



**ANNOUNCEMENT**

**1 OCTOBER 2009**

**CONVERSION OF OPTIONS AND SECONDARY TRADING NOTICE**

Coal of Africa Limited ('CoAL' or the 'Company') confirms it has today converted 465,239 Class E Options, exercisable at £0.65 each on or before 30 November 2009, into ordinary shares pursuant to receipt of a valid conversion notice.

Following the admission of the Shares, the number of Ordinary Shares on issue will be 412,384,875.

An Appendix 3B will be lodged following this announcement.

**Secondary Trading Notice Pursuant to Paragraph 708A(5)(e) of the Corporations Act 2001 ("Act")**

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A of the Act. By giving this notice, a sale of the Shares noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

- (a) the Company issued the Shares without disclosure to investors under Part 6D.2 of the Act;
- (b) as at 1 October 2009, the Company has complied with the provisions of Chapter 2M of the Act (other than section 319 in relation to a financial year ended in the calendar year 2004) as they apply to the Company, and section 674 of the Act; and
- (c) as at 1 October 2009 there is no information:
  - a. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
  - b. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
    - i. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
    - ii. the rights and liabilities attaching to the relevant Shares.

**AUTHORISED BY:**

A handwritten signature in black ink that reads 'Shannon Coates'.

**Shannon Coates**  
*Company Secretary*

[www.coalofafrica.com](http://www.coalofafrica.com)

AU: Level 1 Old Swan Brewery 173 Mounts Bay Road Perth WA 6000 Australia Telephone: +61 8 9322 6776 Facsimile: +61 8 9322 6778 Email: [perth@coalofafrica.com](mailto:perth@coalofafrica.com) ACN 008 905 388  
ZA: Level 1 CoAL House Pinewood Office Park 33 Riley Street Woodmead 2191 South Africa Telephone: +27 11 803 8247 Facsimile: +27 11 807 6654 Email: [johannesburg@coalofafrica.com](mailto:johannesburg@coalofafrica.com)

**For more information contact:**

Simon Farrell, Managing Director	CZA	+61 417 985 383	or	+61 8 9322 6776
Peter Bacchus/ Alastair Cochran	Morgan Stanley	+44(0) 20 7425 8000		
Simon Edwards/ Chris Sim	Evolution Securities	+44(0) 20 7071 4300		
Jos Simson/ Leesa Peters	Conduit PR	+44(0) 20 7429 6603		
Melanie de Nysschen	Macquarie First South Advisers	+27(11) 583 2000		

**About CoAL:**

Coal of Africa Limited ("CoAL") is an AIM/ASX/JSE listed coal mining and development company operating in South Africa. CoAL has three key projects including the 113 million tonne ('mt') Mooiplaats thermal coal mine, the 656 mt Vele coking coal project and the 1 bn tonne Makhado coking coal project.

The Mooiplaats coal mine commenced production in 2008 and is currently ramping up to produce 2 mtpa. CoAL's Vele and Makhado coking coal projects are expected to start production in H1 2010 and Q4 2011 respectively producing an initial 2 mtpa rising to a combined annual output of 10 mtpa of coking coal.