

CZA - Coal of Africa Limited - Placement and Section 708a(5)(e) notice

Coal of Africa Limited
(previously, "GVM Metals Limited")
(Incorporated and registered in Australia)
(Registration number ABN 008 905 388)
Share code on the JSE Limited: CZA
ISIN AU0000000CZA6
Share code on the Australian Stock Exchange Limited: CZA
ISIN AU0000000CZA6
('CoAL' or 'the Company')

PLACEMENT AND SECTION 708A(5)(e) NOTICE

Coal of Africa Limited ('CoAL' or the 'Company') confirms it has today placed 1,055,575 ordinary shares. 555,575 shares were placed to Mirabaud Securities Limited in the United Kingdom pursuant to its exercise of Class B Options at an exercise price of 54 pence per share. An additional 500,000 shares were placed to Blue Oar Securities plc in the United Kingdom in part consideration for brokerage services provided to the Company in 2006.

Application will be made for 1,055,575 shares to be admitted to trading on AIM ("Shares").

Following the admission of the Shares, the number of Ordinary Shares on issue will be 354,494,492.

An Appendix 3B will be lodged following this announcement and may be found on the Company's website.

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 7 May 2008, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and
- (c) as at 7 May 2008 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.

7 May 2008

AUTHORISED BY:

Shannon Coates
Company Secretary

For more information contact:

Simon Farrell, Managing Director

CZA +61 417 985 383

Olly Cairns / Romil Patel

Blue Oar Securities Plc +618 6430 1631 or +44 20 7448 4400

Jos Simson/ Leesa Peters

Conduit PR +44(0) 20 7429 6603

Petronella Gorrie

The Event Shop +27 82 827 8815

www.coalofafrica.com

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.

Sponsor

PricewaterhouseCoopers Corporate Finance (Pty) Ltd