



ANNOUNCEMENT

2 FEBRUARY 2010

AWARD OF NEW ORDER MINING RIGHTS

Coal of Africa Limited ("CoAL" or "the Company") is pleased to announce that it has today, Tuesday 2 February 2010, been granted by the South African Department of Mineral Resources ("DMR"):

- An unconditional New Order Mining Right ("NOMR") for the Vele coking coal project near Musina in the Limpopo Province in which CoAL currently holds an 80 per cent interest and has an agreement in place to acquire the remaining 20 per cent.; and
- A conditional NOMR for the Holfontein coal project near the middle of Sasol's Secunda coal production area. The Holfontein NOMR is conditional on delivery of certain documents to the DMR.

CoAL expects to execute both rights with the DMR by the end of February 2010.

Simon Farrell, Managing Director of CoAL, commented, "This is one of the biggest milestones in the Company's history and allows us to proceed toward development of our Vele coking coal project immediately upon execution of the mining licence."

Authorised by

SIMON J FARRELL
Managing Director
2 February 2010

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About CoAL:

Coal of Africa Limited ("CoAL") is an AIM/ASX/JSE listed coal mining and development company operating in South Africa. CoAL's key projects include the Woestalleen Colliery, the 113 million tonne ('mt') Mooiplaats thermal coal mine, the 656 mt Vele coking coal project and the 1 billion tonne Makhado coking coal project.

The Mooiplaats coal mine commenced production in 2008 and is currently ramping up to produce 2 mtpa. CoAL's Vele and Makhado coking coal projects are expected to start production in H1 2010 and Q4 2011 respectively producing an initial 2 mtpa rising to a combined annual output of 10 mtpa of coking coal.

In 2010, CoAL completed the ZAR650m acquisition of NuCoal Mining (Pty) Limited ("NuCoal"), a thermal coal producer with assets in South Africa in close proximity to CoAL's Mooiplaats mine. NuCoal owns the Woestalleen Colliery, which has a number of off-take contracts in place and produces 2.5Mtpa of saleable coal for domestic and export markets. NuCoal also owns two beneficiation plants, one fully operational mine producing 350kt per month of run of mine ("ROM") coal and has recently commenced production at a second mine.

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