

CZA - Coal of Africa Limited - Vele & Mooiplaats Project Update

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 AU000000CZA6
Share code on the Australian Stock Exchange Limited: CZA
ISIN AU000000CZA6
('CoAL' or 'the Company')

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, continue 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 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
Coal of Africa
+61 417 985 383 or +61 8 9322 6776

Petronella Gorrie
The Event Shop
+27 82 827 8815

Jos Simson / Gareth Tredway
Conduit PR
+44(0) 20 7429 6603

Olly Cairns / Romil Patel
Blue Oar Securities Plc
+61 8 6430 1631/ +44(0) 20 7448 4400

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

Sponsor
PricewaterhouseCoopers Corporate Finance (Pty) Ltd