



ANNOUNCEMENT

12 FEBRUARY 2009

VELE COLLIERY – APPOINTMENT OF PREFERRED PARTNER

OPENCAST MINING OPERATIONS

Coal of Africa Limited (“CoAL” or “Company”), the AIM/ASX/JSE listed coal development company operating in South Africa (ticker: CZA), is pleased to announce that it has selected MCC Contracts, a division of Eqstra Holdings Ltd, as its preferred partner to conduct opencast mining operations at its planned Vele coking coal project (“Vele Project”).

The Vele Project, in which CoAL has a 74% interest, is located in the Limpopo Province. It is anticipated that mining will commence in Q3 2009 with 1 - 1.5 million tonnes per annum (“mtpa”), ramping up to 5mtpa of coking coal. As announced on 24 September 2008, the Vele resource has increased appreciably to some 721 million tonnes and this is expected to increase as drilling continues on the edges of the known resource.

The New Order Mining Right Application for the Vele Project was lodged in October 2008.

CoAL is confident of MCC Contracts’ ability to deliver the volumes as required. Further aspects that were considered in selecting MCC Contracts included:

- Safety Record
- BEE Compliance
- Ability to deliver through own sourced equipment
- Past performance
- Cost Effectiveness
- Funding Access
- Financial Stability
- Technical skills (mine planning & engineering)
- Machine acquisition and maintenance
- Local Labour sourcing

MCC Contracts has been a leader in the field of surface contract mining for the past 25 years and has vast experience in the fields of both hard rock and coal mining. Current mining contracts involve the excavation of over 15 million tonnes of ore and waste rock per month. The MCC Group has a large fleet of over 1400 items of earthmoving and support equipment which is maintained in-house to high standards, and to this end MCC Contracts and other partners in the Eqstra stable have established a training college for mechanical artisans, which currently has 200 apprentices under training and is set to double that output in the near future. MCC Contracts is fully owned by Eqstra Holdings Ltd, with a BEE ownership of 31.1%

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CoAL will now commence discussions to formalise agreements with MCC Contracts for mining activities to start by Q3 2009.

Yours sincerely



SIMON J FARRELL
Managing Director

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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.

Resource Estimation:

Resource estimations have been compiled by Mr John Sparrow (Member of the South African Council of Natural Science Professions SACNASP) 400109/03, an independent geological and technical consultant with 26 years experience in the Southern African and Australian regions. Mr Sparrow has sufficient experience relevant to the assessment of this style of mineralization to qualify as a Competent Person as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - the JORC Code - and has compiled a number of Competent Person's reports for various organizations for the JSE, ASX and TSE. Mr Sparrow consents to the inclusion of the information in this report in the form and context in which it appears.