

CZA - Coal of Africa Limited - Extension of BEE Agreement

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')

31 JULY 2009

EXTENSION OF BEE AGREEMENT

As announced on 13 June 2008, Coal of Africa Limited 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. As announced on 31 December 2008, this date was extended by agreement between the parties to 30 April 2009. The date was further extended, as announced on 30 April 2009, to 31 July 2009.

CIL and their affiliates have continued to progress the transfer of their holdings in the Company into a BEE Group, however, the process is still ongoing and has not been completed as at 31 July 2009. Completion depends on, amongst other things and not limited to, regulatory and other approvals. Some of these approvals are not in the direct control of AGC, CIL and their affiliates. AGC, CIL and their affiliates will continue to work with the Company and will continue to use commercially reasonable endeavours to transfer their holdings in the Company into a BEE Group.

CoAL advises that the parties have agreed to further 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 September 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.

About AGC:

AGC is the first fund managed by the recently-formed private equity initiative involving Mvelaphanda Holdings (Proprietary) Limited ("Mvela"), OZ Management LP ("OZ Management"), an operating entity of Och-Ziff Capital Management Group LLC (NYSE: OZM) ("Och-Ziff"), and Palladino Holdings Ltd. CIL is owned by affiliated investment funds of Och-Ziff.

Sponsor

PricewaterhouseCoopers Corporate Finance (Pty) Ltd