

Thursday 29 October 2009

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**COAL OF AFRICA LIMITED  
("CoAL" or the "Company")  
Results of Placing**

CoAL is pleased to announce the successful completion of the equity placing announced earlier today (the "Placing").

A total of 59,867,731 new ordinary shares of no par value in CoAL (the "Placing Shares") have been placed by J.P. Morgan Cazenove as Sole Global Co-ordinator and Sole Bookrunner and together with Evolution Securities as Joint Lead Manager and Mirabaud Securities as Co-Lead Manager. Each Placing Share was priced at 95 pence (ZAR12.2018/A\$1.7269 based on the prevailing exchange rates at pricing of ZAR12.8440/GBP and A\$1.8178/GBP), raising gross proceeds of approximately £56.9 million.

The Placing Shares being issued represent approximately 14.52% of CoAL's issued ordinary share capital prior to the Placing. The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing ordinary shares of CoAL, including the right to receive all dividends and other distributions declared, made or paid after the date of issue.

The Company intends to use the net proceeds of the Placing to fund the ZAR650m acquisition of the entire issued share capital of NuCoal Mining (Pty) Limited (the "Acquisition") with the remainder being used for some or all of the following: to increase logistics capacity (including the first instalment of capital required to effect wagon acquisitions from Transnet Freight Rail), to accelerate capex at the Vele and Makhado projects, to pursue other smaller, opportunistic bolt on acquisitions of coal projects, and for general working capital requirements.

In the event that the Acquisition does not complete, CoAL envisages using those proceeds earmarked for the Acquisition to accelerate expansion of logistic facilities at the Matola Terminal and Maputo port, for alternative acquisitions and for general working capital purposes.

Settlement and payment for the Placing Shares issued pursuant to the Placing and:

- admission to AIM is expected to occur on 3 November 2009 with settlement in CREST on a T+3 basis;
- quotation on the ASX is expected to occur on 5 November 2009 in CHESS with settlement on a T+3 basis; and
- listing on the JSE is expected to occur on 5 November 2009 in Strate with settlement on a T+5 basis.

The Placing is conditional, inter alia, on Admission to AIM becoming effective.

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J.P. Morgan Cazenove is acting as Global Co-ordinator and Sole Bookrunner, Evolution Securities Limited is acting as joint lead manager and Mirabaud Securities LLP is acting as co-lead manager in connection with the Placing. J.P. Morgan Cazenove Limited, Evolution Securities Limited and Mirabaud Securities LLP, which are authorised and regulated by the Financial Services Authority are acting for the Company in connection with the Placing and no-one else and none of J.P. Morgan Cazenove Limited, Evolution Securities Limited nor Mirabaud Securities LLP will be responsible to anyone other than the Company for providing the protections afforded to clients of J.P. Morgan Cazenove Limited, Evolution Securities Limited and Mirabaud Securities LLP respectively nor for providing advice in relation to the Placing or any other matter referred to herein.

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