

## Regulatory Announcement

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<b>Company</b>	Coal of Africa Ltd
<b>TIDM</b>	CZA
<b>Headline</b>	Issue of Equity
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Coal of Africa Limited  
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### COAL OF AFRICA LIMITED

#### SECURES LONG TERM BLACK EMPOWERMENT STATUS

Coal of Africa Limited ("CoAL" or "Company"), the AIM/ASX/JSE listed coal development company operating in South Africa (ticker: CZA), is pleased to announce that after several months of negotiations, agreement has been reached with Coal Investments Limited ("CIL") whereby CIL will subscribe for shares and options which if exercised, will result in African Global Capital I, L.P. ("AGC"), CIL and their affiliates holding in excess of 26% of the Company, ensuring full compliance with South African legislative requirements for BEE Groups to hold at least a 26% equity interest in mining companies by 2014 (the "Agreement").

AGC is the first fund managed by the recently-formed private equity initiative involving Mvelaphanda Holdings (Proprietary) Limited ("Mvela"), OZ Management LP ("OZ Management"), an operating entity of Och-Ziff Capital Management Group LLC (NYSE: OZM) ("Och-Ziff"), and Palladino Holdings Ltd. CIL is owned by affiliated investment funds of Och-Ziff.

AGC currently owns 33,810,512 shares in CoAL. Such shares represent, pre-issuance of the Placement Shares (as defined below), approximately 9.1% of CoAL's issued share capital. Post-issuance of the Placement Shares, CIL, AGC and their affiliates will collectively own approximately 17.4% of CoAL's issued share capital and together with the options (assuming the Option Issuance (as defined below) is approved by the shareholders of CoAL and exercised) will collectively own approximately 26.4% of CoAL's issued share capital.

CIL, AGC and their affiliates intend on transferring their shares and options into a black empowered entity to ensure that CoAL is fully compliant with BEE requirements.

"The Company's BEE status is absolutely critical to the future of CoAL and the Company is therefore pleased to have reached this agreement. The quality of our BEE partner cannot be understated and we believe that Mvela, AGC and Och-Ziff will add significant value to CoAL." said Simon Farrell, Managing Director of CoAL.

"This is an important transaction for Mvela and AGC, as it strengthens our relationship with CoAL which we see as a strategic investment. As we have done in previous Mvela BEE transactions, we will bring together a broad based group of beneficiaries to ensure that the historically disadvantaged community benefits from exposure to the mining sector in South Africa." said Mark Willcox, Chief Executive Officer of Mvela and recently-appointed Chief Executive Officer of Africa Management (UK) Limited, a subsidiary of Africa Management Limited.

The Agreement consists of CoAL issuing 37,500,000 new ordinary shares in CoAL ("Placement Shares") at an issue price of £1.30 per Placement Share, to CIL, raising up to £48.75 million. The Placement will represent approximately 9.1% of CoAL's issued capital as expanded by the issue of the Placement Shares, and the Placement Shares will be issued out of the Company's existing authorities.

The Placement Shares will be issued in two tranches. The first tranche will comprise 25,500,000 shares being the number of shares that, when aggregated with AGC's existing shareholding in CoAL, will result in a holding of 14.9% of the issued capital of the Company ("First Tranche"). The First Tranche will be issued pursuant to ASX Listing Rule 7.1.

The balance of 12,000,000 shares ("Second Tranche"), or such lower number that ensures CIL's and AGC's aggregate holding in CoAL does not exceed 20% of the enlarged issued capital, will be issued upon the FIRB's approval being obtained and also pursuant to Listing Rule 7.1.

In addition to the Placement Shares, CoAL has agreed to issue CIL with 50,000,000 options (the "Option Issuance"), exercisable at £1.80 each within 2 years of the satisfaction of certain conditions, subject to CoAL obtaining conversion of its Makhado (formerly Baobab) and Vele (formerly Thuli) New Order Prospecting Rights to New Order Mining Rights within 12 months of the date of entry of the option agreement ("Options"). The issue of the Options is subject to shareholder approval at a meeting to be convened in due course.

The Agreement includes a condition that CIL cannot dispose of the Placement Shares nor the Options within a period of 12 months from the issuance of the First Tranche of Placement Shares, unless such disposal is to an affiliate of CIL or another BEE group.

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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.

#### About African Global Capital I, L.P.

AGC is the first fund managed by AML, the recently-formed private equity initiative involving Mvela Holdings, OZ Management and Palladino Holdings Ltd. AML has established AGC as a platform to invest in natural resources and related businesses in both the private and public markets across Africa.

#### About Mvela Holdings

Mvela Holdings is one of the largest black-owned businesses in South Africa with a strong and proven track record in significant and highly accretive investments over a broad range of industries across Africa. A private investment company, it was founded in 1998 by Tokyo Sexwale, Mikki Xayiya and Mark Willcox. It is the controlling shareholder of JSE-listed Mvelaphanda Group Ltd and has a significant interest in JSE-listed Mvelaphanda Resources Ltd. It has other substantial interests in the mining, energy, real estate and various other industrial sectors in South Africa and Africa.

#### About Och-Ziff Capital Management Group LLC

Och-Ziff is one of the world's largest institutional alternative asset managers with offices in New York, London, Hong Kong, Tokyo, Bangalore and Beijing. Och-Ziff's funds seek to deliver consistent, positive, risk-adjusted returns throughout market cycles, with a strong focus on risk management and capital preservation. Och-Ziff's multi-strategy approach combines global investment strategies, including merger

arbitrage, convertible and derivative arbitrage, equity restructuring, credit and distressed credit investments, private investments and real estate. As of June 1, 2008, Och-Ziff had approximately \$33.8 billion in assets under management with over 700 investor relationships. For more information, please visit [www.ozcap.com](http://www.ozcap.com).

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