

CZA - Coal of Africa Limited - BEE Partner receives FIRB approval

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')

4 August 2008

BEE PARTNER RECEIVES FIRB APPROVAL

Coal of Africa Limited ('CoAL' or 'the Company'), the AIM/ASX/JSE listed coal development company operating in South Africa, is pleased to announce that Coal Investments Limited ("CIL"), which forms part of CoAL's current Black Empowerment Enterprise Investors, has received approval from Australia's Foreign Investment Review Board ("FIRB") to increase its stake beyond 15%.

As a result, the Company will now complete Tranche 2 of the agreed placement to CIL as announced on 19 June 2008, by issuing 12,000,000 Shares at £1.30 per share, to raise an additional £15,600,000, taking the Company's cash at hand as at 31 July 2008 to in excess of A\$280 million.

Following the issue of the Tranche 2 Shares, and the Shares noted below, CIL will hold approximately 17.3% of the Company's issued capital.

In addition, the Company will also today issue:

1. 375,000 Shares to PricewaterhouseCoopers in consideration for the exercise of a put option over 3,750 redeemable Preference Shares in NiMag Limited, granted in terms of the preference share subscription agreement dated 16 January 2004 in relation to the acquisition of NiMag Limited; and
2. 55,000 Shares to Professor Ntshengegzeni Alfred Nevhutanda, in lieu of professional fees.

Following the abovementioned issues, the number of ordinary shares on issue will be 411,375,378.

An Appendix 3B will be available on the company and ASX websites 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 4 August 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 4 August 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.

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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.

Sponsor
PricewaterhouseCoopers Corporate Finance (Pty) Ltd