



ANNOUNCEMENT

16 JUNE 2010

RESULTS OF PLACING

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**COAL OF AFRICA LIMITED
("CoAL" or the "Company")**

Further to the announcement earlier today, CoAL is pleased to announce that 50 million new ordinary shares in the Company (the "Placing Shares") have been successfully placed by J.P. Morgan Securities Ltd., which conducts its UK investment banking activities as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), Macquarie First South Advisers (Proprietary) Limited ("Macquarie"), Evolution Securities Limited ("Evolution"), and Mirabaud Securities LLP ("Mirabaud") as Managers, and Renaissance Capital Limited ("Renaissance") as Institutional Selling Agent, to institutional and other investors.

The placing price has been set at 110 pence per share (or 12.38 South African Rand, or 1.88 Australian Dollar). The placing price is equivalent to a 0.2% discount to the closing mid-market price on the AIM market of the London Stock Exchange ("AIM") on 15 June 2010. Accordingly, the Placing will raise gross proceeds of approximately £55 million (approximately South African Rand 619 million/ Australian Dollar 94 million). The Placing Shares represent approximately 10.4% of CoAL's issued share capital prior to the Placing.

The Placing Shares will be credited as fully paid and will rank pari passu in all respects with the existing ordinary shares of CoAL including the right to receive all dividends and other distributions declared, made or paid after the date of issue.

The Company has applied for admission of the Placing Shares to trading on AIM and the Main Board of JSE Limited ("JSE"), and application will be made to the Australian Securities Exchange ("ASX"). It is expected that admission to trading on AIM and the main board of the Johannesburg Stock Exchange will take place on 21 June 2010 and listing on the Australian Stock Exchange take place on 22 June 2010.

Contacts

CoAL

Simon Farrell

Tel: +61 (0) 417 985 383

Blair Sergeant

Tel: +27 (0) 11 785 4518

J.P. Morgan Cazenove

Tel: +44 (0) 20 7588 2828

Verne Grinstead

Neil Passmore

Macquarie

Tel: +27 (0) 11 583 2000

Murray Stewart

Melanie de Nysschen

Evolution

Tel: +44 (0) 20 7071 4300

Simon Edwards

Chris Sim

Renaissance

John Porter

Tel: +44 (0) 20 7367-7777

Simon Matthews

Conduit PR

Tel: +44 (0) 20 7429 6603

Jos Simson

Leesa Peters

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J.P. Morgan Cazenove is acting as Global Co-ordinator and Sole Bookrunner, Macquarie is acting as joint lead manager, Evolution and Mirabaud Securities LLP are acting as co-lead managers in connection with the Placing. Renaissance is also acting for the Company as Institutional Selling Agent. J.P. Morgan Cazenove, Evolution, Mirabaud and Renaissance, which are authorised and regulated by the Financial Services Authority and Macquarie which are authorised and regulated by the Financial Services Board in South Africa, are acting for the Company in connection with the Placing and no-one else and none of J.P. Morgan Cazenove, Macquarie, Evolution, Mirabaud nor Renaissance will be responsible to anyone other than the Company for providing the protections afforded to the respective clients of J.P. Morgan Cazenove, Macquarie, Evolution, Mirabaud and Renaissance nor for providing advice in relation to the Placing or any other matter referred to herein.

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