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Company Coal of Africa Limited
TIDM CZA
Headline Cooperation Agreement
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Coal of Africa Limited

('CoAL' or 'the Company')

RAIL COOPERATION AGREEMENT

Coal of Africa Limited (ticker "CZA"), the AIM/ASX/JSE listed coal development company operating in South Africa, is pleased to advise that it has signed a Cooperation Agreement with Transnet Freight Rail (TFR) and is engaged in ongoing discussions relating to the development of a pre-feasibility study for the rail conveyance of export coking coal from the Company's Thuli and Baobab Coal Projects.

TFR is the largest division of Transnet, the South African Government owned rail and freight organisation. TFR maintains an extensive rail network across South Africa that connects to other rail networks in the sub-Saharan region, with its rail infrastructure representing about 80% of Africa's total. TFR includes a specialised Coal unit that provides world class transport for South Africa's export coal from the Mpumalanga coalfields to the Richards Bay coal terminal.

The Cooperation Agreement has formalised the interaction between CoAL and TFR in order for CoAL to acquire freight rights for the transportation of its planned export coking coal to Richards Bay and Maputo ports.

CoAL has indicated that it will require rail capacity for the following export tonnage:-

- 2009 - 1 to 1.5 Mt PA
- 2010 - 4 to 5 Mt PA
- 2011 - 4 to 5 Mt PA
- 2012 - 10 Mt PA

TFR will assist CoAL in acquiring freight rights for the requested rail capacity. Such facilitation will include the allocation of appropriate train slots, the provision of appropriate wagons and locomotives, the offering of commercially competitive freight rates and freight operations under Service Level Agreements ("SLA's") benchmarked against world class competitors.

TFR and CoAL will be working together to finalise the outstanding issues, conclude the necessary due diligence and agree all requisite documentation as soon as possible. TFR and CoAL undertake to conduct the negotiations in good faith and attempt to complete the pre-feasibility study by the end of May 2008.

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About CoAL:

Coal of Africa Limited ("CoAL"), formerly GVM Metals Limited, 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 comp 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.

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