

COAL OF AFRICA LIMITED

EXTENSION OF BEE AGREEMENT

As announced on 13 June 2008, Coal of Africa Limited ('CoAL' or the 'Company') entered into an agreement with Coal Investments Limited ("CIL") (the "Agreement") pursuant to which CIL subscribed for shares and was granted an option which if exercised, would result in African Global Capital I, L.P. ("AGC"), CIL and their affiliates holding in excess of 26% of the shares in the Company, ensuring full compliance with South African legislative requirements for black empowered groups ("BEE Groups") to hold at least a 26% equity interest in mining companies by 2014.

CIL, AGC and their affiliates agreed to use commercially reasonable endeavours to transfer their holdings in the Company into a BEE Group by 31 December 2008 to ensure that CoAL was fully compliant with BEE requirements. CoAL now advises that the parties have agreed to extend the date by which CIL, AGC and their relevant affiliates must use commercially reasonable endeavours to transfer their holdings in the Company to a BEE Group to 30 April 2009.

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About CoAL:

Coal of Africa Limited ("CoAL") 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 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.