

Coal of Africa Limited

COMPLETION OF TRANCHE 1 PLACEMENT TO ARCELORMITTAL

Coal of Africa Limited ("CoAL" or 'the Company'), the AIM/ASX/JSE listed coal development company operating in South Africa, advises that Tranche 1 of the Placement to ArcelorMittal as announced on 21 April 2008 is now complete.

Accordingly, a total of 46,365,000 new ordinary shares ("New Shares") have now been allotted and issued, raising gross proceeds of £51,465,150. When aggregated with ArcelorMittal's existing shareholding in CoAL of 6,294,419 shares, the placement of Tranche 1 will result in ArcelorMittal holding a total of 52,659,419 shares, representing 14.9% of the issued capital of the Company.

Following the admission of the New Shares, the number of shares on issue will be 353,438,917.

Tranche 2 of the agreed placement to ArcelorMittal of 13,635,000 shares remains subject to approval by the Australian Foreign Investment Review Board and the Company will advise of receipt of said approval and subsequent issue and allotment of the Tranche 2 upon completion.

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About CoAL:

Coal of Africa Limited ("CoAL") is primarily focused on the acquisition, exploration and development of thermal and metallurgical coal projects. The Company's key projects, along with its leading metals processing company NiMag Group (Pty) Ltd are in South Africa. The Company was incorporated in Western Australia and listed in 1980. Since 2005, the Company has also listed on both the AIM and JSE markets, allowing further growth in the Company's coal assets.