	1,530	1,130

Oversupply situation expected to reverse during 2014

Source: IHS McCloskey Metallurgical Coal Quarterly MCQ 41 3 Year outlook ,2nd Quarter 2012 ; Macquarie -The Global Commodities Specialist 18/01/2013

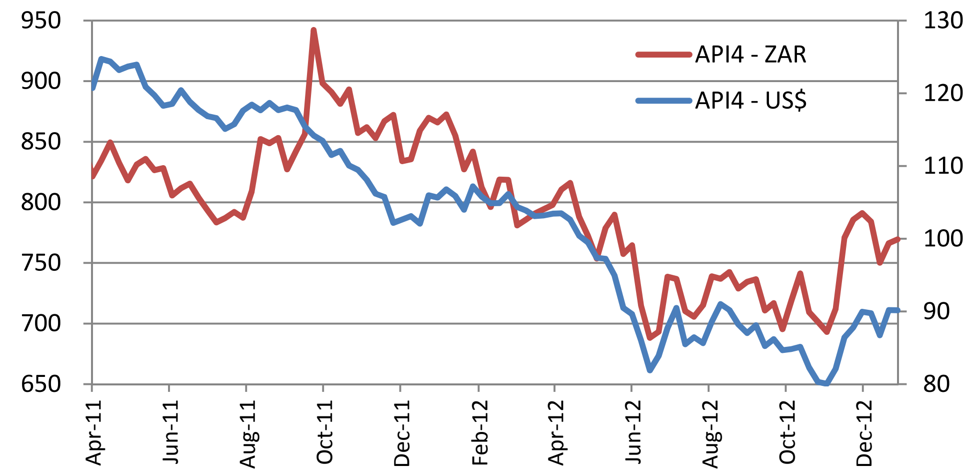
Price history analysis

Coking coal



- HCC: ↓51% to US$159 in December 2012
  - from peak of US$324 in April 2011
  - ZAR weakness mitigated impact: ↓37%
- Marginal producers: current prices below production cost
  - risk of supply reduction from North America and Australia

Thermal coal

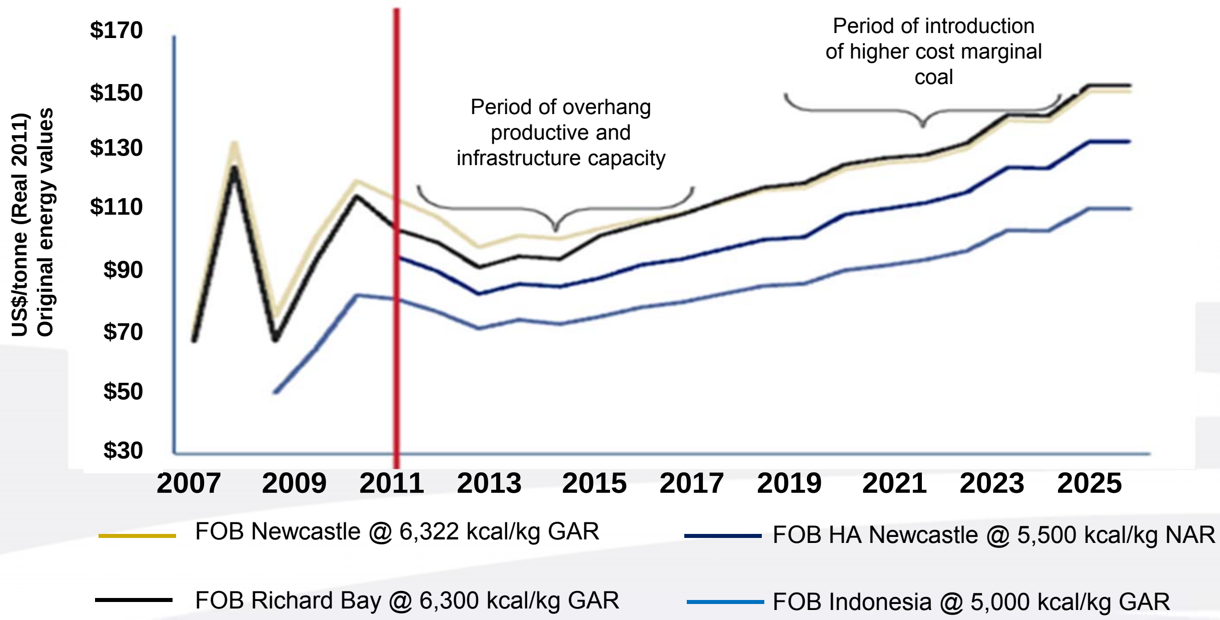


- API4: ↓28% to US$89 in December 2012
  - from ~US$123 in April 2011
  - ZAR weakness mitigated impact: ↓21%
- Current export coal prices: ↓6% to US$84 since December 2012

Source: Argus Media

Stabilisation of long-term thermal coal pricing

- Longer-term fundamentals: demand trend expected to continue
- Rebound driven by China and India:
  - economic growth heavily reliant on coal
  - limited alternatives to expand coal use in power sector
- Potential demand growth contingent on new reserves coming on stream in more remote regions
  - potential for price pressure across global supply chain
  - current pricing levels and capital intensity impacts feasibility of new coal projects



Source: BHP Billiton

Mining in South Africa: the current reality

- Provides significant million jobs and a major contributor to GDP, foreign currency earnings and investment in South Africa
- The majority of South Africa's electricity is produced from locally mined coal
- Unlocking value of country's mineral wealth: specific minerals have been identified as strategic creating uncertainty
- Investment required in national logistics infrastructure key to successfully operating mines: power, water and transport infrastructure
- Impact of the legislative environment on the development of new projects: NOMR, NEMA and IWUL

Source: Chamber of Mines, Facts and Figures 2010. Energy Accounts for South Africa 2002 – 2006, Statistics South Africa

CoAL's positioning in the SA mining landscape

- Collaborating with government and provincial authorities to protect the environment and the welfare of local communities e.g. MoA with DEA and SANParks at Vele Colliery
- Engaging with host communities to ensure broad-based benefits: jobs, skills and social infrastructure e.g. Makhado Colliery Community Consultative Forum with 35 democratically elected members representing seven communities
- Investment in education: 44 bursaries funded to date
- Vele and Makhado: substantial current and potential investment and job creation
- Greater Soutpansberg Project: potential to employ thousands of people with billions of rands to be invested
- Attraction of Beijing Haohua Energy Resource Co as a strategic partner and shareholder




Highlights and challenges of the past 12 months

HIGHLIGHTS

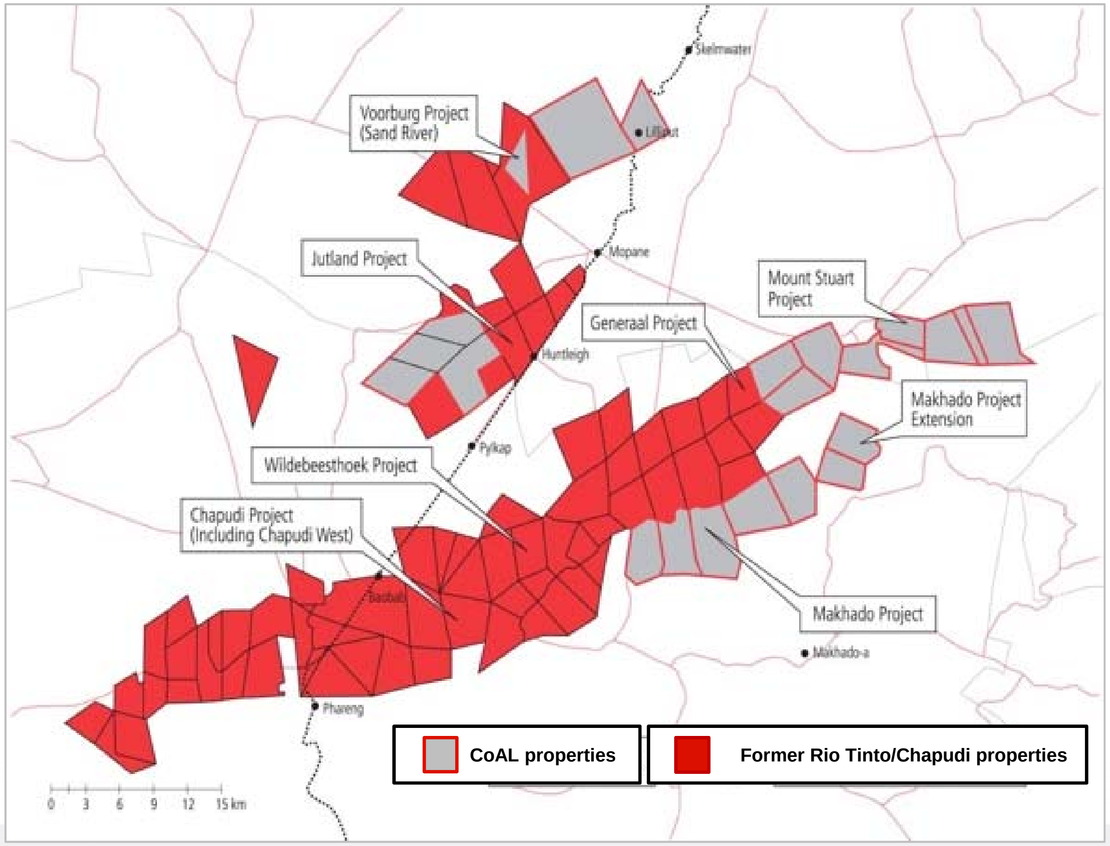
- Board of Directors changed; appointment of new Chairman and non executive director
- US$100m subscription by Beijing Haohua Energy Co. Limited (BHE): Required regulatory approval obtained
- Chapudi acquisition completed; resource and reserves increased to 8.0bn tonnes GTIS
- Agreement signed with Vitol for marketing and throughput capacity at Matola terminal (Mozambique)
- Makhado Project review to be finalised in H1 2013; taking into account additional technical work and incorporating review by an independent third party

CHALLENGES

- Continued weakness in thermal coal prices coupled with higher logistics costs relative to Richards Bay Coal Terminal
- Delays in obtaining regulatory approvals and licences
- Aggressive labour relations in South Africa

Contiguous Limpopo properties offer future value

- **Highlights: enhanced position**
  - Establishes CoAL in the Limpopo region (Limpopo and Soutpansberg coalfields)
  - consolidation of tenements and resource to improve mine planning optionality, flexibility and economies of scale
- **Significant resource**
  - significant resource base of potential coking and thermal coal products >8.0bn tonnes
  - strategic position in the Soutpansberg coalfield covering a significant portion of the available strike length
- **Logistics**
  - access to domestic and export markets with installed rail capacity and access to Matola Terminal
  - option to increase port throughput capacity through proposed expansion



Strategic objectives: delivered/to be delivered

August to December 2012

1. Strong portfolio of coking coal assets:
   - first phase of capex for Vele approved and being rolled out
2. Deal signed with Beijing Haohua Energy Resource Co Ltd
3. Matola port and marketing
   - strong relationship with Vitol (owns 35% of port)
     - port and marketing agreement finalised
     - Matola port option for subsequent expansion without funding obligation
4. Financial asset restructuring
   - cash generated: ~$14m

January to June 2013

1. Decision to be ratified that the thermal operations are non-core subject to viable turn-around strategy:
   - Woestalleen and Mooiplaats disposal/restructuring options being considered
2. Significant extension options exist around Makhado in the form of the Greater Soutpansberg (MbeuYashu) properties
   - regulatory approvals and funding
3. Reduction of take or pay liability
4. Release of Makhado BFS and coal quality reports
5. Introduction of BEE partners at asset level

Investment highlights

1	▪ Multiple large-scale coking-coal projects with significant resource base (>2bn mineable tonnes in situ)
2	▪ Strategy to create a series of regionally optimised mines through the consolidation of the GSP coking-coal portfolio
3	▪ GSP tenements provide optionality, flexibility and economies scale across contiguous and adjacent resources
4	▪ Key strategic relationships such as BHE and Vitol
5	▪ Domestic demand for both coking and thermal coal
6	▪ Strategically located assets close to logistics infrastructure
7	▪ Right to participate in any future expansion of throughput capacity at Matola Terminal

WELL-DEFINED PATH FOR LONG-TERM GROWTH

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