



ANNOUNCEMENT

8 SEPTEMBER 2010

**APPOINTMENT OF DAVID MURRAY AS SENIOR
NON-EXECUTIVE DIRECTOR**

Coal of Africa Limited (“CoAL” or “the Company”), the coal mining and development company operating in South Africa and listed on the ASX, AIM and JSE (ticker: CZA), is pleased to announce that it has appointed Mr David Murray as Senior Independent Non-Executive Director of the Company, effective immediately.

Mr Murray has held a number of senior positions in the global coal industry, including Managing Director of Ingwe Coal Corporation (formerly Trans-Natal Coal Corporation Limited), Chief Executive of BHP Billiton Mitsubishi Alliance and President of Energy Coal Sector Group at BHP Billiton Limited (“BHP Billiton”), a position he held until December 2009.

CoAL’s Executive Deputy Chairman, Mr Simon Farrell, today commented: “We are delighted that Dave Murray has agreed to join the Board as Senior Independent Non-Executive Director. He brings vast experience in the coal industry. The Board is extremely fortunate to now have the experience and counsel of former CEOs of the coal businesses of BHP Billiton, Anglo American and Rio Tinto (Australia). Post the development of the Makhado project, the skills they can collectively contribute to the Company will help us to continue the rapid growth path enjoyed over the past few years.”

Background

Mr Murray worked for Ingwe Coal Corporation from 1978 until 1999. He progressed through various operational, project and managerial positions until he was appointed Managing Director in 1993. In 1999, Mr Murray was appointed Chief Executive of Billiton Coal Plc and in 2001 he moved to Australia, after being appointed CEO of BHP Billiton Mitsubishi Alliance, a position that he held until 2004.

In early 2005, Mr Murray moved to Melbourne to the global headquarters of BHP Billiton when he accepted the position as President of Metallurgical Coal. With the decision made in early 2007 to merge its Energy Coal and Metallurgical Coal businesses, Mr Murray became the President of the Coal Customer Sector Group. After the decision in 2008 by BHP Billiton to separate the two coal businesses, Mr Murray accepted the role as President of the Energy Coal Sector Group, a position he held until he left BHP Billiton in December 2009.

Mr Murray holds a Bachelor of Science Degree (Civil Engineering) from the University of KwaZulu-Natal and a Post Graduate Diploma in Mining Engineering from the University of

www.coalofafrica.com

South Africa: Coal of Africa Limited, 2nd Floor, Gabba Building, The Campus, 57 Sloane Street, Bryanston 2021, South Africa
Tel: +27 11 575 4363 • Fax: +27 11 576 6858 • Email: adminza@coalofafrica.co.za

Australia: Level 1, Old Swan Brewery, 173 Mounts Bay Road, Perth WA 6000, Australia
Tel: +61 8 9322 6776 • Fax: +61 8 9322 6778 • Email: perth@coalofafrica.com

Pretoria. He has also completed the Advanced Executive Program from the University of South Africa.

As part of his package, and subject to shareholder approval, Mr Murray (or his nominee/s) will be entitled to receive 2,500,000 unlisted options for no consideration, each option having an exercise price equal to the volume weighted average price of the Company's shares 10 trading days prior to the issue date and an expiry date 5 years from the date of issue, 1,000,000 of which will vest 12 months after the date of issue, 750,000 of which will vest 24 months after the date of issue and the remaining 750,000 vesting 36 months from the date of issue.

AIM Rules disclosure under Schedule 2(g) of the AIM Rules

There is no other information that is required to be disclosed with regards to the above mentioned appointment pursuant to Schedule 2 paragraph (g) of the AIM Rules, save as set out below:

Full Name: Mr David John Keir Murray
Age: 55 years

<i>Current Directorships</i>	<i>Past Directorships within last 5 years</i>
None	Queensland Resource Council
	Coal Industry Advisory Board
	Australian Coal Association

An Appendix 3X "Director's Initial Interest Notice" will follow.

Yours sincerely



JOHN WALLINGTON
Chief Executive Officer

For more information contact:

John Wallington / Blair Sergeant
Simon Edwards / Chris Sim
Jos Simson / Leesa Peters
Melanie de Nysschen/ Annerie Britz

CoAL
Evolution Securities
Conduit PR
Macquarie First South Advisers

+27 (0) 11 575 4363
+44 (0) 20 7071 4300
+44 (0) 20 7429 6603
+27 (0) 11 583 2000

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About CoAL

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 Mooiplaats thermal coal mine, the Vele coking coal project and the Makhado coking coal project.

The Mooiplaats coal mine commenced production in 2008 and is currently ramping up to produce 2 million tonnes per annum ("**Mtpa**"). CoAL's Makhado coking coal project is expected to start production in 2012 and timing for Vele to reach production is still to be confirmed. These operations are targeted to collectively produce an initial 2 Mtpa ramping up to a combined annual output of 10 Mtpa of coking coal.

In 2010, CoAL completed the ZAR467m 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 approximately 2.5Mtpa of saleable coal for domestic and export markets. NuCoal also owns two beneficiation plants, one fully operational mine producing approximately 300kt 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 in Maputo, Mozambique, 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 an additional 10 Mtpa