

## Regulatory Story

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**Company** [Coal of Africa Limited](#)  
**TIDM** CZA  
**Headline** Statement re: Australian Resources Tax  
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 Coal of Africa Limited  
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## ANNOUNCEMENT 2010

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### POTENTIAL EFFECTS OF AUSTRALIAN RESOURCE SUPER PROFIT TAX

("CoAL" or "the Company")

Further to the announcement by the Australian Government on 3 May 2010, Coal of Africa Limited, the AIM/ASX/JSE listed coal development and mining company operating in South Africa (ticker: CZA), has received queries from shareholders as to the potential effects of the proposed Resource Super Profit Tax ("RSPT"). The underlying intention of the RSPT is the levying of tax on profits arising from the exploitation of non-renewable resources located in Australia.

CoAL has consulted its advisors and, as the Company has no operational projects in Australia, it expects no increased taxation charges resulting from the implementation of the RSPT.

Yours sincerely,

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*Managing Director*

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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 (including resources to be acquired pursuant to the Rio Tinto farm swap arrangements).

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 Q3 2010 and Q1 2012 respectively, collectively 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 processes 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 ROM coal and has recently commenced production at a second mine.

CoAL currently has 1 Mtpa export capacity at the Matola Terminal, increasing to 3 Mtpa on completion of the next phase of expansion at the terminal. CoAL also has the option to participate in further expansion at the Matola Terminal, which is expected to increase the capacity at the terminal by 10 Mtpa.

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