



ANNOUNCEMENT

6 MAY 2009

CONVERSION OF OPTIONS AND SECONDARY TRADING NOTICE

Coal of Africa Limited ('CoAL' or the 'Company') confirms it has today issued 196,688 ordinary shares to Blue Oar Plc in the United Kingdom pursuant to its exercise of Class C Options at an exercise price of 34 pence per share.

Application will be made for 196,688 shares to be admitted to trading on AIM ("Shares").

Following the admission of the Shares, the number of Ordinary Shares on issue will be 411,572,066.

An Appendix 3B will be lodged following this announcement.

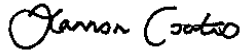
Secondary Trading Notice Pursuant to Paragraph 708A(5)(e) of the Corporations Act 2001 ("Act")

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A of the Act. By giving this notice, a sale of the Shares noted above will fall within the exemption in section 708A(5) of the Act.

The Company hereby notifies ASX under paragraph 708A(5)(e) of the Act that:

- (a) the Company issued the Shares without disclosure to investors under Part 6D.2 of the Act;
- (b) as at 6 May 2009, the Company has complied with the provisions of Chapter 2M of the Act (other than section 319 in relation to a financial year ended in the calendar year 2004) as they apply to the Company, and section 674 of the Act; and
- (c) as at 6 May 2009 there is no information:
 - a. that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules; and
 - b. that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - i. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - ii. the rights and liabilities attaching to the relevant Shares.

AUTHORISED BY:



Shannon Coates
Company Secretary

For more information contact:

Simon Farrell, Managing Director	CZA	+61 417 985 383	or	+61 8 9322 6776
Peter Bacchus/ Alastair Cochran	Morgan Stanley	+44(0) 20 7425 8000		
Simon Edwards/ Chris Sim	Evolution Securities	+44(0) 20 7071 4300		
Jos Simson/ Gareth Tredway	Conduit PR	+44(0) 20 7429 6603		

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.
