

ANNOUNCEMENT 20 OCTOBER 2008

COMMENCEMENT OF PRODUCTION AT MOOIPLAATS

Coal of Africa Limited ("CoAL" or "the Company") is very pleased to announce that it has produced the first run of mine coal at its Mooiplaats Mine. Development to allow two continuous miners to commence cutting coal will be completed in six to eight weeks.

Managing Director, Simon Farrell commented: "This is a most satisfying occasion and I am extremely grateful to all those involved for their hard work in getting us this far. There is a lot more to be done and we are saving the champagne until we load our first ship."

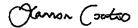








AUTHORISED BY



SHANNON COATES

Company Secretary

For more information contact:

Simon Farrell, Managing Director Petronella Gorrie Jos Simson / Gareth Tredway Olly Cairns / Romil Patel

Coal of Africa +61 417 985 383 +61 8 9322 6776 The Event Shop +27 82 827 8815

Conduit PR +44(0) 20 7429 6603 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