



ANNOUNCEMENT

17 MARCH 2010

ASX WAIVER

Further to its announcement dated 11 December 2009, Coal of Africa Limited ("CoAL" or the "Company") is pleased to confirm that it has received a waiver from the Australian Securities Exchange ("ASX") on ASX Listing Rule 7.3.2 to the extent necessary to permit the notice of meeting ("Notice") seeking shareholder approval for the issue of up to 50,000,000 shares pursuant to the agreement entered into with Firefly Investments 163 (Proprietary) Limited ("Firefly") to state that up to 50,000,000 shares ("Firefly Shares") will be issued more than 3 months after the date of the shareholders meeting, on the following conditions:

- 1.1 The Firefly Shares are to be issued no later than 5 November 2014;
- 1.2 The Notice sets out terms of the agreement between the Company, Coal Investments Limited and Firefly, for the issue of the Firefly Shares, including the relevant conditions and their assessment;
- 1.3 For the periods in which the Firefly Shares are to be issued or remain to be issued, the Company's annual reports set out in reasonable detail the Firefly Shares that have been issued in the relevant period and that may be issued in the future; and
- 1.4 The Company releases the terms of the waiver to the market immediately.

A copy of the ASX waiver is annexed hereto. The Company's Notice to approve the issue of the Firefly Shares will be provided in due course.

AUTHORISED BY:

Shannon Coates
Company Secretary

For more information contact:

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About CoAL:

Coal of Africa Limited ("CoAL") is an AIM/ASX/JSE listed coal mining and development company operating primarily in South Africa. CoAL has 4 key projects including the 113 million tonne ('mt') Mooiplaats thermal coal mine, the 656 mt Vele coking coal project, the 1.3 billion tonne Makhado coking coal project ("Makhado Project") (including resources to be acquired under the Rio Tinto farm swap arrangements) and the recently acquired Woestalleen Colliery and associated mining operations producing in excess of 2mtpa export quality thermal coal.

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.

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16 March 2010

Mr Eugene Tse
Lawyer
Blakiston & Crabb
1202 Hay Street
WEST PERTH WA 6005

By e-mail.

Dear Eugene,

Coal of Africa Limited (the "Company")

We refer to the application by the Company for a waiver from listing rule 7.3.2.

ASX Limited has considered the Company's application and decided as follows:

"DECISION

1. Based solely on the information provided, ASX Limited ("ASX") grants Coal of Africa Limited (the "Company") a waiver from listing rule 7.3.2 to the extent necessary to permit the notice of meeting ("Notice") seeking shareholder approval for the issue of up to 50,000,000 shares pursuant to the agreement entered into with Firefly Investments 163 (Proprietary) Limited ("Firefly"), to state that up to 50,000,000 shares ("Firefly Shares") will be issued more than 3 months after the date of shareholders' meeting, on the following conditions.
 - 1.1. The Firefly Shares are to be issued no later than 5 November 2014.
 - 1.2. The Notice sets out the terms of the agreement between the Company, Coal Investments Limited and Firefly, for the issue of the Firefly Shares, including the relevant conditions and their assessment.
 - 1.3. For the periods in which the Firefly Shares are to be issued or remain to be issued, the Company's annual reports set out in reasonable detail the Firefly Shares that have been issued in the relevant period and that may be issued in the future.
 - 1.4. The Company releases the terms of the waiver to the market immediately.
2. ASX has considered listing rule 7.3.2 only and makes no statement as to the Company's compliance with other listing rules.

BASIS FOR DECISION

Listing rule 7.3.2

Underlying Policy

1. Notice of meeting requirement – approval of an issue of securities for listing rule 7.1 purposes – statement that securities will be issued within three months of meeting – securities must be issued before approval is stale – approval not vitiated by change in entity's circumstances – provides certainty to security holders.

Present Application

2. Issue of securities to Black Economic Empowerment partner in order to achieve legislative requirements in South Africa by 2014 – issue dependant on partner exercising option - securities to be issued no later than 5 November 2014– waiver granted on condition that annual report discloses reasonable details of securities that have been and may be issued – term of waiver limited to the life of the option granted."

If you have any queries in relation to the decision please let me know.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'M. Foy'.

Matthew Foy
Senior Adviser, Issuers (Perth)

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