ANNOUNCEMENT **30 September 2008**

Final Results for the Year Ended 30 June 2008

Coal of Africa Limited ("CoAL" or "the Company", ticker "CZA"), the AIM/ASX/JSE listed coal development company operating in South Africa, is pleased to announce its final results for the year ended 30 June 2008.

- Acquisition of a 70% interest in the Mooiplaats coal project in February 2008.
- Acquisition of the remaining 30% of the Mooiplaats coal project in April 2008.
- Replacement of Motjoli Resources (Pty) Ltd by companies associated with the Mvelaphanda Group as a significant shareholder and CoAL's Black Economic Empowerment partner in South Africa. The change enables the Company to comply with the BEE ownership as stipulated in the South African Minerals and Petroleum Resources Development Act.
- ArcelorMittal, currently CoAL's second largest shareholder and the world's largest steel producer, agreed to purchase between 2.5 and 5 million tonnes p.a. of hard coking coal from the Company's Makhado and Vele projects located in the Limpopo province.

The full Annual Report will be posted to shareholders and is available on the Company's website www.coalofafrica.com

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Operational Review

Mooiplaats Thermal Coal Project (100%)

During the year CoAL acquired 70% of the Mooiplaats coal project in February and the remaining 30% in April 2008 which included the Mining Rights for portions one and nine of the farm Mooiplaats as well as Prospecting Rights for various neighbouring farms. New Order Prospecting Rights for the farms De Emigratie, Willemsdal and Klipfontein encompassing an area of 9,260 Ha were secured and the Directors believe that these farms have the potential to add significant additional coal resources to the project.

The Mooiplaats coal project currently has coal resources of 113 million tonnes of which 88.2 million tonnes are 'Measured' in terms of the JORC/ SAMREC codes consisting of mainly bituminous (thermal) and lean coal. The Mooiplaats coal project is situated less than two kilometres from the recently re-commissioned Camden power station near Ermelo in the Mpumalanga province of South Africa. An in-fill drilling programme of over 37,000 metres was completed during the financial year taking the exploration metres drilled on the project to over 65,000 metres. Additional holes were drilled to enable water monitoring and production holes were drilled to confirm production expectations. Results of the production related drilling were included the geological model, allowing for the finalisation of production scheduling and the mining contract. The Company re-built the geological model internally to verify the model presented by the potential contract miner. This model has been submitted to independent mine planners who are generating life-of-mine schedules.

Negotiations with the surface rights owner were concluded allowing access to the mine site as well as de-watering and rehabilitation of the existing decline shaft and preparation of the surrounding areas for mining activity. Mining is expected to commence towards the end of 2008 followed soon thereafter by production. Negotiations with the contract miner have been finalised and the supply of mining equipment and infrastructure have been secured with delivery of the first Continuous Mining machine scheduled for October 2008. The supply of the wash plant has been secured with commissioning of the plant expected by the end of February 2009. Additional production related drilling and drilling to identify the site for the second decline shaft has commenced on the neighbouring farms, Klipbank and Adrianople.

Discussions with potential off-take customers progressed during the period under review and included the potential export of lean coal to Europe. The Company signed a non-exclusive marketing agreement for the project with Oreport (Pty) Ltd and secured long term port allocation through the Richards Bay dry bulk terminal operated by subsidiaries of Grindrod Limited. The throughput agreement provides CoAL with an allocation of 900,000 tonnes of coal per annum commencing in 2009 and the ability to secure 50% of any increased capacity at the terminal. The increased capacity will require pro rata funding by CoAL but gives the Company the potential to increase its export capacity to 3 million tonnes per annum once the terminal expansion has been completed.

Makhado (previously Baobab) Coking Coal Project (100%)

Extensive exploration activities and infrastructure studies were undertaken on the 100% owned Makhado coal project near Louis Trichardt in South Africa’s Limpopo province. A detailed Aeromagnetic survey covering over 60,000 ha was completed and included the Makhado, Vele and Tshikunda project areas and the results of the survey were used to compile an in-depth geophysical analysis. The acquisition and digitisation of historical drilling data relating to 1,200 boreholes from Exxaro Resources Limited, aided in the upgrade of the Makhado resource to over 1.3 billion tonnes of which over 230 million tonnes are in the ‘Measured’ category. The upgraded models using the acquired data have been submitted to independent mine planners who are in the process of completing life-of-mine schedules.

Large diameter (123 mm) core drilling commenced to obtain coal samples for detailed coking coal laboratory analysis as well as other coal parameter testing. The initial results of this analysis yielded high quality coking coal samples with a low phosphorous content. A further 5,000 metre smaller diameter drilling programme is underway to define the coal outcrop zones and identify any dolerite intrusions. Detailed analysis of the exploration data was relating to the selection of mineable coal horizons within the 35 metre thick coal seam was completed and will be used to optimise the coal horizon being mined leading to higher coking coal yields.

The Company agreed to acquire several New Order Prospecting Rights in the proximity of the Makhado coal project. CoAL signed an agreement to purchase of 60% of Tshikunda Mining (Pty) Ltd which holds the prospecting rights to 32,000 Ha contiguous to Exxaro Resources Ltd's Tshikondeni coking coal mine. Section 11 approval for the transfer of 60% of Tshikunda prospect to CoAL was secured in June 2008. Furthermore, CoAL agreed to buy 74% of six prospects located in the Makhado coal project area, from Sekoko Coal (Pty) Ltd. The acquisition of the six prospects increases the Makhado project area by over 7,000 Ha.

Initial marketing of the coking coal fraction will be finalised on completion of a formal off-take agreement with ArcelorMittal who have signed a Letter of Intent which includes an off-take of between 2.5 and 5 million tonnes "free on rail" Musina but paying "free on board" Kestrel (east coast of Australia) coking coal prices. Other major consumers have already expressed strong interest in securing a supply of hard coking coal from the Makhado project and discussions in this respect are ongoing.

East Coast Maritime (Pty) Ltd were appointed to asses railway, road and port infrastructure required for the Makhado and Vele projects. During the year, two phases of the project were completed - the assessment if infrastructure in place and, the development of understandings and relationships with the various infrastructure stakeholders. A Rail Cooperation Agreement was signed with Transnet Freight Rail ('TFR') the largest division of Transnet, the South African Government owned rail and freight organisation. The agreement formalises the interaction between TRF and CoAL whereby TFR will assist CoAL in securing the correct rail slots, appropriate rolling stock as well as commercially competitive freight rates for the transport of its export coal to the Richards Bay and Maputo ports. CoAL has indicated that it will need rail capacity for the following export tonnages:

- 2009 - 1 to 1.5 million tonnes
- 2010 - 4 to 5 million tonnes
- 2011 - 4 to 5 million tonnes
- 2012 - 10 million tonnes

Vele (previously Thuli) Coking Coal Project (74%)

Exploration on the Vele coal project west of Musina in the Limpopo province included a 65 hole geological programme as well as a 31 large diameter cored hole programme. CoAL acquired the original drilling data from the exploration undertaken by Southern Sphere (Utah Mining) in the early 1980's and converted the data to digital format. The completed drilling programmes together with the historical data, resulted in an upgrade of the previously reported JORC/ SAMREC compliant 'Indicated' resource. The 65 hole programme covered approximately 80% of the project area and delivered a resource of 447.47 million gross in situ tonnes, of which 133.84 million tonnes occur in the Measured status while 76.58 million tonnes are in the Indicated status with the majority of coal being open-castable.

Holfontein Coal Project (100%)

An agreement has been concluded to sell the Holfontein coal project to Lachlan Star Limited and as a result of the intended disposal, the Holfontein investment has been reclassified as a Non-Current Investment Held for Sale.

Nimag Group ("NiMag") (100%)

Nimag Group is engaged principally in the manufacture and distribution of nickel magnesium alloys, ferro silicon magnesium alloys and metal fibres, having begun producing alloys in 1962, and currently manufactures specialised master alloys of nickel and magnesium for the specialised foundry industry including aerospace, aeronautical, motor, steel mill roll and associated industries.

Ductile iron (also called spheroidal graphite iron or nodular cast iron) was discovered in the 1940s. The introduction of magnesium into the melt results in nodular rather than flaky graphite in the resultant cast iron, giving the cast iron properties approaching those of steel, while maintaining the advantages of the casting process. The magnesium is usually added as a nickel alloy, making it easier to add and contribute to product quality. NiMag supplies the ductile iron market as a specialist supplier with a world market share of about 35% in its core product line. 95% of sales are exported through 35 distributors world wide. Demand for NiMag's alloys is proportional with world demand for ductile iron, principally for automotive parts and industrial machinery. Demand for NiMag products has grown gradually to meet current capacity of 287 tonnes per month (all products). Potential for expansion of the core nickel-magnesium alloy product is presently limited by the size of end markets. NiMag is increasing the penetration of a variety of other products developed for alternative markets. NiMag produces approximately 300 tonnes of cast and slit fibres which are used in reinforced concrete by domestic mining and tunnelling operations.

NiMag's competitive advantages include low electricity and labour costs. The main input cost is locally sourced nickel raw material, which is matched with sales to minimise nickel price exposure.

Depreciation of global nickel prices in the 2007/08 financial year reduced NiMag's margins resulting in the company generating lower operational cash flows than those recorded in the previous year. NiMag traded profitably, contributing approximately A$2.5m in surplus funds to the Group and at the end of June 2008, CoAL's acquisition loans comprised $187,629 to the NiMag vendors.

Magberg Manufacturing

A specialised producer of ferro silicon magnesium alloys used to manufacture Ductile Iron. Capacity is limited and the production is split equally between local and export markets. This is a commodity product and almost all costs are Rand denominated.

Metalloy Fibres (Pty) Ltd

The only specialised cast fibre reinforcing manufacturer in Africa. A weakening of the Rand and the construction of the Gautrain rail project and other large infrastructure projects in South Africa promises to substantially improve this business both in terms of volumes and margins. A new furnace has been constructed to ensure that manufacturing capacity is on hand to satisfy the expected increase in demand.

Metal Alloy Traders Limited ("MATS")

MATS is incorporated in Jersey in the Channel Islands and it trades various metals purchased from Nimag in South Africa.

<u>Events Subsequent to Balance Date</u>

Rio Tinto Joint Venture and Farm Swap

CoAL announced in early July that it has entered a Memorandum of Understanding with Rio Tinto ('Chapudi Coal') and its joint venture partner, the Kwezi Group of South Africa, which the parties intend to formalise into an agreement resulting in the transfer of Prospecting Rights to each other or a separate joint venture initiative. The Prospects to be transferred are coal interests in and around the Company's Makhado hard coking coal project in the Limpopo province. The Prospects to be transferred to a new joint venture between Rio Tinto and CoAL will be managed by Chapudi Coal. Transfer of the Prospects will add significant, highly prospective acreage to the current Makhado project area improving the economics of the project.

Makhado coking coal project Resource Upgrade

In July 2008, CoAL announced a resource upgrade to the Makhado coal project from the previously reported 713mt to 1.335 billion gross in situ tones. The resource upgrade is a result of further analysis of the borehole data acquired from Exxaro Resources Limited as well as the drilling of boreholes by CoAL. The 1.335 billion tonnes are situated on six farms representing approximately 40% of the Makhado project area and can be summarized as follows:

	In Situ Resource Million metric tonnes	**Rel Tonnes %**	**Opencast Million metric tonnes**	**Rel Tonnes %**
Measured	230.067	17.233%	208.364	37.847%
Indicated	548.642	41.095%	201.797	36.690%
Inferred	250.690	18.777%	25.445	4.613%
Reconnaissance	305.660	22.895%	114.771	20.853%
	1,335,06	**100.00%**	**550.377**	**100.00%**

Vele semi-soft coking coal project Resource Upgrade

As a result of analysis of exploration data, the Company issued a Resource upgrade for its Vele coal project increasing the resource from 441 gross in situ tonnes to 721 total in situ tonnes which incorporates 641 gross in situ tonnes. The table below details the upgrade:

Total In Situ	Gross In Situ	In Situ Mineable
721 million tonnes	641 million tonnes	593 million tonnes – includes 158 million tonnes Measured and 324 million tonnes Indicated
	(Gross in situ incorporates open castable coal)	(In situ Mineable incorporates potential geological losses)

Black Empowerment Transaction

Coal Investments Limited, a company forming part of the Company's current Black Empowerment Enterprise Investors increased its shareholding in the Company to approximately 17.3% after receiving FIRB approval to increase its stake beyond 15%. During August, CoAL issued the additional 12,000,000 shares at GBP1.30 per share raising an additional GBP15.6 million.

Port Allocation

Coal of Africa Limited secured long term export coal port allocation at the Grindrod operated Richards Bay and Maputo dry bulk terminals. The export of metallurgical coal mined at its Makhado and Vele projects is expected to take place via the Maputo terminal and CoAL has secured the rights to up to 100% of the capacity resulting from expansion to the Maputo terminal enabling CoAL to potentially export up to 7mtpa. The export of thermal coal mined at the Company's Mooiplaats project will be exported at the Richards Bay terminals with an allocation of 900,000 tonnes commencing in 2009 which could increase to 3 million tonnes per annum if port capacity is increased. The Company will contribute capital on a pro rata basis to development at both the Richards Bay and Maputo terminals.

Other than that stated above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, in future financial years.

Review of Financial Position

Liquidity and funding

The net assets of the Consolidated Entity increased from $151 million in June 2007 to over $490 million in June 2008. This was primarily due to cash on hand at year end of $252 million (2007: $61.5 million) and the acquisition of the Mooiplaats coal project. The Group incurred $4.1 million in expenses related to share based payments and $10,503,875 in foreign currency losses. Excluding the previously mentioned accounting entries converts the loss of $11,243,563 recorded for the year ended June 2008 to an 'operational' loss of $1,159,640 (2007: 'operational' profit of $4,994,231). The reduction of the 'operational' loss is primarily due to interest earned of $5,787,101 and NiMag's profit contribution of $2,512,274.

	2008	**2007**
	$	**$**
Profit/ (loss) after tax for the year	(11,243,563)	(3,547,306)
Tax	919,603	2,216,264
Interest paid	146,174	800,799
Interest received	(5,787,101)	(555,353)
EBIT/ (LBIT)	**(15,964,887)**	**(1,085,596)**
'Non-ordinary' items recognised		
Options granted	4,099,000	3,294,600
Diminution in value of investments	-	1,666,792
Currency adjustment	10,503,875	629,033
Depreciation	202,372	175,532
JSE listing expenses	-	313,870
'Operating' profit/ (loss)	**(1,159,640)**	**4,994,231**

The Group raised over $331 million during the year through the placing of shares. The funds raised were used to fund the Mooiplaats project acquisition, the development of the Mooiplaats project and the exploration and development of the Makhado and Vele projects.

Future Developments, Prospects and Business Strategies

Strategic direction

CoAL is primarily focused on the acquisition, exploration and development of thermal and metallurgical coal projects in South Africa. The Company currently has four coal projects in various stages of exploration as well as Nimag, CoAL's interim cash producing asset which manufactures nickel magnesium alloys. Nimag's growth strategy will be via the acquisition of similar alloy or foundry supply manufacturing enterprises.

The exploration and development of three coal projects, namely Mooiplaats, Makhado and Vele during the short and medium term will qualify CoAL as a significant coal producer, supplying millions of tonnes of thermal and metallurgical coal annually to South African and export customers.

Exploration on CoAL's projects located in the Limpopo province – Makhado and Vele – has yielded significant coal resources. Recent resource updates have Makhado at 1.33 billion tonnes and Vele at 447.47 million tonnes. Consultants have undertaken detailed feasibility studies on the transport infrastructure from these coal projects to the Matola (Maputo) and Richards Bay export coal terminals.

The Company's Mooiplaats coal project is 2km from the recently re-commissioned Camden Power Station - near Ermelo in Mpumalanga - and is expected to start producing thermal and lean coal in late 2008.

Income Statements

For the Year Ended 30 June 2008

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
REVENUE	53,774,119	62,595,362	6,030,020	1,105,766
Raw materials and consumables used	(37,846,682)	(48,078,842)	-	-
Consulting expenses	(1,216,068)	(328,744)	(720,823)	(328,744)
Employee expenses	(7,830,254)	(6,410,948)	(4,992,443)	(4,026,233)
Borrowing costs	(146,174)	(800,799)	-	-
Depreciation expenses	(202,372)	(175,532)	(27,430)	(12,923)
Office rental , outgoings and parking	(477,272)	(425,164)	(112,104)	(5,380)
Decrease/(increase) diminution in value of investments	-	(1,666,792)	-	(1,666,792)
Loss on investments disposed of	-		(7,919)	-
Bad debt expense	-	(306,066)	-	-
Provision for non-recoverability of loans/ debtors	-	(664,067)	-	(375,000)
Diminution in value of control entities	-	(6,488)	-	(6,488)
Realised foreign exchange profit/(loss)	(10,503,875)	(629,033)	(10,503,875)	(629,033)
Other expenses from ordinary activities	(5,875,381)	(4,433,929)	(555,355)	(533,861)
Share of net profit/(losses) of associate accounted for using the equity method	-	-	-	-
Profit/(Loss) before income tax (expense)/benefit	**(10,323,959)**	**(1,331,042)**	**(10,889,929)**	**(6,478,688)**
Income tax (expense) / benefit	(919,604)	(2,216,264)	-	-
Profit/(Loss) after tax	**(11,243,563)**	**(3,547,306)**	**(10,889,929)**	**(6,478,688)**
Outside equity interest	-	(478,742)	-	-
Net profit/(loss) attributable to members of the parent entity	**(11,243,563)**	**(4,026,048)**	**(10,889,929)**	**(6,478,688)**
Basic earnings/(loss) per share (in cents)	(4.08)	(4.72)		
Headline earnings/(loss) per share (in cents)	(4.12)	(1.96)		

Balance Sheets

As at June 2008

Consolidated Entity **Parent Entity**

	2008 $	2007 $	2008 $	2007 $
REVENUE	53,774,119	62,595,362	6,030,020	1,105,766
Raw materials and consumables used	(37,846,682)	(48,078,842)	-	-
Consulting expenses	(1,216,068)	(328,744)	(720,823)	(328,744)
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Loss on investments disposed of	-		(7,919)	-
Bad debt expense	-	(306,066)	-	-
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Income tax (expense) / benefit	(919,604)	(2,216,264)	-	-
Profit/(Loss) after tax	**(11,243,563)**	**(3,547,306)**	**(10,889,929)**	**(6,478,688)**
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Basic earnings/(loss) per share (in cents)	(4.08)	(4.72)		
Headline earnings/(loss) per share (in cents)	(4.12)	(1.96)		

Cash Flow Statements

For the year ended 30 June 2008

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Cash flows from operating activities				
Interest received	4,502,639	555,353	3,971,998	474,576
Cash receipts in the course of operations	49,252,248	59,382,997	-	241,337
Interest paid	(146,174)	(800,799)	-	-
Payments to suppliers and employees	(56,618,474)	(56,475,498)	(2,212,535)	(1,717,433)
Net cash generated by /(used in) operating activities	(3,009,761)	2,662,053	1,759,461	(1,001,520)
Cash flows from investing activities				
Payments for property, plant and equipment	(1,951,879)	(198,163)	(9,260)	(14,212)
Proceeds from the sale of property, plant and equipment	-	3,350	-	-
Mineral assets acquired	(85,341,442)	(10,516,450)	(85,341,442)	-
Proceeds from sale of associate	501,634	-	501,634	-
Payments for equity investments	(9,427,131)	-	(2,836,444)	(10,516,450)
Loans (made to)/from other entities	-	-	-	-
Net cash received/ (paid) on acquisition of subsidiary	-	(75,000)	-	-
Exploration costs	(18,491,719)	(477,667)	(3,752,291)	-
Net cash generated by / (used in) investing activities	(114,710,537)	(11,263,930)	(91,437,803)	(10,530,662)
Cash flows from financing activities				
Loans from controlled entities	-	-	-	-
Proceeds from issue of shares	331,294,448	78,334,038	331,294,448	78,334,038
Transaction costs from issue of shares	(9,134,738)	(2,778,509)	(9,134,738)	(2,778,509)
Loans to controlled entities	-	-	(27,703,497)	(10,563,335)
Loans repaid to other entities	(318,636)	(4,647,628)	-	-
Other loans repaid	(1,375,608)	-	-	-
Loans from other entities	-	34,831	-	-
Net cash generated by financing activities	320,465,466	70,942,732	294,456,212	64,992,194
Net increase/(decrease) in cash held	202,745,168	62,340,855	204,777,871	53,460,012
Effect of exchange rates of cash holdings in foreign currencies	(12,270,799)	(820,129)	(6,339,304)	(629,033)
Cash at beginning of financial year	61,530,490	49,764	52,909,170	78,191
Cash at end of financial year	**252,004,859**	**61,530,490**	**251,347,737**	**52,909,170**

Notes to and forming part of the Financial Statements

for the year ended 30 June 2008

	Consolidated Entity	
	2008	2007
	$	$
1. (LOSS) / EARNINGS PER SHARE		
Basic (loss) / profit per share		
(cents per share)	(4.08)	(4.72)
Headline (loss)/earnings per share (cents per share)	(4.12)	(1.96)
Weighted average number of ordinary shares used as the denominator	**275,781,951**	**85,261,608**

As at 30 June 2008, there were 19,921,688 (2007: 21,842,326) options outstanding over unissued capital exercisable at amounts ranging between $0.50 and $2.05 (2007: $0.50 and $1.275). Diluted EPS was not calculated for 2008 as the company incurred a loss per share.

	Consolidated Entity	
	2008	2007
	$	$
2. (LOSS) / EARNINGS PER SHARE		
Basic (loss) / profit per share		
(cents per share)	(4.08)	(4.72)
Headline (loss)/earnings per share (cents per share)	(4.12)	(1.96)
Weighted average number of ordinary shares used as the denominator	**275,781,951**	**85,261,608**

As at 30 June 2008, there were 19,921,688 (2007: 21,842,326) options outstanding over unissued capital exercisable at amounts ranging between $0.50 and $2.05 (2007: $0.50 and $1.275). Diluted EPS was not calculated for 2008 as the company incurred a loss per share.

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
3. AUDITORS' REMUNERATION				
Amounts received or due and receivable by the auditors of the Company:				
Moore Stephens				
- audit and review of financial reports	55,383	55,727	3,182	55,727
- other services	-	-	-	-
	55,383	55,727	3,182	55,727
Amounts received or due and receivable by the auditors of the subsidiaries				
- audit and review of financial reports	47,505	70,451	-	-

	Consolidated Entity		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
- other services	434	9,225	-	-
	47,939	79,676	-	-

4. RECEIVABLES

CURRENT				
Receivable – associates	-	620,311	-	620,312
Provision for doubtful receivables – associate	-	(303,924)	-	(303,924)
Trade debtors	3,339,890	4,524,156	-	-
Other debtors	9,254,867	5,220,432	2,075,985	5,280,700
Provision for bad debts	(843,160)	(1,076,807)	(787,740)	(787,740)
	11,751,597	**8,984,168**	**1,288,245**	**4,809,348**
NON CURRENT				
Amounts receivable from controlled entities	-	-	53,751,025	12,696,233
Provision for doubtful receivables	-	-	(598,548)	(598,548)
	-	**-**	**53,152,477**	**12,097,685**

Amounts receivable from controlled entities are interest free, unsecured and with no fixed term for repayment.

5. ASSETS HELD FOR SALE (INVESTMENT)

2008 – HOLFONTEIN INVESTMENTS (PTY) LTD

Carrying value of investment at beginning of year	24,328,181	681,528	23,529,228	
Acquisition of 100% owned subsidiary	-	22,813,265	-	-
Acquisition of Wildebeesfontein option	120,510	-	120,510	-
Capitalised expenditure – at cost	1,291,228	955,458	-	-
Exchange differences	(531,922)	(122,070)	-	-
Disposal of shares during the year	-	-	-	-
Share of subsidiaries' net (loss) / profit	-	-	-	-
Carrying value at end of year	**25,207,997**	**24,328,181**	**23,649,738**	**-**

The Company announced in May 2008 that it has reached an agreement to dispose of its stake in Holfontein Investments (Pty) Ltd to Lachlan Star Limited for $25 million. The acquisition consideration will be payable in a combination of cash and shares staged at key milestones and on the satisfaction of key milestones and conditions precedent. The acquirer will reimburse CoAL for a proportion of the exploration expenditure incurred. The sale milestones and conditions have not been met at 30 June 2008.

6. OTHER FINANCIAL ASSETS

Available for Sale Financial Assets:

Investments:				
Shares in other corporations listed on Stock exchange at cost	1,153,598	89,150	1,153,598	1,694,703

Provision for diminution in value	(76,176)	(76,175)	(76,176)	(1,488,502)
At fair value	1,077,422	12,975	1,077,422	206,201
Shares in controlled entities at cost	-	-	178,462,846	79,759,836
Provision for diminution in value	-	-	(8,292,540)	(8,292,540)
Impairment write down	-	-	-	(1,666,792)
	-	-	170,170,306	69,800,504
Shares in other corporations – at cost	7,022,423	12,915,623	1,771,997	12,935,729
	8,099,845	**12,928,598**	**173,019,725**	**82,942,434**
Market value of above investments listed on a stock exchange as at 30 June 2008	1,613,228	12,975	1,613,228	206,201

Shares in controlled entities are carried at cost. Refer to Note 26(a)

7. COAL PROJECT INVESTMENT AND EXPLORATION EXPENDITURE

Exploration and evaluation expenditures in respect of mining areas of interest

	Consolidated Entity	
	2008	**2007**
	$	**$**
Makhado (previously Baobab)		
Prior acquisition of tenements of the Makhado coal project – fair value	33,130,647	33,130,547
Current year acquisition of Makhado tenements – fair value	1,340,096	-
Exchange differences	(214,576)	(384,750)
At fair value	34,256,167	32,745,797
Capitalised exploration expenditure – at cost	5,174,833	84,196
	39,431,000	**32,829,993**
Vele (previously Thuli)		
Acquisition of tenements of the Vele coal project – fair value	11,828,787	11,828,787
Exchange differences	(76,039)	(94,334)
At fair value	11,752,748	11,734,453
Capitalised exploration expenditure – at cost	2,770,780	84,196
	14,523,528	**11,818,649**
Holfontein		
Acquisition of tenements of the Holfontein coal project – fair value	-	23,494,793
Exchange differences	-	(122,070)
At fair value	-	23,372,723
Capitalised exploration expenditure – at cost	-	955,458
	-	**24,328,181**

Mooiplaats		
Acquisition of tenements of the Mooiplaats coal project – fair value	129,723,620	-
Exchange differences	(800,218)	-
At fair value	128,923,402	-

	Consolidated Entity	
	2008	**2007**
	$	**$**
Capitalised exploration expenditure – at cost	10,258,218	-
	139,181,620	**-**
Total Mining Assets	**174,932,316**	**67,852,973**
Total capitalised exploration expenditure	**18,203,831**	**1,123,850**

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependant on the discovery of commercially viable resource deposits and their successful development and commercial exploitation or sale of the respective mining areas. The Holfontein coal project is disclosed as an asset available for sale as at 30 June 2008.

8. PAYABLES

	Consolidated Entity		Parent Entity	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
CURRENT				
Trade creditors	5,118,470	7,098,669	282,865	123,282
Sundry creditors and accruals	28,865	186,605	26,081	95,574
Other	1,032,471	2,034,087	-	-
	6,179,806	**9,319,361**	**308,946**	**218,856**
NON CURRENT				
Payables – controlled entities	-	-	19,022,676	5,671,382
Payables – other	-	1,375,608	-	1,375,608
	-	**1,375,608**	**19,022,676**	**7,046,990**

Amounts owing to controlled entities are interest free, unsecured and with no fixed term for repayment.