Market News Page 1 of 2

### **Regulatory Announcement**

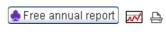
#### Go to market news section

Company Coal of Africa Ltd

TIDM CZA

HeadlineProjects UpdateReleased07:00 15-Oct-08Number8690F07

RNS Number: 8690F Coal of Africa Limited 15 October 2008



# ANNOUNCEMENT 15 OCTOBER 2008

## **VELE & MOOIPLAATS PROJECT UPDATE**

Coal of Africa Limited ("CoAL" or "the Company") is pleased to announce that it has lodged a New Order Mining Right Application with the Department of Minerals and Energy in Polokwane for its Vele coking coal Project in Limpopo. This is in line with CoAL's schedule to establish a large opencast mine which will have the capacity at full output to deliver 5 million tonnes of coking coal per annum to the South African domestic and international export markets.

Meanwhile, at the Mooiplaats thermal Project in Mpumalanga, the coal seam has been exposed in the boxcut, surface infrastructure continues to be established, the Company's first continuous miner is ready for delivery, the mining contract has been signed and CoAL remains on track to commence mining activities before the end of the 2008 calendar year.

Simon Farrell, Managing Director of CoAL, commented: "Despite the global turmoil in financial markets, we are rapidly moving forward and meeting all of our published development milestones.

Alone amongst the major commodities, coal prices are holding up quite well. Whilst there has been a retreat on thermal coal prices, coking coal, which is our main focus, continues to enjoy spot prices well above the current year's contract prices. The Company's cash position is very strong and by the time we bring Mooiplaats into production, we will still have close to \$A200 million in cash and no debt. On the basis of

Market News Page 2 of 2

our coal price forecasts, we expect to meet all of the capital expenditure to complete full ramp up of Mooiplaats out of operating cash flows."

# AUTHORISED BY SHANNON COATES

Company Secretary

For more information contact:

Simon Farrell, Managing Director +61 8 9322 6776 Petronella Gorrie Jos Simson / Gareth Tredway Olly Cairns / Romil Patel +44(0) 20 7448 4400 Coal of Africa

+61 417 985 383

The Event Shop Conduit PR Blue Oar Securities Plc +27 82 827 8815 +44(0) 20 7429 6603 +61 8 6430 1631

#### **About CoAL:**

Coal of Africa Limited ("CoAL"), is primarily focused on the acquisition, exploration and development of metallurgical and thermal 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.

#### www.coalofafrica.com

This information is provided by RNS
The company news service from the London Stock Exchange

**END** 

Close

London Stock Exchange plc is not responsible for and does not check content on this Website. Website users are responsible for checking content. Any news item (including any prospectus) which is addressed solely to the persons and countries specified therein should not be relied upon other than by such persons and/or outside the specified countries. Terms and conditions, including restrictions on use and distribution apply.

©2008 London Stock Exchange plc. All rights reserved