

CZA - CoAL - CoAL's response to the ASX regarding the change in the price of the Company's securities

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')

CoAL'S RESPONSE TO THE AUSTRALIAN STOCK EXCHANGE REGARDING THE
CHANGE IN THE PRICE OF THE COMPANY'S SECURITIES

17 April 2008

Ms Jill Hewitt
Issuers Adviser (Perth)
Australian Securities Exchange
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Ms Hewitt

We refer to your letter dated 17 April 2008, regarding the change in the price of the Company's securities from \$2.22 on 14 April 2008 to an intra day high of \$2.85 today.

In response to your questions outlined in that letter, we provide the following information:

1. Subject to the comments below, the Company is not aware of any information concerning it that has not already been announced which, if known, could be an explanation for recent trading in the securities of the Company;
2. The Company notes the following:
 - a. Recent coking coal contract negotiations having been completed at around US\$300 per tonne, representing more than a 200% increase on last years contract price in addition to recent thermal coal contract prices concluded in excess of US\$135 per tonne;
 - b. It has been made aware of market speculation regarding certain organisations that may be seeking to acquire the Company's securities. However, the Company has not been made aware of any of those

organisations having acquired any such securities and we note that there have been no substantial shareholder notices lodged with the Company;

c. The Company can confirm that it is currently in confidential and incomplete negotiations with various organisations regarding a number of different issues, including potentially taking an equity position in the Company, however, those negotiations have not been, and may not be, concluded. The Company will make a relevant announcement to ASX if and when those negotiations are completed.

3. Other than the matters described above, the Company is not aware of any additional information and is therefore unable to provide an explanation for the increase in price of the Company's securities as referred to above; and

4. The Company can confirm that it is in compliance with the Listing Rules, in particular, Listing Rule 3.1

Please do not hesitate to contact us if further information is required.

Yours sincerely

Shannon Coates
Company Secretary

Sponsor
PricewaterhouseCoopers Corporate Finance (Pty) Ltd