



ANNOUNCEMENT

12 NOVEMBER 2010

PROGRESS UPDATE ON THE MOOIPLAATS COLLIERY

Withdrawal of the Pre-compliance Notice

Coal of Africa Limited ("CoAL" or "the Company"), the coal mining and development company operating in South Africa (ticker: CZA) and listed on the AIM, ASX and JSE, provides an update with regard to its Mooiplaats Colliery.

Following a meeting between representatives of CoAL and MDEDET, agreement has been reached and as a result the Pre-Compliance Notice ("Notice") issued on 28 October 2010 to CoAL's wholly owned subsidiary and owner of the Mooiplaats Colliery, Langcarel Pty Ltd, has been withdrawn. As a consequence of this agreement, we can also confirm that no Compliance Notice will be issued.

Furthermore, constructive discussions with MDEDET are on-going in relation to certain of the issues raised in the Notice and the Company is fully committed to complying with the legal requirements as stipulated by the National Environmental Management Act (NEMA).

The market will be advised of any further developments.

A handwritten signature in blue ink, appearing to read "J. Wallington", is positioned above the printed name.

JOHN WALLINGTON

Chief Executive Officer

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About CoAL

CoAL is an AIM/ASX/JSE listed coal mining and development company operating in South Africa. CoAL's key projects include the Woestalleen Colliery, the Mooiplaats thermal coal mine, the Vele coking coal project and the Makhado coking coal project.

The Mooiplaats coal mine commenced production in 2008 and is currently ramping up to produce 2 million tonnes per annum ("**Mtpa**"). CoAL's Makhado coking coal project is expected to start production in 2012 and timing for Vele to reach production is expected to commence Q1 2011. These operations are targeted to collectively produce an initial 2 Mtpa ramping up to a combined annual output of 10 Mtpa of coking coal.

In 2010, CoAL completed the ZAR467m acquisition of NuCoal Mining (Pty) Limited ("**NuCoal**"), a thermal coal producer with assets in South Africa in close proximity to CoAL's Mooiplaats mine. NuCoal owns the Woestalleen Colliery, which has a number of off-take contracts in place and processes approximately 2.5Mtpa of saleable coal for domestic and export markets. NuCoal also owns two beneficiation plants, one fully operational mine producing approximately 300kt per month of ROM coal and has recently commenced production at a second mine.

CoAL currently has 1 Mtpa export capacity at the Matola Terminal in Maputo, Mozambique, increasing to 3 Mtpa on completion of the next phase of expansion at the terminal. CoAL also has the option to participate in further expansion at the Matola Terminal, which is expected to increase the capacity at the terminal by an additional 10 Mtpa.